

SUPPORTING STATEMENT
U.S. Department of Commerce
U.S. Census Bureau
2012 Economic Census Covering the Retail Trade and Accommodation and Food Services
Sectors
OMB Control Number 0607-0927

Part B - Collections of Information Employing Statistical Methods

1. Universe and Respondent Selection

The 2012 Economic Census covering retail trade and accommodation and food services sectors is a complete enumeration of establishments with payroll located in the 50 states and the District of Columbia. Census data for 2007 recorded 1.7 million retail, accommodation, and food services establishments; an establishment count of 1.7 million is expected for 2012. Further information on the establishment universe and estimated mail counts for the retail trade and accommodation and food services sectors of the 2012 Economic Census is given in Attachment B. The composition of this universe is as follows:

The universe of establishments is given by the U. S. Census Bureau's Business Register. We estimate that the size of this universe will be approximately 1.7 million establishments in 2012, based on the count for 2007 and subsequent Business Register tabulations. The potential respondent universe for this information collection will include all establishments with payroll. The census will distinguish mail versus nonmail components of this universe as described below.

a. Mail Component

The census will use a mail canvass, supplemented by data from Federal administrative records, to compile data for establishments in the mail component of the potential respondent universe. We estimate that the size of this mail component will be approximately 1.1 million establishments in 2012. Of these, approximately 976,000 establishments will receive standard report forms and information sheets, as shown in Attachments C and D, respectively; the remaining 135,000 establishments will receive classification forms, as shown in Attachment E.

The mail component of the potential respondent universe will include the following establishments: (i) all active operating establishments of multi-establishment firms, (ii) large single-establishment firms, and (iii) selected small single-establishment firms. Paragraph B.2.a.(2), below, explains the distinction between large and small single-establishment firms and the selection procedures applied to each size class. The 2007 Economic Census received responses from 86 percent of the establishments in the mail component of the potential respondent universe. We expect a similar response rate for the 2012 Economic Census.

b. Nonmail Component

The census will obtain basic statistics for establishments in the nonmail component of the potential respondent universe from Federal administrative records. We estimate that the size of this nonmail component will be approximately 574,000 establishments in 2012. It will include small single-establishment firms not selected for the mail component. Paragraph B.2.a.(2), below, explains the distinction between large and small single-establishment firms and the selection procedures applied to each size class.

2. Procedures for Collecting Information

a. Mail Selection Procedures

Establishments in the retail trade and accommodation and food services sectors of the economic census will be selected from the Census Bureau's Business Register for a mail canvass. To be eligible for selection, an establishment will be required to satisfy the following conditions: (i) it must be classified in the retail trade or accommodation and food services sector; (ii) it must be an active operating establishment of a multi-establishment firm (i.e., a firm that operates at more than one physical location), or it must be a single-establishment firm with payroll (i.e., a firm operating at only one physical location); and (iii) it must be located in one of the 50 states or the District of Columbia. Mail selection procedures will distinguish the following groups of establishments:

(1) Establishments of Multi-Establishment Firms

All active operating establishments of multi-establishment firms will be included in the mail component of the potential respondent universe. We estimate that the 2012 Economic Census mail canvass for the retail trade and accommodation and food services sectors will include approximately 614,000 establishments of multi-establishment firms.

(2) Single-Establishment Firms With Payroll

As an initial step in the selection process, we will conduct a study of the potential respondent universe. This study will produce a set of industry-specific payroll cutoffs that we will use to distinguish large versus small single-establishment firms within each industry or kind of business. This payroll size distinction will affect selection as follows:

(a) Large Single-Establishment Firms

All single-establishment firms having annualized payroll (from Federal administrative records) that equals or exceeds the cutoff for their industry will be included in the mail component of the potential respondent universe. We estimate that the 2012 Economic Census mail canvass for the retail trade and accommodation and food services sectors will include approximately 274,000 large single-establishment firms.

(b) Small Single-Establishment Firms

A sample of single-establishment firms having annualized payroll below the cutoff for their industry will be included in the mail component of the potential respondent universe. Sampling strata and corresponding probabilities of selection will be determined by a study of the potential respondent universe conducted shortly before the mail selection operations begin. We estimate that the 2012 Economic Census mail canvass for the retail trade and accommodation and food services sectors will include approximately 88,000 small single-establishment firms selected in this sample.

All remaining single-establishment firms with payroll will be represented in the census by data from Federal administrative records. Generally, we will not include these small employers in the census mail canvass. However, administrative records sometimes have fundamental industry classification deficiencies that make them unsuitable for use in producing detailed industry statistics by geographic area. When we find such a deficiency, we will mail the firm a census classification form. We estimate that the 2012 Economic Census mail canvass for the retail trade and accommodation and food services sectors will include approximately 135,000 small single-establishment firms that receive these forms.

b. Estimation Procedure

(1) Basic Statistics

Census tabulations for basic statistics are simple summations of data from a complete enumeration. They do not entail estimates from a sample.

