

# The 2022 Economic Census

State and Local Government Toolkit



# Introduction

#### **PEOPLE**

The U.S. Census Bureau is the leading source of statistical information about the nation's people. We provide not only snapshots of our growing and increasingly diverse population, but also detailed portraits of our communities' characteristics. Key socioeconomic and housing statistics are available through the American Community Survey (ACS) and other annual household surveys.

#### **PLACES**

The Census Bureau provides a wealth of statistics at the local level, giving even the smallest communities accurate, timely information that are essential for decision-making for the public and private sectors.

#### **ECONOMY**

The Census Bureau provides critical, timely information on the health of the U.S. economy through key measures, such as:

- Employment, output, and location of activity.
- Public pensions.
- · Retail sales.
- International trade.
- New home construction.









# Overview of the 2022 Economic Census

# Over 4M

business
locations with
paid employees
will receive
Economic
Census forms.

Every 5 years, for years ending in "2" and "7," the Economic Census provides reliable business statistics that serve as the cornerstone for measuring U.S. businesses and their economic impact. These data help federal, state, and local agencies gauge the effectiveness of their programs and provide the information needed to create jobs, foster sustainable growth, and promote a strong economy.

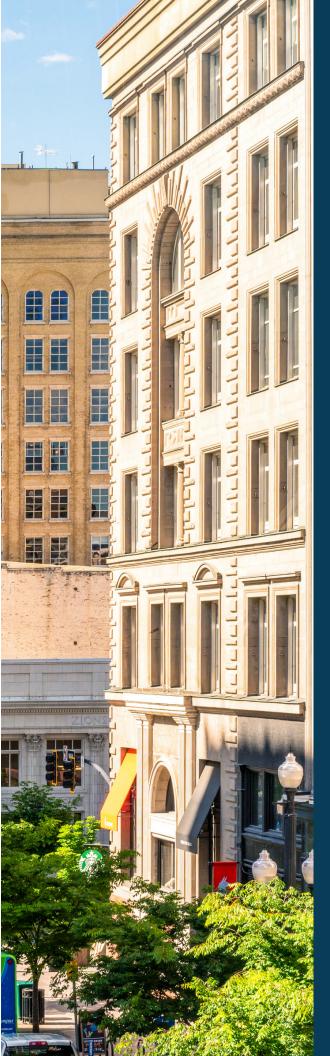
The Economic Census is the most comprehensive source for data on products associated with business activity that are essential for policymaking, economic development, and business planning.

As part of the U.S. Census Bureau's mission to measure America's economy, data is collected for approximately 4 million business locations. Letters will go out to all multi-location businesses and a sample of single-location businesses. The Census Bureau will begin to disseminate data in March 2024 through March 2026 with reports covering most industries and all geographic areas of the United States.

Businesses will use an online, secure portal to respond, making reporting easier while at the same time improving data quality and reducing costs. Small companies located in U.S. territories will have the option to respond by paper. For respondents in Puerto Rico, a Spanish version will also be available.

Business response is important to ensure accurate statistics for the nation, industries, communities, and businesses. Response is required by law (Title 13, U.S. Code, Section 224), and the Census Bureau has provided a toll-free number 800-584-9066 and information online through the 2022 Information for Respondents website. Assistance is also available through the online Respondent Portal once respondents create an account.





# 2022 Key Deliverables

## **OCT 24, 2022**

Economic Census Classification Initial Mail (sent to selected single-location businesses requesting industry classification information).

# Dec 6, 2022

**Economic Census Classification due date.** 

## Jan 31, 2023

**Economic Census Main Mail.** 

## Mar 15, 2023

Economic Census Main Mail due date.

#### **March 2024**

Data releases begin.

#### **March 2026**

All data releases complete.

