

## CENSUS STATISTICAL PROGRAM FOR BUSINESS

The most compelling problem facing business today is that of reaching and maintaining a high peacetime level of production, distribution, and employment. A high level of activity depends in large part on the decisions reached concerning such important operating problems as the building of new plants, addition of new lines, wage policies, opening of new sales outlets or intensification of sales efforts in established marketing areas or industries. To reach sound decisions businessmen need information about the market conditions of the goods which they buy and sell. Some of the most vital facts will be those concerning the production and distribution of goods and services, the pattern of wholesale and retail trade, and the population and its buying power.

Most of the work of the Census Bureau in these fields was suspended during the war, even though major changes were taking place in the production and distribution system accompanied by vast movements of population and changes in income distribution. Consequently, as a starting point, complete censuses of production and distribution should be taken for the first full peacetime year so that production and marketing plans may be adjusted to take account of the changes resulting from the war.

In the past, major emphasis in the statistical program of the Census Bureau has been placed on the periodic complete censuses taken at intervals ranging from 2 to 10 years. The new program recognizes that business needs cannot be met merely by collecting facts at such intervals. Markets change rapidly in response to the development of new products, new distribution methods, and changes in population and purchasing power. The proposed statistical program recognizes the importance of current statistics to enable business and Government to keep abreast of changes in the economy and in the population, not only for the country as a whole but also for its major subdivisions.

To meet the most urgent of the needs of business and the public generally, the Census Bureau has developed a program which will provide both comprehensive censuses and coordinated current reports on the most significant factors involved. The program centers on manufacturing; distribution--including wholesale and retail and service trades; and population with particular reference to individuals as consumers and members of the labor force. The program represents an effort to measure and describe markets as well as the supply of goods being produced for sale in such markets, along with the necessary complementary information needed for intelligent analysis of the size, location, and conditions existing among producers, distributors, and consumers in each of the major producing and consuming sectors of the business economy.

### Manufacturing

The manufacturing statistics program will provide information on the production of manufactured commodities, as well as on the movement of materials from the mine and farm through the various stages of manufacturing up to the distribution channels through which products move to the consumer. This objective will be accomplished through a program made up of two complementary parts—Censuses of Manufactures and Mineral Industries to provide comprehensive data on industries and commodities and a system of current reports to keep the most important aspects of industrial information up to date.

Although provided for by law on a biennial basis, the Census of Manufactures has not been taken since 1939, having been set aside by the President under the authority contained in the Second War Powers Act. The absence of comprehensive measures of manufacturing activity during the war years makes it imperative that the changes in the number, location, size and products of manufacturing establishments be determined as soon as possible. Therefore, it is proposed to take the Census of Manufactures (and Mineral Industries) covering the first full peacetime year, 1946, rather than to wait for the next regularly scheduled census which would not be taken until 1948 covering the year 1947.

These censuses will be similar in most respects to those taken before the war and will furnish data on the production of commodities, consumption of materials, employment, man-hours worked, wages, value of production, cost of materials, inventories, capital expenditures, etc. This will make it possible to determine at least in broad outline the changes caused by the war, including shifts in products, changes in the size distribution of manufacturing establishments, the position of the various industries as a source of employment and wages, shifts in the fortunes of particular industries, changes in the productivity of labor, and many other significant industrial developments. Regional, state and other geographic compilations will contribute greatly to an understanding of the altered importance of each section of the country with respect to production, employment, and markets for raw materials and semifinished goods. Furthermore, the censuses, since they include all manufacturing and mining establishments, will provide a general bench mark in terms of which current statistics collected by public and private agencies may be appraised and adjusted so that their accuracy and dependability may be increased.

The current manufacturing statistics program is largely under way at the present time. The program includes some 130 carefully selected monthly, quarterly and annual surveys needed to measure the more important aspects of industrial operations as often as needed. All of the major manufacturing industries are represented in the current program but greatest emphasis is placed on those commodities which contribute importantly to the ebb and flow of the business tide. Data are being obtained not only on measures of activity, such as production or shipments, but also on the "forecasting" items for selected commodities such as the volume of new and unfilled orders and inventories of materials or finished products.

These current surveys will enable businessmen to keep in touch with important changes in manufacturing activity and with the market position of leading commodities. The current program will furnish at least on an annual basis the facts needed to carry forward the more significant measures of industrial operations during the years not covered by a complete census. In fact, the full development of the current program should make it feasible to take the Census of Manufactures at five-year intervals rather than on a biennial basis as is now provided by law.

### Distribution

For wholesale and retail trade and service establishments less information is available at present than for manufacturing. Major shifts in the distribution of population, the amount and type of goods available for sale, and the number and size of establishments have taken place, but as in manufacturing, no complete census has been taken since 1939. Furthermore, the Census Bureau's current reporting program designed to cover intercensal periods was only in an early stage of development when further progress was stopped by the advent of war.

