

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

Part B. Collection of Information Employing Statistical Methods

1. Universe and Respondent Selection

The MARTS is a subsample of approximately 5,000 units (companies and EINs) selected from the MRTS sample of about 11,600 units. The MARTS units are stratified by broader industry categories and substratified by annual sales as estimated from the Monthly Retail Trade Survey. There are 33 primary strata defined by industry and three to twelve size substrata for each primary stratum. Sample sizes are calculated to meet hypothetical reliability constraints on estimated annual sales totals for specified industries. Sample selection is done independently within each size stratum using a systematic probability-proportional-to-size procedure where the size used is the MRTS sampling weight. Sampling weights range from 1 to 1,250.

Every two and one-half to three years, the sample is re-selected. Births are not added to this sample and, therefore as firms go out of business, refuse to respond, etc. the sample deteriorates and becomes less representative. By re-selecting the sample, it better represents current business conditions and many small and medium-size firms are relieved of the reporting burden. We are currently in the process of selecting a new MARTS sample, to be introduced in Fall 2009.

Advance sales estimates for the most detailed industries are computed using a link-relative estimator. For each detailed industry, we compute a ratio of current-to-previous month weighted sales using data from units for which we have obtained usable responses for both the current and previous month.

Then, for each detailed industry, the advance total sales estimate for the current month is computed by multiplying this ratio by the preliminary sales estimate for the previous month (derived from the larger MRTS) at the appropriate industry level. Total estimates for broader industries are computed as the sum of the detailed industry estimates.

The preliminary sales estimate used in this computation includes data for nonemployers. Therefore, nonemployers are represented in the published MARTS estimates. The link-relative estimate is used because we do no sampling-unit level imputation or adjustment for nonrespondents in MARTS. This estimator differs from the usual ratio estimator because it does not estimate monthly totals prior to estimating the month-to-month change.

Variances are estimated using the method of random groups and are used to determine if measured changes are statistically significant.

Estimates are indirectly benchmarked to annual survey estimates via the link-relative estimation method.

Estimates are adjusted for seasonal variation and holiday and trading-day differences using the Census Bureau's X-12 ARIMA program.

There are no unusual problems requiring specialized sampling procedures.

2. Procedures for Collecting Information

On a monthly basis, report forms are mailed to respondents five working days before the end of the month. For respondents who have a fax number listed, a form is sent via fax to them on the last workday of the month (other than Fridays). The sales estimates are collected by the National Processing Center in Jeffersonville, Indiana by the end of the sixth working day following the data month. The data are tabulated, edited, analyzed, and reviewed on the sixth, seventh, eighth, and sometimes ninth working days.

The following chart provides response rates. Dollar volume response represents the percent of total sales accounted for by response data. The unit response is represented by both the total number of cases providing reported data, or data of equivalent quality as reported data, as a percent of the total sample and the total number of cases providing response data as a percent of the total mailed.

<u>Data Month</u>	<u>Dollar Volume</u> <u>(% of Total Sales)</u>	<u>Unit Response</u> <u>(% of Total</u> <u>Sample)</u>	<u>Unit Response</u> <u>(% of Total</u> <u>Mailed)</u>
April '09	61.2%	50.5%	66.1%
January '09	63.0%	49.3%	63.9%
October '08	63.0%	53.2%	68.7%
July '08	62.1%	51.6%	66.3%

3. Methods to Maximize Response

A laser printer facsimile machine connected to an "800" telephone line permits facsimile reporting to our collection facility on a 24-hour basis. The U. S. Census Bureau also provides a toll-free telephone number to permit respondents to furnish data or ask questions. The National Processing Center in Jeffersonville, Indiana performs telephone follow-up for all firms that have not responded by the due date, as well as those firms that have reported incomplete or questionable data.

Special telephone follow-up is conducted each month for a limited number of respondents to get an extra week of sales data from companies that were excluded from the totals because the sales ending dates were unacceptable. Unacceptable ending dates are those that fall too early or too late in the month and, therefore, do not represent the calendar month.

After compiling a list of firms with an exceptionally high effect that were refusing to report data, we contacted then Undersecretary of Commerce for Economic Affairs, Dr. Cynthia Glassman. We consulted with Dr. Glassman and developed wording that emphasized the importance of reporting, and urged firms to begin or resume reporting. This wording was incorporated into letters from Dr. Glassman that were sent to each firm selected for the list. Some firms began or resumed reporting in response to this effort. We plan to continue seeking the support of senior department executives to minimize non-response from firms of particular importance that are not currently reporting.

Firms that refuse to respond to the survey are called in an attempt to convey to them the importance of the survey. Some especially large firms that do not report or do not report consistently are visited. These visits foster bilateral communication regarding potential obstacles to timely response, and develop relationships between analysts and company management. We expect to increase the number of company visits to include additional companies that are providing unclear data, refusing to report or not reporting by the due date for MARTS.

4. Testing of Procedures

We continuously edit the reported data and monitor procedures and methods for data collection in an effort to reduce reporting burden and improve data quality.

5. Contacts for Statistical Aspect of Data Collection

Questions regarding the sample design and statistical methodology used for this survey should be directed to Ruth Detlefsen, Assistant Division Chief for Research and Methodology, Service Sector Statistics Division, (301) 763-5171. Planning and implementation of this survey are under the direction of Timothy Winters, Chief, Retail Indicators Branch, (301) 763-7130.

Attachments:

A: 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

B: Letters MARTS-L1 and MARTS-L2

C: Comment received from Bureau of Economic Analysis

D: Comment received from Federal Reserve Board of Governors