

**SUPPORTING STATEMENT**  
**U.S. Department of Commerce**  
**U.S. Census Bureau**  
**OMB Control Number 0607-0104**  
**Advance Monthly Retail Trade Survey**

**Forms SM-44(06)A, SM-44(06)AE, SM-44(06)AS, SM-72(06)A, SM-44(06)FA,  
SM-44(06)FAE, SM-44(06)FAS, and SM-72(06)FA**

**Part A.      Justification**

**1.      Necessity of the Information Collection**

This request is for approval of an extension to the Advance Monthly Retail Trade Survey (MARTS).

The Advance Monthly Retail Trade Survey was developed in response to requests by government, business, and other users to provide an early indication of current retail trade activity in the United States. MARTS also provides an estimate of monthly sales at food service establishments and drinking places.

Policymakers such as the Federal Reserve Board need to have the timeliest estimates in order to anticipate economic trends and act accordingly. Sales data from this survey provide the earliest possible look at consumer spending and are necessary for the calculation of the personal consumption expenditures component of Gross Domestic Product (GDP). Without the Advance Monthly Retail Trade Survey, the Census Bureau's earliest measure of retail sales is the "preliminary" estimate from the full monthly sample released about 40 days after the reference month. Advance estimates are released approximately 12 days after the reference month.

We intend to select a new MARTS sample to be introduced in Fall 2009. We expect the number of respondents to increase from 4,500 to 5,000 as a result of selecting the new sample. Please see our response to part A, section 15 for more information.

The U.S. Census Bureau conducts this voluntary survey under the authority of Title 13 USC § 182.

**2.      Needs and Uses**

The U.S. Census Bureau tabulates the collected data to provide, with measured reliability, statistics on United States retail sales. These sales estimates, developed from the Advance Monthly Retail Trade Survey are used by the Council of Economic Advisers, Bureau of Economic Analysis (BEA), Federal Reserve

Board, and other government agencies, as well as business users in formulating economic decisions. These estimates are especially valued by data users because of their timeliness. There would be approximately a one month delay in the availability of these data if this survey were not conducted.

Information quality is an integral part of the pre-dissemination review of the information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to the information collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

### 3. Use of Information Technology

An automated system for check-in of returned forms allows for timely identification of completed questionnaires and removal from the delinquent workload. The automated telephone follow-up call scheduling system ensures that firms are contacted when the data are likely to be available, based on past experience with each firm. This process decreases the number of phone calls necessary to obtain data from respondents.

A 24-hour facsimile machine connected to a toll free telephone line permits respondents to fax data to our collection facility in Jeffersonville, Indiana. This process expedites the receipt of questionnaires, thus decreasing the number of telephone follow-up inquiries. Approximately 76% of the responses are received via fax each month.

In Summer 2010, the survey will migrate from the PC-based Integrated Survey Processing Network (ISPN) to the Standard Economic Processing System (StEPS). StEPS is SAS based software that will enhance data analysis capabilities while simplifying survey processing. A similar migration to the StEPS platform occurred last year for the Monthly Retail Trade Survey (MRTS), also from ISPN. That transition was successful and timely, and did not interfere with normal operations.

### 4. Efforts to Identify Duplication

Consultations with other governmental agencies, trade associations and data users (both government and private sector) via telephone conversations, meetings, trade journal articles, and written correspondence indicates that these data are not available from other sources on an ongoing basis.

Annual sales and inventories by retailers are collected in the Annual Retail Trade Survey, and retail sales are collected in the quinquennial Census of Retail Trade. While the annual and quinquennial census data provide levels of sales for retail trade, they do not provide the data points needed to monitor the current state of

the economy. The advance sales estimates are based on early reporting of sales by a subsample of firms in MRTS.

## 5. Minimizing Burden

The Advance Monthly Retail Trade Survey is a subsample of firms in the Monthly Retail Trade Survey. Approximately 5,000 firms are canvassed in the Advance Monthly Retail Trade Survey sample.

The Census Bureau accepts data prepared on a company's own form. This relieves the respondent of the burden of recording data on a preprinted report form.

The stratified random sample design used in the Advance Monthly Retail Trade Survey uses the least number of sampling units required to produce national level estimates with the desired level of reliability, thus minimizing respondent burden. Sales data are collected from the largest retail firms and from a sample of small and medium-sized firms. The selection of a new MRTS sample every two and one-half to three years replaces a portion of the small and medium-sized firms that participate in the survey, thus minimizing respondent burden by redistributing reporting burden. Also, carefully prepared estimates are acceptable if book figures are not readily available.

Firms are not required to maintain additional records. The data requested are generally carried in existing company records. Carefully prepared estimates are acceptable if book figures are not available. Finally, interviewers use computer software that provides real time edits of response data. This interface prompts interviewers to confirm questionable responses in real time, decreasing the need for later follow up.

Firms that report to the MRTS survey are not required to provide sales information for MRTS. Rather, sales data collected for MRTS are transferred into the database used for MRTS. This ensures that respondents do not have to provide duplicate responses.

## 6. Consequences of Less Frequent Collection

Estimates from the Advance Monthly Retail Trade Survey provide an early indication of retail sales trends in the United States. This enables government and business users to make important policy decisions on a timely basis. If the data were collected less frequently, retail sales data would not be available for policy decisions on a timely basis. This survey provides the earliest possible look at consumer spending and is necessary to help determine Gross Domestic Product.