# Why Have an Economic Census

- Statistics from the Economic Census provide policymakers with the information they need for programmatic decisions.
- Federal agencies rely on Economic Census data as the basis for key measures of economic activity, such as the gross domestic product (GDP), national income and products accounts (NIPAs), and the producer price index (PPI).
- Federal, state, and local governments use data for economic development and regional planning. State and local governments set small business procurement guidelines based on the Economic Census data.
- Analysts at the state and local level use Economic
  Census data to conduct in-depth analyses of industry
  structure, competitiveness, demand for skilled labor, and
  entrepreneurship; and to determine where they have a
  comparative advantage to attract new business.
- Trade and business associations, along with chambers of commerce, rely on Economic Census data to measure key business facts they can use to gauge organizational structure and product trends. The data also help guide their government relations strategy.
- Individual businesses use Economic Census data to make decisions about operating sites, capital investment, and product development.
- Private and public data users rely on the detailed sales, employment, payroll, and other data that cover all types of businesses across all industries and geographic levels.
   The Economic Census also provides updates to the master list of businesses that are vital to many of the economic surveys conducted by the Census Bureau.

Let your constituents know that their response is important to the national economy, their local community, and their business!



# Six Things You Can Do to Help Promote the Economic Census

#### VISIT!

<www.census.gov/EconomicCensus>
This comprehensive site provides the information you need to understand and promote the Economic Census with examples of how the data are used. You can get messaging and graphics for your website and newsletters, and more!

#### TALK IT UP!

In your meetings with businesses, let them know the 2022 Economic Census is coming. Use the 2022 talking points to tell them how the Economic Census benefits economic development in your state and local community.

#### **ASSURE THEM!**

Because we conduct the Economic Census only once every 5 years, businesses may not recall the last Economic Census taken. Please reassure them that it is an important survey, and it provides the foundation for most of our nation's economic statistics.

#### **MAKE A STATEMENT!**

Your public statement endorsing the benefits of the Economic Census will have impact in your community. Issue a press release, blog, or write a letter to the editor of your local newspaper.

#### PREPARE YOUR STAFF!

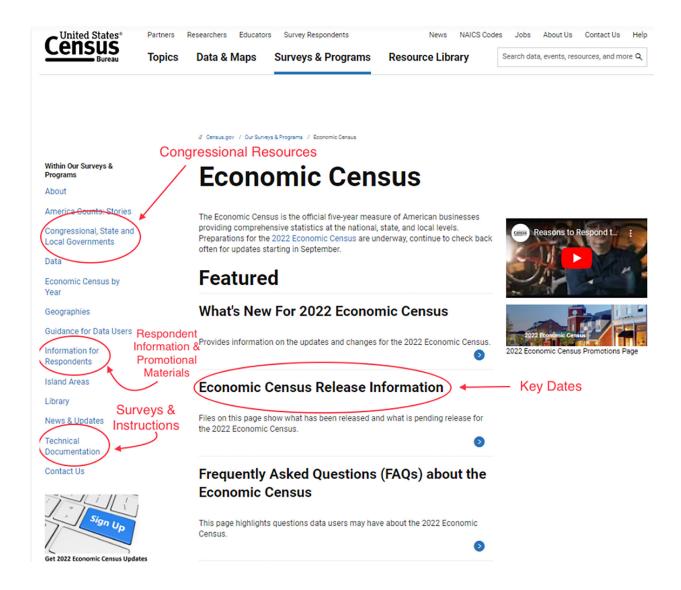
Your staff can better assist your constituents with information on our Congressional Resources page about the Economic Census.

#### **STAY IN TOUCH!**

Follow us on Twitter and Facebook.



# Your Guide to census.gov/EconomicCensus





# **Economic Census FAQs for Members of Congress**

#### 1. WHAT IS THE ECONOMIC CENSUS?

The Economic Census is the U.S. government's official 5-year measure of American businesses and the economy. It provides the most comprehensive data available at the national, state, and local level, representing most industries and geographic areas of the United States and Island Areas. The Economic Census serves as the statistical benchmark for current economic activity by informing the GDP and the PPI. It provides information on business locations, the workforce, and trillions of dollars of sales by product and service type.

