Incorporating NAPCS Products in the 2007 Economic Census

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

20th Meeting of the Voorburg Group

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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**

<table>
<thead>
<tr>
<th>Product Type</th>
<th>2002</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking products</td>
<td>27</td>
<td>21</td>
</tr>
<tr>
<td>Leasing products</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Financial advice products</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Securities products</td>
<td>34</td>
<td>5</td>
</tr>
</tbody>
</table>
Comparison of 2002 and 2007 Inquiries for Commercial Banking

<table>
<thead>
<tr>
<th>Total Inquiries</th>
<th>2002</th>
<th>2007</th>
<th>% Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>64</td>
<td>32</td>
<td>50%</td>
</tr>
<tr>
<td>Other</td>
<td>104</td>
<td>8 (37)</td>
<td>94% (65%)</td>
</tr>
<tr>
<td>Total</td>
<td>168</td>
<td>40 (69)</td>
<td>76% (59%)</td>
</tr>
</tbody>
</table>

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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