THE IMPORTANCE OF ACCURATE CENSUS DATA TO SMALL BUSINESS FORMATION AND GROWTH

HEARING
BEFORE THE
SUBCOMMITTEE ON ECONOMIC GROWTH, TAX, AND CAPITAL ACCESS
OF THE
COMMITTEE ON SMALL BUSINESS
UNITED STATES
HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTEENTH CONGRESS
FIRST SESSION

HEARING HELD
JUNE 20, 2019

Small Business Committee Document Number 116–029
Available via the GPO Website: www.govinfo.gov

U.S. GOVERNMENT PUBLISHING OFFICE
WASHINGTON : 2019
CONTENTS
OPENING STATEMENTS

Hon. Andy Kim ........................................................................................................ 1
Hon. Kevin Hern ...................................................................................................... 3

WITNESSES

Mr. Darrin Conroy, Library Director, New York Small Business Development Center, Albany, NY, testifying on behalf of the New York Small Business Development Center ................................................................. 5
Mr. James Whittier Parker, President, Riverview Studios, Bordentown, NJ, testifying on behalf of the New Jersey Main Street Alliance ......................... 6
Mr. Jonathan Weinhagen, President and CEO, Minneapolis Regional Chamber of Commerce, Minneapolis, MN ............................................................... 7
Ms. Jill Dietz, Regional Center Director Statewide Services, Oklahoma Small Business Development Centers, Langston University Tulsa Campus, Tulsa, OK ............................................................ 9

APPENDIX

Prepared Statements:

Mr. Darrin Conroy, Library Director, New York Small Business Development Center, Albany, NY, testifying on behalf of the New York Small Business Development Center ......................................................... 23
Mr. James Whittier Parker, President, Riverview Studios, Bordentown, NJ, testifying on behalf of the New Jersey Main Street Alliance ....................... 26
Mr. Jonathan Weinhagen, President and CEO, Minneapolis Regional Chamber of Commerce, Minneapolis, MN ......................................................... 28
Ms. Jill Dietz, Regional Center Director Statewide Services, Oklahoma Small Business Development Centers, Langston University Tulsa Campus, Tulsa, OK ............................................................. 30

Questions for the Record:
None.

Answers for the Record:
None.

Additional Material for the Record:
Business for the 2020 Census ................................................................. 35

(III)
THE IMPORTANCE OF ACCURATE CENSUS DATA TO SMALL BUSINESS FORMATION AND GROWTH

THURSDAY, JUNE 20, 2019

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
SUBCOMMITTEE ON ECONOMIC GROWTH, TAX AND CAPITAL ACCESS,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:01 a.m., in Room 2360, Rayburn House Office Building. Hon. Andy Kim [chairman of the Committee] presiding.

Present: Representatives Kim, Davids, Espaillat, Delgado, Hern, Stauber, and Spano.

Chairman KIM. Good morning. The Subcommittee will come to order.

I want to thank everyone for joining us this morning, and I want to especially thank the witnesses. All of you have traveled across the country to be with us here today. I really appreciate it. It means a lot to all of us to be able to make sure we are hearing directly from you.

One of our most important goals of this Subcommittee is to assure that small businesses are equipped with the tools they need to grow, create new jobs, and generate that wealth in their communities that is so badly needed right now.

No matter where businesses decide to set up shop, whether it is in the middle of a large city or a Main Street in a rural town, we know that every single business needs a plan. And determining that location or finding the workers with the proper skills or having that accurate information about the members of the community is so vitally important for entrepreneurs and small business owners.

Luckily, our founding fathers foresaw the need for an accurate snapshot of the American people, so every 10 years since our country's inception the Constitution mandates that we take a proper count of all current residents of the United States. The Federal Government uses this information to determine where to allocate billions of dollars in resources through Federal and state programs, where to build infrastructure, provide public health services, and allocate resources to make our communities better prepared for disasters.

In that vein, the SBA uses this information to determine where they might want to invest more resources based on demographic
changes and population shifts. An accurate census is necessary to ensure we are allocating resources efficiently since these funds have an impact on the economic developments in our town and cities.

Now, the use of the census information is not just important for the government, it extends into the private sector as well, and the census is an invaluable tool for those looking to start or grow a business by providing the most affordable and accessible source of information about the demographics of our country and the growth potential of the American economy.

Small firms have come to rely on this data to make important decisions that can make or break their bottom line, and entrepreneurs and small firms use this information to better assess customer demands, identify new markets, and where to make investments.