Data collection for the 2022 Economic Census will start on October 24, 2022, with selected small companies receiving requests for industry classification information. The main mailing of the 2022 Economic Census will begin on January 31, 2023, with responses due on March 15, 2023. Businesses that receive notification are required by law under Title 13, Section 224, to respond. Respondents will use an online portal, making filing easier, while improving data quality and reducing costs.

#### 2. HOW LONG HAS THE ECONOMIC CENSUS BEEN CONDUCTED?

Congress commissioned the first measure of economic activity during the Census of 1810, which was called the "Census of Manufactures." Over time, as the nation's economy grew more diverse, additional questions were added to form the current Economic Census in 1930. Read more about the Economic Census in our history section on census.gov.

#### 3. WHY IS THE ECONOMIC CENSUS IMPORTANT?

The Economic Census helps every American. Businesses use Economic Census data to make decisions about where to locate, how much to produce, and to compare their performance to other businesses in their industry or community. Local communities use Economic Census results to attract new businesses, assess the economic health of their localities, understand the characteristics of their business base, and compare their community to other areas. Individuals can use census results to identify emerging job markets and growing industries. Click on Census Business Builder to understand how census economic data can profile businesses and their customers for various localities. For more information, review our Uses of Data.



# 4. WHY DO WE NEED AN ECONOMIC CENSUS WHEN OTHER SURVEYS PROVIDE MORE TIMELY FIGURES?

An accurate Economic Census is important for several reasons. The Economic Census provides comprehensive details about the U.S. economy, from the national level down to the local level. Surveys, such as Monthly Retail Sales, provide timely information, but only for specific industries or sectors. Since surveys conducted more frequently are based on samples that include only a small fraction of all businesses, they cannot supply the geographic and industry details that are unique to the Economic Census.

Economic Census statistics about industries, their inputs and outputs, and how they relate to each other, are unavailable elsewhere. Census totals also serve as benchmarks to keep our other surveys accurate.

The Economic Census is also used to update the Census Bureau's Business Register (i.e., master list of businesses). Without the Economic Census, the Census Bureau would miss vital information about changes in the ownership and organizational structure of American businesses and industries.

# 5. WHAT KIND OF DATA DOES THE ECONOMIC CENSUS COLLECT AND PRODUCE?

The Economic Census collects information from individual business establishments on physical location, primary business activity using North American Industry Classification System (NAICS) codes, employment, payroll, revenue by type of service or product using the North American Product Classification System (NAPCS), and industry-specific information. Review Uses of Economic Census Data for examples of the kinds of statistics available and Understanding Economic Census Data Series publications for an explanation of the different data series produced.







# 6. IS THE ECONOMIC CENSUS LEGITIMATE AND IS IT MANDATORY?

Yes, the 2022 Economic Census is a legitimate survey of the U.S. Census Bureau and response is required by law. Below are a few common items you can use to verify the legitimacy of this survey:

- Ensure the web address provided in the letter or email is a "census.gov" domain.
- Correspondence sent in the form of a letter or email will contain reporting instructions and a phone number for survey assistance. Any email correspondence related to this survey will come from a census.gov address.
- On the "Sign In" screen, a warning message should be present stating the respondent is accessing a U.S. government computer.
- After clicking on the "Report Now" button in the Respondent Portal, the Office of
  Management and Budget (OMB) Control Number for the Economic Census is 0607-0998
  and OMB Approval Expires 06/30/2025; and the OMB Control Number for the Report of
  Organization is 0607-0444 and Approval Expires 12/31/2023, will appear in the upper right
  on all screens of the electronic reporting instrument. Note: The classification instrument only
  has the Economic Census OMB number and expiration date. The bottom of the screen should
  have a link for the "Burden Statement" that contains the OMB eight-digit number.