The Bureau's program contemplates a complete census covering all wholesale, retail, and service establishments (including contract construction), covering the year 1946. This is the earliest year for which the bench mark statistics of the complete census would reflect peacetime conditions and at the same time permit integration with the Census of Manufactures. Such a census will provide information on the number and size of establishments by kinds of business, sales or receipts, and other data shown by small geographic areas which will bear directly on business problems requiring market analysis, aid in the direction of sales programs, serve as a guide in the establishment of new businesses and perform a multitude of other useful services to the community at large.

Present legislation provides for a decennial census of business with the next one scheduled to be taken in 1950 to cover the year 1949. In the decade of the 30's the need for more frequent complete descriptions of the business community resulted in a series of "special" censuses financed by emergency funds. The result was a succession of surveys differing importantly in scope and content, which detracted in substantial measure from their usefulness. It is, therefore, proposed to conduct the complete Census of Business every five years in the future with the first one scheduled to cover activity in the year 1946.

Valuable though the complete census will be, it is nevertheless true that even in times of peace our economy is so dynamic in character that there is need for a continuing flow of information to keep pace with current developments. To meet these requirements, it is proposed to obtain annually for intercensal years information on inventories, operating costs, and other data which will make possible analysis of operating experience by kind of business. The annual statistics thus prepared will be similar to those obtained from the complete census, with the published information limited to the United States totals, regional areas, states, and large cities.

In order to stay abreast of current market developments and provide the basis for future projections, data will also be gathered monthly from a representative group of the more important types of retail, wholesale, and service trade establishments. In general, the information gathered will consist of readily obtainable data reflecting the level of business activity—the total value of retail sales, service trade receipts, and wholesale sales and inventories. These monthly statistics will be published for roughly the same geographic areas as the data made available from the annual surveys, that is, large cities, states, regional areas and United States totals classified by kind of business. Publication of monthly data can begin within a few months of the time that funds become available.

The current monthly and annual program will have the effect of maximizing the usefulness of the Census of Business by making it possible to carry forward the bench mark statistics established. The monthly surveys will be of particular importance in providing an improved basis for the estimate of the level, trend, and composition of consumer expenditures—information needed not only by business but also by government in connection with the establishment of sound fiscal policy and the determination of the related National Income and Product estimates.

In short, the program is designed to provide the factual basis needed to deal with the distribution problems facing American business. Not only must the ground lost during the war be recovered but the groundwork must be laid for a continuing and unprecedented expansion of marketing and selling enterprise. If the goal of high production and employment is to be achieved outlets to absorb the country's manufacturing and agricultural output must be established.

### Population and Consumer Markets

The program of the Census Bureau also recognizes the vital need of business for consumer market data to use in conjunction with statistics on the production and distribution of goods and services. It is clear that the changes in consumer markets in the postwar period will involve large numbers of people and extend over a considerable period of time. Hence, up-to-date knowledge regarding their extent and character will be of prime importance in business planning.

Under these circumstances, it is apparent that the nation is no longer at a stage where its needs for information on the population and its activities can be met by a decennial census of the population. It is proposed, therefore, that the complete census of population, including housing and the labor force, be conducted quinquennially instead of decennially. Data will be collected annually on a sample basis in order to show, for cities of 100,000 or more and for states, the year-to-year shifts in population, housing, employment, occupation and industry. Decisions regarding expansion of production or of distribution outlets, estimates of sales potentials, and the establishment of advertising and marketing organizations will be greatly aided by comprehensive figures on how many people live in a particular area, and what their characteristics are.

Annual surveys of the distribution of consumer income are also planned to assist producers and marketers in adjusting their programs. The currently available monthly reports on the national labor force will be supplemented by the inauguration of a new program for labor force statistics which will make available on a quarterly basis figures on employment and unemployment for each of 50 major local labor market areas and for the largest industrial states. This series will not only make available overall measures of the number employed and unemployed in important cities and states but will also make possible a more complete analysis of the composition of the labor force including part-time employees, duration of unemployment, and characteristics of the unemployed. Publication of such information can begin early in 1946 if funds become available before the end of this year.

#### General Summary

The sections above highlight those parts of the proposed Census program changes of greatest direct interest to businessmen. For purposes of summary, the program may be considered to involve two phases: first, current data which can begin to be made available to business in the immediate future, i.e., early in 1946 including monthly reports of production, wholesale and retail sales, service trade receipts and the quarterly detailed reports on the labor force; and second, data of a more comprehensive character for use in the longer term phases of post-war readjustment to become available in 1947 such as the complete Business and Manufacture censuses and the Survey of Consumer Income all covering the year 1946, as well as the Sample Census of Population to be taken in the fall of 1946.

In addition to the above, the program of the Bureau in other fields will continue to serve many types of business use as they have in the past. The relaxation of wartime security regulations, for example, will permit the resumption of publication of detailed export and import statistics to satisfy the needs of those firms with interests in foreign trade. The information resulting from the 1945 Census of Agriculture will soon be available to describe conditions in this important producing and consuming area. Data on such subjects as vital statistics and government round out the picture of the additional activities of more specialized interest being carried on by the Bureau for businessmen.

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