Now, as we all know, starting or running a business is not an easy thing to do, but one of the biggest reasons small business fail is because they often do not have the access to the affordable, reliable information that their larger competitors have. You would not want to start a daycare in a town where the median age is 63, but you might want to open a second restaurant if you know that more people are moving to your town or a new highway is being built. And to understand these market trends, business owners must be able to freely access accurate and robust data.

The census provides that data that is integral to market research and to business plan development. Through not only the decennial census, but also a variety of other surveys conducted monthly, quarterly, and annually, the data provided by the Census Bureau helps businesses understand where to start, how to market, and who to hire.

A new tool available through the census compiles all this data from these different surveys directly for the purposes of informing business owners, and the Census Business Builder, among other tools on the census website helps companies access this information.

Through it, entrepreneurs, SBDC counselors, and local chambers of commerce can access information to better understand community needs. They can measure the potential for new markets, where to target advertising dollars, and assess labor trends in the areas to determine the workforce available for their companies to thrive.

Now, many of the most important decisions of a company can rely direction on the data collected through the census. So for the economy to grow and for wealth to continue to be created, we must ensure that the count is as accurate as possible. We must ensure that the data businesses rely on to make evidence-based decisions provides the best snapshot of our communities. Any mistake in the count next year could create a ripple effect through the economy. Small firms and entrepreneurs rely on accurate information from the data to make material decisions that will help create jobs and spur economic growth.

That is why today’s hearing is so timely and important. We can all agree that an accurate count is incredibly important for our Nation’s small businesses. I look forward to working with my col-
leagues on both sides of the aisle to ensure that next year's census provides our businesses with the most accurate and robust data.

Again, I want to thank the witnesses for being here today, and I now want to yield to the Ranking Member, Mr. Hern, for his opening statement.

Mr. HERN. Thank you, Mr. Chairman.

Entrepreneurship is the lifeblood of this Nation, and our country has always been known as the “land of opportunity.” This country thrives on its ability to support and encourage people to pursue their passions and strike out on their own, and today, there are more than 28 million small businesses in the United States driving the economy.

Starting a small business can be exciting, yet a risky proposition. Often an entrepreneur has already identified an interest and has turned that interest into an idea. However, this passion must be balanced with a substantial dose of reality. There are certain steps a potential small business owner can take in order to lay a solid foundation and increase their chances of success. For instance, an entrepreneur will want to understand who their target customer might be, who their competitors are, and if there is an actual need for their anticipated product or service. Answering these threshold questions through market research forms the groundwork of a successful business plan and may be critical to additional steps along the way such as obtaining financing from a bank.

So how does this relate to the census? This crucial information can be obtained through data collected by the census. While the Census Bureau may be most well-known for the decennial census, this is only one of the many surveys administered by the bureau and its partner agencies.

These surveys vary in length and in type of information sought, collecting a wide variety of statistics such as demographic, labor, business, economic, and socioeconomic data. It can capture facts from the thousand foot view down to the granular details about a specific community or locale. This information forms the bedrock of data accessed and applied by consumers across the Nation for various purposes.

Nearly everyone uses census data in some form or another, including all levels of government, academics, researchers, industry organizations, the public, and businesses of all sizes.

However, being a small business owner myself for the past 34 years, I can tell you that it seems like a questionable use of time and resources to have to answer these long and detailed surveys when the return on investment is not always evident. Sometimes it feels like another burdensome requirement levied by the Federal Government which will not result in any tangible outcome or result. I understand this feeling. I have been there and I sympathizes.

I hope through the testimony of our witnesses we can achieve a greater understanding of how widely census data is used, who uses it, and fully grasp the importance of this data in the daily operations of small businesses and by extension to the broader U.S. economy. In other words, let’s make that the juice is worth the squeeze.

Thank you, Mr. Chairman. I yield back.
Chairman KIM. Thank you, Mr. Hern. The gentleman yields back.

And if Committee members have an opening statement, we would ask that they be submitted for the record.

I would like just to take a minute to explain the timing rules. Each witness will get 5 minutes to testify and members get 5 minutes each for questioning. There is a lighting system to assist you. The green light comes on when you begin, yellow means there is 1 minute remaining, and red comes on when you are out of time. And we ask that you stay within the timeframe to the best of your abilities.

Now I would like to introduce our witnesses for today’s panel.