Title 13, United States Code (U.S.C.), (sections 131, 224, and 225) authorizes the survey and requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the Census Bureau. The law also specifies penalties for firms that fail to report.







# 7. ARE BUSINESS RESPONSES TO THE ECONOMIC CENSUS KEPT CONFIDENTIAL?

Yes. Title 13, U.S.C., Section 9, requires the Census Bureau to keep your information *confidential* and to use your responses only to produce statistics. The Census Bureau is not permitted to publicly release your responses in any way that could identify your business, organization, or institution. Per the Federal Cybersecurity Enhancement Act of 2016, your data are protected from cybersecurity risks through screening of the systems that transmit your data.

# 8. WHY DO SMALL BUSINESSES HAVE TO COMPLETE THE ECONOMIC CENSUS?

Relatively few small businesses are sampled for inclusion in the Economic Census. However, those small businesses that are sampled represent other similar size businesses. Obtaining complete responses from sampled small businesses ensures results are representative and reflect the diversity and dynamic nature of small businesses.

# 9. WHAT BUSINESSES ARE EXCLUDED FROM THE ECONOMIC CENSUS?

There are about 25 million nonemployer businesses in the United States, accounting for more than 76.2 percent of all businesses. However, these firms average less than 4 percent of all sales and receipts nationally. Due to their relatively small economic impact, these firms are excluded from the Economic Census. More information can be found in nonemployer statistics.

#### 10. WHY WOULD A BUSINESS NOT RECEIVE A SURVEY?

To reduce the burden on businesses, the Census Bureau does not send Economic Census surveys to most very small firms. For companies with more than one location, surveys are sent to the company headquarters or other company appointed contact(s), so individual locations may not receive a census survey. Some industries are not covered by the Economic Census so those types of businesses would not receive surveys either. More information can be found in codes not covered.

# 11. CAN A BUSINESS BE EXCUSED FROM PARTICIPATING IN THE 2022 ECONOMIC CENSUS?

No. The U.S. Congress has deemed the Economic Census so important that any business contacted to be included in the Economic Census is required by law (Title 13, U.S.C., Section 224) to complete and file their appropriate online survey(s).



#### 12. WHAT IS THE PENALTY FOR NOT RESPONDING?

The census law (Title 13, U.S.C., Section 224), coupled with the Sentencing Reform Act of 1984 (Title 18, Sections 3551, 3559, and 3571), allow for possible prosecution of responsible officials and provides for penalties of up to \$5,000 for failure to report (and a response is still required), and \$10,000 for intentionally providing false information.

#### 13. HOW DO I START REPORTING FOR THE ECONOMIC CENSUS?

More information on how to complete your survey can be found on the webpage, "Information for Respondents." Review the section, "Ready to Report or Need Assistance?" or proceed directly to "How Do I Get Started." Economic census surveys and instructions are tailored to a particular industry or group of industries. Use the online reporting instrument to start reporting for the Economic Census. For more information, review the Online Reporting FAQ.

#### 14. MUST BUSINESSES REPORT ELECTRONICALLY?

Yes. Businesses will report directly through an online survey portal. Businesses with more than one location have the option to download spreadsheets, upload the spreadsheet files, and submit data to the Census Bureau. Online filing makes responding to the 2022 Economic Census secure and easier, while improving data quality and reducing costs. Filing online also puts assistance just a click away, permits businesses to delegate reporting to either their accountant or someone else within the company, and permits the Census Bureau to process the reported data faster and more efficiently.

#### 15. WHAT IS THE REFERENCE PERIOD FOR THE 2022 ECONOMIC CENSUS?

The 2022 Economic Census requests data for calendar year 2022. If your fiscal year covers at least 10 months of calendar year 2022, a business location may report all data items *except* payroll on a fiscal year basis, but include the exact dates covered by the survey in the submission certification. Payroll must be reported on a calendar year basis and should be available from the businesses' IRS Form 941 (Employer's Quarterly Federal Tax Return), or on IRS Form 944 (Employer's Annual Federal Tax Return).

