

Tracking How Indiana Does Business

More than 100,000 businesses in Indiana will receive economic census forms this December. This census, taken every five years by the federal government, is one of the most important measurements of our economy, both nationally and locally. The census provides the foundation for many key economic indicators, such as gross domestic product and gross state product. Economic policy makers in federal, state and local governments use the data to project trends, plan for development and assess the impact of changes in their economies. Businesses can study their own industries and look for new business markets.



Early in the 19th century, Congress responded to a rapid increase in industrial activity and ordered census takers—in those days federal

marshals—to “take an account of the several manufacturers within their several districts, territories and divisions” as part of the population census in 1810. As the marshals traveled from house to house counting the population, they asked questions on 25 categories of manufactured products and more than 200 kinds of goods. Today, the economic census covers five million businesses nationwide and more than 100,000 in Indiana (specifically, those with paid employees).

For the first time, information will be collected on emerging sectors of the economy. The electronic commerce sales of practically every industry will be measured, including the sales,

receipts and revenue from any transaction completed over an Internet, Extranet, Electronic Data Interchange (EDI) network, electronic mail, or other type of online system. Now, such measures exist only nationally and for very few sectors.

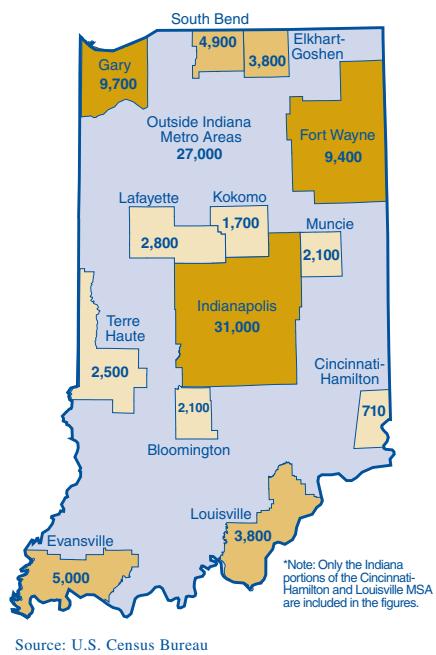
Newly added coverage of leased employment will fill a gap where only permanent employees had been counted. Leased employees are those whose payroll is filed with the IRS by an employee leasing company, not by the company where the work is performed. And the results of the 2002 Economic Census will yield data on supply chain relationships among the manufacturers of goods, those who store and distribute goods, those who transport goods, and those who sell and bill for goods. Questions from this census will identify whether certain functions of the business are outsourced to other companies.

Data covering calendar year 2002 will be collected and processed during 2003, and the first data will be released beginning in early 2004. Ultimately, the Economic Census will yield over 1,600 data products, with information on more than 1,000 industries and over 50,000 geographic areas. How will businesses, governments and economic developers use the results?

- Gauge the competition
- Calculate market share
- Business to business
- Site location
- Design sales territories and set sales quotas
- Enhance business opportunity presentations to banks or venture capitalists

Figure 1: Economic Census Forms

110,000 forms sent to Indiana



Source: U.S. Census Bureau

- Maintain local tax base
- Disaster Response

Indiana has always had one of the highest response rates to this census. For the first time all businesses, regardless of size, will be given the option of filling out their forms electronically. It is important for Hoosier businesses to participate fully, accurately and quickly when they get the call to respond to this census. The U.S. Census Bureau provides comprehensive assistance on the web (www.census.gov/econhelp) and via a toll-free helpline (1-800-233-6136) that will be answered by Census Bureau employees during business hours (8 a.m. to 8 p.m., EST, Monday through Friday).

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