

Economic Development Insight

Economic Census

By Joan Bethell

When thinking about a census, most folks think of the decennial census that occurs every 10 years, in years ending in zero, that counts the population and housing units for the entire United States. Its primary purpose is to provide the population counts that determine how seats in the U.S. House of Representatives are apportioned.

However, other censuses are conducted, one of which is the Economic Census, which occurs every five years, covering the years ending in “2” and “7.” The U.S. Census Bureau collects detailed data on the economy by industry for a variety of geographies: national, states, metro areas, counties, places and ZIP codes. The 2007 Economic Census involved more than 4.7 million U.S. companies. Once gathered, the info was compiled into a detailed portrait of the Nation's economy from the national to the local level. The first set of data, the Core Business Statistics Advance Report, was released in March 2009 for the national level. More in-depth datasets will be released periodically.

According to the American FactFinder, “The Economic Census produces a portrait of business activities in industries and communities all across our nation. Alan Greenspan calls the Economic Census ‘indispensable to understanding America's economy.’ Commonly used economic indicators - such as the gross domestic product and monthly retail sales - depend on the Economic Census for continued accuracy. But this information is not just for government planners. It is also used by businesses - both large and small. National firms use the information we provide to decide where to locate a factory, store or office. Local businesses use the data to develop their marketing and sales strategies and evaluate expansion opportunities. Facts and figures from the Economic Census provide the foundation for start-up businesses developing business plans. New questions in the 2007 Economic Census help us measure the effect fringe benefits have on how American companies do business. These costs include health insurance, pension plans, and other benefits.”

At the Indiana Business Research Center, Kelley School of Business, Indiana University, the Advance Report was analyzed and the following highlights identified in the “More Than One Census” article found at www.incontext.indiana.edu/:

- “Retail Trade had the largest number of establishments, at 1.1 million. (Joan’s note: Top 5 includes Professional/Scientific/Technical Services, Health Care/Social Assistance, Construction and Accommodation/Food Services.)
- Health Care and Social Assistance employed the largest number of people - nearly 16.9 million. (Top 5 includes Retail Trade, Manufacturing, Accommodation/Food Services and Administrative/Support/Waste Management.)
- Wholesale Trade and Manufacturing had the largest number of sales, each exceeding \$5 trillion. (Top 5 includes Retail Trade, Finance/Insurance and Construction.)
- Manufacturing had the largest numeric increase in sales - \$1.4 trillion - since the 2002 Economic Census, while simultaneously experiencing the largest decline in employees in both numeric and percentage terms.” (Manufacturers are getting more streamlined and

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productive and, although reducing the number of staff, their payrolls are actually increasing, indicating that some of the employees retained may have additional responsibilities but are earning more as a result.)

Wholesale Trade, Retail Trade and the associated industry category of Transportation & Warehousing have all experienced increases in sales, payroll and number of employees. This is good news for Greene County, considering the development of Interstate 69 and that the State Route 231 is situated at the half-way point between Indianapolis and Evansville.

Professional/Scientific/Technical Services and Administrative/Support/Waste Management increases across the board bode well for the WestGate@Crane Certified Technology Park.

Substantive increases in the Accommodation/Food Services and Arts/Entertainment/Recreation categories also indicate positive potential results for Greene County's efforts to develop the Tourism industry.

All in all, I'd say Greene County is sufficiently diverse and well-positioned to rebound quickly from the current economic recession, provided we keep doing what we're doing. In other words, we just need to keep making strides in the various workforce, community and economic development initiatives in which we're currently engaged.

I applaud everyone who can see the light at the end of the tunnel and who is willing to get involved to get us there. Keep up the good work! For those not yet involved, if you want to be, just contact GCEDC staff and let us know what interests you.

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