

Incorporating NAPCS Products in the 2007 Economic Census

*Addressing Lessons Learned and Implementing a
Coordinated Approach to Improving Economic Data*

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2002 Economic Census

- Tested NAPCS products for 86 services industries
 - Sector 51, Sector 52, Sector 54, and Sector 56
 - Over 1000 new or revised inquiries added to survey forms
 - Substantial change for many industries

Opportunities for Improvement

- Organizational Structure Changes
- Internal Cooperation Improvements
- External Cooperation Improvements
- Questionnaire Content Improvements

Organizational Structure Improvements

Created two branches in classification:

- One branch responsible for development, maintenance and implementation of classifications
- One branch responsible for ongoing classifications operations such as administrative records coding, refile surveys, and birth survey activities

Internal Cooperation Improvements

- New classification branch coordinated census and annual survey collection of products internally
- Product collections were jointly reviewed and proposed to coordinate collections in the census and annual survey
- Potential annual and census product lines were included for external review

External Cooperation Improvements

- Formal schedule of questionnaires and response
- Formal review and written response from BEA and BLS
 - Several rounds of proposal and counter proposal resulted in acceptable results for major external users
- Unexpected tangential improvements
 - Clarification of existing data items and resolution of misunderstandings
 - New requests for important revenue data related to intellectual property in service industries

Questionnaire Content Improvements

- Review collection experience and applied subject matter analyst knowledge to select potential inquiries as opposed to all trilateral NAPCS products
 - Sometimes higher than trilateral level
 - Sometimes greater US product detail added to NAPCS lists

More Questionnaire Improvements

- More conceptually consistent presentation of product and other sources of revenue questions
- Separation of class of customer questions
- Greater collection of important products across industries
- Cooperation to ensure that adequate weighting information would be available to PPI
 - Census changes
 - PPI changes

Case Study: Commercial Banking

Product Inquiries

Product Type	2002	2007
Banking products	27	21
Leasing products	1	3
Financial advice products	2	3
Securities products	34	5

Comparison of 2002 and 2007 Inquiries for Commercial Banking

<u>Total Inquiries</u>	<u>2002</u>	<u>2007</u>	<u>% Reduction</u>
Products	64	32	50%
Other	104	8 (37)	94% (65%)
Total	168	40 (69)	76% (59%)

Final decisions were not made at the time of this writing. Figures in parenthesis represent reductions as proposed by BEA and represent the minimum level of improvement

Summary

- Coordinated approach to collecting product turnover data that directly and cooperatively involves major data users such as producer prices and national accounts improves the usefulness of data collections.
- Respondent burden can be reduced while still addressing critical statistical needs.
- Requires internal and external process reviews and a broad willingness to change to improve overall data.

Questions?

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