

## **The Census: Vital to America's Economy and Private Sector**

### **Background**

The United States Census is a key building block for our democracy and informed decision-making in the public and private sectors. The accuracy of the upcoming 2020 Census is threatened by funding cuts, which has resulted in delays and uncertainty surrounding the development and implementation of new technologies.

At a time when the Census Bureau should be receiving significant increases in annual funding to begin ramping up its testing and outreach, Congress instead provided substantially less funding than the Bureau requested for 2017. What's more, President Trump's 2018 budget called for \$1.5 billion for the Census - an estimated \$300 million short of what's needed for field testing, outreach and new technology and to sustain other essential programs and surveys, including the Economic Census. As a result, the Bureau pared down its critical 2018 end-to-end test, which will test 50 new IT systems, from three sites to just one.

Inadequate funding threatens to undermine the Census Bureau's ability to carry out a high-quality 2020 Census and related American Community Survey (ACS).<sup>1</sup> An unreliable 2020 Census would have unprecedented negative effects on business and the economy.

### **The Census, Business and the Economy**

The Census is a vital tool for business development and growth. Businesses use data derived from the Census and the ACS to measure the size of a market for their product, make expansion and relocation plans, and help create the product itself. Unreliable data would impact businesses' ability to make decisions or disrupt their business altogether, and make it more difficult for governments to make sound economic policy decisions about schools, transportation and other infrastructure.

For the private sector and the economy, the Census is critical because:

- *The Census helps the private sector make informed business decisions:* The information guides strategic development, operational decisions, and investment of resources. For example, it helps drive decisions on where to locate new facilities, plants, stores, and services, or where to market products "virtually." Businesses use the data to measure demand for a product in a new market. Similarly, businesses monitor ACS income data as part of their attempts to forecast consumer spending. And Census data also informs product and service content and design.

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<sup>1</sup> The ACS is part of the decennial census under Title 13, U.S.C. (the Census Act). This ongoing survey of roughly 3.5 million addresses per year (295,000/month) replaced the traditional census "long form" in 2005 and produces annually updated information on a broad range of demographic, social, and economic characteristics about our communities and population.

- *Census data is a vital input in many businesses' products and services:* Esri uses Census data to create its mapping software, which the vast majority of the country's 1,000 largest businesses use to figure out where their customers are and what they want. Market research firms such as CACI Demographics provide marketing information systems based on Census data that are used by businesses in assessing store siting decisions and developing consumer profiles. Global marketing and advertising research company Nielsen relies on Census Bureau data among other sources to calculate its television viewership ratings. Polling company Gallup assigns weights - based on Census and ACS data - to each respondent so that the demographic profile of the weighted sample matches the demographic profile of the entire adult population. Emsi uses the data to improve the labor market by better connecting students to employers.
- *Census data support small business programs and provide local economic data:* Census data helps support economic growth in local and state communities in many ways. For example, it allows businesses to better understand the availability of qualified workers, identify the need for job training programs, and other characteristics of the customer base and communities they serve. Census data also support programs that are designed to serve small businesses such as Small Business Development Centers by providing quality data on entrepreneurship in a community.
- *Census data lay the foundation for business tax benefits:* The U.S. and state tax codes distribute numerous tax expenditures, deductions, credits and more based on data from the decennial Census and the ACS. Governments rely on Census data to determine eligibility for business tax incentives, develop strategies for business attraction and allocate funding for business programs and services. For example, the Maryland Department of Commerce uses Census data to determine eligibility for certain business tax incentives among other incentive policies. The Nevada Governor's Office of Economic Development uses the data to respond to company and site selector requests for information about the state. The Arkansas Economic Development Commission uses the data to conduct baseline analyses of communities for targeting economic development investments. The Oklahoma Department of Commerce uses Census data to offer trade data to help state leaders and companies understand existing and potential global markets.
- *Census data guide federal programs:* In FY 2015, the 50 states plus the District of Columbia received \$589.7 billion from the 16 largest Census-guided federal assistance programs, such as Medicaid, Highway Planning and Construction, the National School Lunch Program, and Head Start. For 15 of the 16 programs, the amount of funds a state received was guided by its 2010 Census count. The more accurate the state's count, the more fair and equitable is its share of federal funds.
- *The Census helps businesses understand consumer needs:* Businesses use Census data to help them meet specific needs of the populations they are serving in each area. For example, in areas where large numbers of people primarily speak a language other

than English at home, businesses can offer bilingual information about their services. In communities with high percentages of senior citizens, businesses can tailor their facilities and train their staff to assist people who may have more trouble hearing or getting around on their own.

### **Businesses Support a Fully-funded Census**

Adequate funding is necessary to ensure accurate, high quality data. That is why many business groups already have been weighing in: the U.S. Chamber of Commerce, National Association of Realtors, National Association of Home Builders, International Council of Shopping Centers, National Restaurant Association and National Automobile Dealers Association. These groups have made their voice heard by educating their members, publishing op-eds and LTEs in the media, and advocating on the Hill.

### **How to Get Involved**

It is crucial that all levels of the business community get involved; and entrepreneurs, small business owners, corporations, and trade associations can do their part. Over the next several months, to assure an accurate Census, we will need to: (1) advocate that the Census is fully funded and is a high priority both in Congress and within the Administration; (2) raise awareness with the American public and interested stakeholders; and (3) ensure there is an accurate count of every person in the U.S. To accomplish these goals, the business community's trusted voice will be critical. The business community can get involved in the following ways:

- *Raise your voice:* publish an op-ed, write a letter to the editor, use social media and contact your Congressional representatives.
- *Educate your members:* help your members understand why this is important and why they should get involved.
- *Host an event:* host an event with a member of Congress or Census expert on the topic.
- *Use your influence:* make a fully funded and accurate Census an advocacy priority for your government affairs team, encourage your local chamber of commerce or trade association to get involved, and encourage your elected representatives to host briefings or town halls on this issue.
- *Support the count:* find creative ways to educate your employees, customers and members about the importance of Census participation, such as a company competition or incentives for filling out the Census.
- *Provide support to Census groups:* provide resources to groups working on raising awareness and advocacy around the Census.

For more information about how businesses can help get the Census back on track, please contact Rhett Buttle at [rhett@publicprivatestrategies.com](mailto:rhett@publicprivatestrategies.com).