## 7. Special Circumstances

The collection of data is consistent with Office of Management and Budget (OMB) guidelines with the following exception: because the survey is an economic indicator, respondents are asked to report on a monthly basis. Total sales data are released to the public approximately nine working days after the end of the reference month. The final data collection closeout is on the seventh working day of the month.

Because the timeliness of this survey is critical to its value, respondents are asked to reply to the questionnaire by the second business day of the month following the reference period. Generally, respondents are able to report in the requested time frame because the forms ask only for data items usually maintained in existing company records.

## 8. Consultations Outside the Agency

As required by 5 CFR 1320.8(d), the U. S. Census Bureau published a presubmission notice published in the Federal Register (74 Fed. Reg. 16833 [April 13, 2009]).

The Bureau of Economic Analysis (BEA) is the Census Bureau's main source of consultation on items on the Advance Monthly Retail Trade Survey and general survey content. Mr. Dennis Fixler is the Chief Statistician at BEA, phone number (202) 606-9607, and a primary source of consultation on the survey. In May 2009, Mr. Fixler sent a letter in response to the notice in the Federal Register, stating that BEA continued to strongly support the survey. That document is included at attachment "C".

The Federal Reserve Board of Governors frequently relies on data from the Advance Monthly Retail Trade Survey. Mr. David Stockton is the Director of Research and Statistics for the Board. In June 2009, Mr. Stockton also sent a letter in response to the notice in the Federal Register, expressing his support for the survey. That letter is included as attachment "D".

## 9. Paying Respondents

The Census Bureau does not pay respondents or provide them gifts for participating in the Advance Monthly Retail Trade Survey.

## 10. Assurance of Confidentiality

Data collected in this survey are confidential under Title 13 USC §9. Only persons sworn to uphold the confidentiality of Census Bureau information may see the questionnaires, and may use them only for statistical purposes.

Additionally, all reports are immune from legal process. Respondents are advised of this and are told that the survey is voluntary in a letter that accompanies the initial report form. In addition, the survey forms indicate that the survey is voluntary. The survey questionnaires are included as attachment "A". Letters sent to respondents are included as attachment "B".

#### 11. Justification for Sensitive Questions

The Advance Monthly Retail Trade Survey requests only routine business information that is generally available from existing company records and is not of a sensitive nature.

#### 12. Estimate of Hour Burden

There are approximately 5,000 firms that are canvassed, each of which could potentially report. Based on responses given by a cross section sample of respondents, which includes large-size and small-size companies, the estimated burden is 5 minutes per response, which equates to a maximum annual response burden of 5,000 hours.

Number of Monthly Responses	Annual Responses Per Respondent	Hours Per Response	Total Burden
5000	12	.0833	5000

The estimated annual cost to respondents is \$151,850 based on the median hourly salary of \$30.37 for accountants and auditors. (U. S. Department of Labor - Bureau of Labor Statistics - Occupational Employment Statistics 2007. \$30.37 represents the median hourly wage of the full-time wage and salary earnings of accountants and auditors). <http://www.bls.gov/oes/current/oes132011.htm>

#### 13. Estimate of Cost Burden

We do not expect respondents to incur any costs other than the time required to respond to the survey. The information requested is of the type and scope normally carried in company records and no special hardware or accounting software or system is necessary to provide answers to this information collection. Therefore, respondents are not expected to incur any capital and start-up costs or system maintenance costs in responding. Further, the purchase of outside accounting or information collection services, if performed by the respondent, is part of usual and customary business practices and not specifically required for this information collection.

14. Cost to Federal Government

The cost to the Federal Government for the Advance Monthly Retail Trade Survey in fiscal year 2009 was expected to be \$1,582,959, all borne by the Census Bureau. We expect the fiscal 2010 budget to be at a similar level.

15. Reason for Change in Burden

We increased our estimate of the number of respondents from 4,500 to 5,000 because a sample is being redrawn. This sample will be introduced in Fall 2009. As a result the respondent burden will increase by a small amount.

16. Project Schedule

The report forms are mailed to approximately 25% of the respondents five working days before the end of the month and sent via facsimile to the other 75% on the last working day of the month with a requested return date of the second working day following the end of the reference month.

The data are collected by the National Processing Center in Jeffersonville, Indiana by the end of the seventh working day following the data month. The data are tabulated, edited, analyzed, and reviewed between the fourth and eighth working days. In exceptional circumstances, data may be reviewed and edited on the ninth working day.

On approximately the ninth working day, a press release ("Advance Monthly Sales for Retail Trade and Food Services") is issued that summarizes the estimates and provides a brief description of the survey, along with information on the reliability of the estimates. This release is simultaneously published electronically on the Census Bureau website and distributed in paper form to members of the press in a designated room at Commerce Department Headquarters.

17. Request to Not Display Expiration Date

We wish to continue to display the expiration date.

18. Exceptions to the Certification

There are no exceptions to the certification statement.

## 19. NAICS Codes Affected

The following are the 3-digit NAICS codes for the retailers affected by the information collection:

<u>NAICS Code</u>	<u>Description</u>
441	Motor Vehicle and Parts Dealers
442	Furniture and Home Furnishings Stores
443	Electronics and Appliances Stores
444	Building Material and Garden Equipment and Supplies Dealers
445	Food and Beverage Stores
446	Health and Personal Care Stores
447	Gasoline Stations
448	Clothing and Clothing Accessories Stores
451	Sporting Goods, Hobby, Book, and Music Stores
452	General Merchandise Stores
453	Miscellaneous Store Retailers
454	Nonstore Retailers
722	Food Services and Drinking Places