(2) Subject Statistics

Census tabulations for subject statistics, such as product line sales and industry-specific special inquiries, are based partly on estimates from a sample. These estimates are derived by summing weighted data, where each

certainty establishment (not sampled) has a weight of 1, and each noncertainty establishment (part of a sample) has a weight that is greater than 1. These weights are computed as the inverse of the probability of selection. In addition, an adjustment to the weight of the respondents is made to account for non-response, mailout mis-classification, and other coverage errors.

c. Required Accuracy

(1) Sampling Error

(a) Basic Statistics

The accuracy of basic statistics from the census is not affected by sampling error, since these measures are based on a complete enumeration of the establishment universe. A high degree of accuracy and statistical reliability is required, because the census' basic statistics provide benchmarks for the national accounts; the U. S. Census Bureau's current economic surveys; and other surveys conducted by trade groups, businesses, and researchers.

(b) Subject Statistics

The accuracy of subject statistics from the census is affected by sampling error. Sampling variability occurs because subject statistics are based, in part, on estimates from a sample of establishments and not on measurement of the entire universe. Since all eligible establishments recorded in the Business Register will have a chance of being selected and since the probability of selection will be known for each establishment, it would be possible to estimate the sampling variability of the estimates from the sample.

(2) Nonsampling Error

The accuracy of all census data is influenced by nonsampling errors, such as those affecting coverage, administrative records, report form design, reporting, processing, and tabulation. Although we make no direct measurement of nonsampling errors, we take precautionary steps in all phases of planning, report form development, data collection, processing, and tabulation to minimize their influence.

d. Problems Requiring Specialized Sampling Procedures

There are no known problems that will require specialized sampling procedures for the 2012 Economic Census.

e. Use of Periodic Data Collection to Reduce Burden

The census uses periodic (5-year) data collection, as required by Title 13 USC, Section 131.

3. Methods to Maximize Response

This information collection will maximize response through the following means:

- (i) public awareness campaign to assist businesses and the public in understanding the importance of the 2012 Economic Census by providing news stories through trade and professional associations, chambers of commerce, and business and general media;
- (ii) assignment of account managers to very large businesses to provide personalized assistance;
- (iii) redesigned census report forms and information sheets with standard formats and terminology that try to simplify reporting and minimize response burden;
- (iv) extensive electronic reporting capabilities that will allow every business to report using electronic report forms or the Internet;
- (v) mailing materials that emphasize the mandatory and confidential nature of census reports, as provided by Title 13 USC;
- (vi) toll-free assistance and a web-based help desk for any business that has questions about completing its census report; and
- (vii) systematic mail follow-up for nonresponse, supplemented by telephone follow-up for selected firms.

Through these and other response improvement strategies, we expect to maintain or improve the 86 percent response rate (calculated by the number of report forms returned as a percent of report forms mailed) obtained by the 2007 Economic Census. This level of response will yield accuracy and reliability that are adequate for intended uses of economic census data.

4. Tests of Procedures or Methods

This information collection will use procedures that are based on a considerable body of experience with the economic census and surveys. Previous economic censuses also have been the subject of evaluation studies that have examined methodology, conceptual issues, and related statistical questions. As a result, the procedures used by the 2012 Economic Census are very well tested.

5. Contacts for Statistical Aspects and Data Collection

Statistical methodology is developed under the direction of William C. Davie, Jr.; Assistant Division Chief for Research and Methodology; Service Sector Statistics Division; U. S. Census Bureau; Washington, DC 20233 (telephone 301-763-7182). The 2012 Economic Census covering the retail trade and accommodation and food services sectors is conducted under the direction of Jack B. Moody; Assistant Division Chief; Census Programs; Service Sector Statistics Division; U. S. Census Bureau; Washington, DC 20233 (telephone 301-763-2724). Data collection and analysis are managed by Fay Dorsett; Chief, Retail Census Branch; Service Sector Statistics Division; U. S. Census Bureau; Washington, DC 20233 (telephone 301-763-2687).

Attachments

- A. Report Form Numbers, Titles, and Associated Burden Estimates for FY 2013
- B. Composition of the Establishment Universe and Estimated Mail Counts for the 2012 Economic Census
- C. Standard Forms
 - Attachment C-1. Prototype Standard Form
 - Attachment C-2. Variable Content for Item 19--Kind of Business
 - Attachment C-3. Variable Content for Item 22--Detail of Sales, Shipments, Receipts, or Revenue
 - Attachment C-4. Variable Content for Item 26--Special Inquiries
 - Attachment C-5. Content for Item 27--Leased Departments
 - Attachment C-6. Ownership or Control Fliers
- D. Information Sheets for Standard Forms
 - Attachment D-1. Information Sheet for Single-Establishment Firms
 - Attachment D-2. Information Sheet for Multi-Establishment Firms
- E. Classification Forms
 - Attachment E-1. Prototype Classification Form
 - Attachment E-2. Variable Content for Item 19--Kind of Business
 - Attachment E-3. Variable Content for Item 26--Special Inquiries
- F. Consultations with Federal Agencies, Trade Groups, Corporations, and Consulting Firms: Persons and Organizations Contacted
- G. Consultations with Federal Agencies, Trade Groups, Corporations, and Consulting Firms: Selected Correspondence
- H. Summary of Changes to Standard Report Forms
- I. Summary of Changes to Classification Forms