# 16. WHY AM I RECEIVING MORE THAN ONE ECONOMIC SURVEY FROM THE CENSUS BUREAU?

Your company was selected for multiple surveys at the same time. Census Bureau economic surveys are a key source for official statistics and provide important measures of the American economy.

- Monthly and quarterly surveys are small sample surveys that provide the *timeliest* data available.
- Annual surveys have larger samples and provide the most up-to-date trend data available.
- The Economic Census occurs every 5 years and measures all businesses and provides the most *comprehensive* data available.





In 2023, the Economic Census is being conducted concurrently with the Annual Business Survey (ABS). The ABS provides information on selected economic and demographic characteristics for businesses and business owners by sex, ethnicity, race, and veteran status. Further, the survey measures research and development (for microbusinesses), new business topics such as innovation and technology, as well as other business characteristics. This differs from the questions on the Economic Census. The data collected in the Economic Census are used along with results from the ABS to provide a complete view of the nation's businesses.

# 17. WHY DOES THE REPORT OF ORGANIZATION LIST FEWER ESTABLISHMENTS IN AN ECONOMIC CENSUS YEAR THAN IT DOES IN A NONECONOMIC CENSUS YEAR?

In noneconomic census years, the Report of Organization identifies establishments of multi-unit firms that are not sampled in the Annual Survey of Manufactures (ASM). It is used to update the Census Bureau's list of businesses and provides key source data for County Business Patterns (CBP) and other statistical series. This survey is taken primarily to assure full coverage and high quality of other statistical programs and does not routinely provide data products for public use. The Report of Organization provides the only direct source of information on changes in multiestablishment company organization and industry classification at the establishment level.

During an economic census year, years ending in 2 and 7, individual surveys are collected for all locations with activities in scope to the Economic Census, leaving only those locations not in scope on the Report of Organization.



#### 18. WHAT IS THE CONTACT INFORMATION MAILING?

To verify the correct contact information before mailing out the Economic Census, a brief information request is made of select companies asking for the contact's name, phone, email, and address. The information gathered assures a correct point of contact for the company during mailings.

# 19. WHAT HAS THE CENSUS BUREAU DONE TO MANAGE COSTS OF THE 2022 ECONOMIC CENSUS?

The Census Bureau found ways to be more efficient and responsive:

- Developed a "smart" electronic instrument to allow single unit businesses to correctly identify their primary business or activity to ensure they complete the correct industry survey.
- Improved functionality of the online collection instrument.
- Simplified filing with an enhanced respondent portal.
- Assigned Account Managers to assist large companies.
- Used administrative records data in lieu of direct reporting for many small businesses.
- Structured a collection strategy to better target and prioritize nonresponse follow-ups, including increased use of electronic communication.
- Tested and updated survey content for reportability to reflect the changing economy.

#### 20. WHAT'S NEW ABOUT THE 2022 ECONOMIC CENSUS?

- Electronic reporting improvements: Smarter/dynamic electronic instrument allows respondents to search for information on industry and products using artificial intelligence/machine learning/natural language processing to reduce burden and promote accurate classification of businesses. Instrument updates also ensure businesses receive the appropriate industry questions.
- New statistics: Industry coverage expanded to include support
  activities for crop and animal production not included in the Census
  of Agriculture conducted by the U.S. Department of Agriculture.
- Content updated: Modifications to industry categories, product categories, and industry-specific content, including new questions, have been updated/added to better reflect the changing economy.
   Obsolete questions have been removed.

More information can be found in "What's New for 2022 Economic Census."











