



How People Use Economic Census Data

Gauge the competition

A manufacturer compared statistics for his company with industry-wide figures from Economic Census reports. He became concerned when he discovered that his company achieved less value added per employee than the competition, as represented by industry averages. Economic Census figures helped him convince his company's board of directors to reduce administrative staff and take other measures to increase productivity and profitability.

A soft drink bottler considered expanding into two related beverage manufacturing operations: milk and alcoholic beverages. The Economic Census provided data on industry specialization, company size, and the relationship of expenses to receipts. The information encouraged the bottler to diversify.

Locate business markets

A man who developed software for managing quality control operations made a list of industries most likely to use his product. He then ranked the top industries based on Economic Census figures about value added and growth. He customized his software to appeal to those top prospects. Economic Census data on CD-ROM made it easy to find areas where large plants in the target industries were located.

A diskette duplication service company used the CD-ROM to find the quantity of area businesses by ZIP code in order to assess the coverage of its service and retail business direct mail list. For industries where its coverage was poor, the business purchased commercial mailing lists or advertising space in appropriate trade periodicals.

Calculate market share

A restaurant supply wholesaler calculated that it had roughly an 11 percent market share (its own sales divided by state totals for similar businesses) in its primary sales region within the Northern mountain states. The wholesaler used that figure as a guide when it expanded into Arizona and New Mexico.

Locate distributors or resellers

The publisher of a free distribution, TV magazine wanted location information of retailers by ZIP code in order to design sales territories. The publisher's salespeople previously found that owners of small stores were more willing to listen to their pitch than were owners of large stores. Therefore, they grouped ZIP codes until each sales territory had relatively equal numbers of small stores.

An electrical supplies wholesaler consulted Economic Census data to examine receipts of electrical contractors by state and to determine trends in industry expenditures for materials and supplies.

Design sales territories and set sales quotas

An insurance company uses Economic Census data to find numbers of establishments and sales specific to certain businesses in order to redesign sales territories and set quotas and incentive levels for agents. By comparing their own records on customers to Economic Census figures, company executives determine which kinds of businesses are better prospects than others.

Site location

A major food store chain uses Economic Census data and population figures to estimate potential weekly food store sales in the trade area for each of its stores. These estimates allow the company to calculate market share for each existing store and to evaluate prospective sites for new stores.

The owner of a chain of auto accessory stores computed the ratio of accessory sales from Economic Census data to household income from population census data for several neighboring metropolitan areas. Finding his own area well above national averages, he inferred that the local market for auto accessory stores might be saturated. That contributed to his decision to expand instead into a nearby metro area with a lower ratio.

Enhance presentations to banks or venture capitalists

A small business that manufactures solar water heater panels sought to attract new investors. The company changed its prospectus to prominently feature the use of their product in growing industries, with Economic Census data to support them.

An entrepreneur used Economic Census data to support her loan application as she sought financing to establish a tailoring and alterations shop for women executives. She used Economic Census data related to her business sector in conjunction with data on women in managerial occupations from the census of population.

Evaluate new business opportunities

A manufacturer of industrial chemicals used Economic Census data related to the production of semiconductors and other high technology products to assess the feasibility of introducing a line of advanced composite materials.

A recent engineering graduate examined Economic Census data about industries where he thought his skills could be used. After exploring the statistics, he concentrated his job search on the industries that had grown substantially in recent years. He also studied statistics about those industries in preparation for job interviews.

Research

A professor at Harvard University studied a series of votes in Congress related to free trade issues. He used Economic Census data on manufacturing to explore the correlation between each state's industrial structure and the way that its Congressional representatives voted on these issues.

Maintain local tax base

The Economic Development Commission of Chicago attempts to attract new business to the city and retain those they already have by talking to companies about real estate and workforce needs. They use Economic Census data to identify industries growing nationally but not doing as well locally.

A community action corporation in western Pennsylvania used Economic Census data on the steel industry and its customers to determine the feasibility of local efforts to reopen a closed steel plant. Economic Census figures helped convince them that this was not a good investment, despite local enthusiasm for the project.

Assist local businesses

A consultant uses Economic Census CD-ROMs to compute business averages like sales per capita and establishments per 100,000 residents. He markets comparative summaries to shopping mall owners seeking business tenants and prospective entrepreneurs. He also advises them to look for opportunities in communities where an industry is underrepresented relative to state and national norms.

Small Business Development Centers in many states help business owners assess their marketing and management challenges and become familiar with business data sources like the Economic Census.

Public policy and statistics

The U.S. Department of Commerce uses detailed Economic Census statistics on products produced and materials consumed in manufacturing when updating its "input-output tables." These tables are the basis for updating the national income and product accounts, including the gross domestic product.

Federal and state agencies look to Economic Census data to gauge the effectiveness of programs such as minority contracting guidelines, trade policies, and job retraining.

The Federal Emergency Management Agency (FEMA) uses the ZIP code CD-ROM to inventory manufacturing locations by industry and size. They estimate potential losses to a manufacturer's production capacity that might result from a major flood or other disaster.