# 21. WHEN WILL THE RESULTS OF THE 2022 ECONOMIC CENSUS BE AVAILABLE?

The first 2022 Economic Census data are scheduled to be published in March 2024, when the "First Look" statistics will provide preliminary totals for all economic sectors. Geographic area statistics are scheduled for release in March 2025, and the remainder of the releases by March 2026. Review "Planned Releases" for a brief description of each statistics set and the planned release dates or date range.

# 22. WHERE CAN I FIND THE STATISTICS PRODUCED FROM THE ECONOMIC CENSUS?

For a full list of data releases produced from the 2022 Economic Census, review "Latest Releases." Data produced from the Economic Census are most readily available via the Census Bureau's interactive application data.census.gov or on the web via "Economic Census by Year."

# 23. HOW CAN I FIND THE DEFINITION OF COLUMN HEADERS AND SYMBOLS IN THE ECONOMIC CENSUS DATA TABLES OR DATA FILES?

There are two ways to access the Economic Census data, online through data.census.gov or downloading datasets via File Transfer Protocol (FTP). Instructions for finding definitions from both approaches are included below. When viewing the data tables online at data.census.gov, hover over the column header, click the three bars that appear next to the column header, then click "Column Notes" for the definition. If using a dataset (.dat file) from the FTP download using Winzip, open the .dat file using Excel, delimited, next, other, next, and finish. You may want to add filters and apply as desired.

These same column header definitions may be found in the Glossary of Fields and Variables. To find definitions of symbols within the tables, right click on the three dots, and then click on "Cell Notes," or review the Data Dictionary if using the datasets.

# 24. HOW ARE THE 2017 AND 2022 ECONOMIC CENSUSES DIFFERENT FROM PREVIOUS ECONOMIC CENSUSES?

Starting with the 2017 Economic Census, data releases were standardized across trade sectors to make the data releases that reflect the full economy. The published data from the 2017 and 2022 Economic Censuses reflect many structural and content changes from the data that was published in the 2012 Economic Census and prior Economic Censuses.

Firm and size reports: These data tables that provide detailed breakouts based on the employment and sales/revenue size of establishments or firms as well as concentration ratios were published in separate and disparate tables by sector prior to 2017. Beginning in 2017, these reports were consolidated and standardized across sectors.

**Products reports:** The Products by State tables have been consolidated and standardized across sectors beginning with 2017. For geographic series changes, review "Geographies."

**Privacy protection requirements:** In prior economic censuses, the number of establishments was published even when the other statistics for an industry and geography were withheld due to disclosure. Due to additional protection requirements from recently updated Census Bureau and IRS data confidentiality agreements, the data will no longer be available.

For 2017, new privacy rules resulted in the establishment count being suppressed when less than 3, or when the other statistics are suppressed. More information can be found in "What's New for 2017 Economic Census" and "What's New for 2022 Economic Census."

# 25. WHERE CAN I FIND THE HERFINDAHL-HIRSCHMAN INDEX (HHI) IN ECONOMIC CENSUS DATA?

The HHI is published in the Concentration Ratios table as part of the Establishment and Firm Size data statistics.



# Economic Census Promotional and Resource Materials

Visit <www.census.gov/EconomicCensus>, your one-stop shop for information about the 2022 Economic Census.

Information for respondents:

<www.census.gov/econhelp>

Examples of 2022 Economic Census surveys:

<a href="https://bhs.econ.census.gov/ombpdfs2022/">https://bhs.econ.census.gov/ombpdfs2022/</a>

Congressional resources:

<www.census.gov/programs-surveys/economiccensus/congressional-state-local-resources.html>

Census Business Builder:

<a href="https://census.gov/data/data-tools/cbb.html">https://census.gov/data/data-tools/cbb.html</a>

**Economic Census video library:** 

<a href="https://census.gov/programs-surveys/economic-census/library/videos.html">https://census.gov/programs-surveys/economic-census/library/videos.html</a>

2022 Economic Census promotional materials:

<www.census.gov/programs-surveys/economiccensus/year/2022/information/promotionalmaterials.html>