Our first witness is Mr. Darrin Conroy, who has been with the New York Small Business Development Center since 1993 and has been its library director since 2002. Mr. Conroy’s duties include research services, resource acquisitions, and outreach and education services. He has an undergraduate degree from Sienna College and a masters of library science from the University of Albany. Welcome.

Our second witness is Mr. Jim Parker, a small business owner from my district. He is the founder and owner of Riverview Studios and a 42-year veteran filmmaker. He has produced numerous broadcast programs for public television and during his career he has produced hundreds of multilingual documentary programs for corporate and nonprofit clients. Mr. Parker thank you for being here today.

Our third witness is Mr. Jonathan Weinhagen, president and CEO of the Minneapolis Regional Chamber of Commerce. He was elected to the Mounds View School Board in 2014, and currently serves as Chair. He a member of the Economic Development Commission in the city of Shoreview, past president of the Mounds View School’s Education Foundation, and is engaged in various other nonprofit board and Committee roles. Thank you for being here today.

I would like to now yield to the Ranking Member to introduce our final witness.

Mr. HERN. Thank you, Mr. Chairman.

Our final witness is Ms. Jill Dietz. She serves as the regional center director for the Oklahoma Small Business Development Centers at Langston University in Tulsa. In her role as a supervisor, she oversees business advisors in Woodward, Edmond, Oklahoma City, and Tulsa, and has been with OKSBDC for 6 years. Her dedication to assisting small business is evident in her ranking as a top performer in the state network for the past 3 years and her selection as OKSBDC state star in 2017. As a business advisor, Ms. Dietz provides business management and technical assistance to small business clients, including assessing capital needs, evaluating strengths and weaknesses, making cash flow projections and development marketing strategies based on industry research and consumer and spending data.

Thank you for being here today. I look forward to hearing your testimony, and I yield back.

Chairman KIM. Thank you. The gentleman yields back.

And welcome. We are excited to have you here today.
So why do we not just jump right in with the witnesses? Mr. Conroy, we will turn it over to you. You are recognized for 5 minutes.

STATEMENTS DARRIN CONROY, LIBRARY DIRECTOR, NEW YORK SMALL BUSINESS DEVELOPMENT CENTER; JAMES WHITTIER PARKER, PRESIDENT, RIVERVIEW STUDIOS; JONATHAN WEINHAGEN, PRESIDENT AND CEO, MINNEAPOLIS REGIONAL CHAMBER OF COMMERCE; JILL DIETZ, REGIONAL CENTER DIRECTOR STATEWIDE SERVICES, OKLAHOMA SMALL BUSINESS DEVELOPMENT CENTERS, LANGSTON UNIVERSITY TULSA CAMPUS

STATEMENT OF DARRIN CONROY

Mr. CONROY. Chairman King—Chairman Kim. Excuse me, my boss was named King. Ranking Member Hern, thank you for this opportunity to speak to you today.

You must all be familiar with the SBDC program. The New York program began in 1984. We now have 22 centers across the state, as well as numerous outreach centers. They provide an array of services pro bono to the small business community in New York through three core activities: one-on-one business advisement, business training, and research. On average, New York SBDC advisors provide counseling to nearly 20,000 small businesses every year.

I am here on behalf of the research component. New York created its library in 1991, in a response to a need by SBDC clients for a centralized information center. Since its inception, it has been a collective of professionally trained librarians, such as myself, who provide value-added research to any New York client.

In our history, we have received over 64,000 requests for information on numerous topics. Business owners have an insatiable need for information, the more current and the more accurate the better.

And they really like demographic data. Demographic data is something that every business owner needs, whether it is a startup or a long-term success. Such data impact where a store is located, what types of marketing should be employed, or whether it should be started at all.

One out of every five requests we handle includes the need for demographic data. These are answered primarily with either fee-based databases that use Census data for their own modeling, or any of the 100-plus Census surveys. And as you mentioned before, the Business Builder tool, which was rolled out in 2015 has proven to be a very easy-to-use interface and has proven quite popular in the New York State program to use with their clients.

Like much of our research, answers to these requests are incorporated into a client’s business plan. The presence of current Census data in a business plan is given immediate credibility by investors who read these plans.

Businesses can also have a say in the creation of data via participation in the Economic Census. As Mr. Hern must know, not every business is chosen to do that but those that do, it is a burden. But it is something that our library and our program have reminded clients to complete the survey and mail it back if only for the fact that the better the response rate, the more accurate the data. And
the more accurate the data, the better the chances of sound decision-making by policymakers, economic development agencies, and the business owners themselves.

So our efforts in this area are analogous to those put forth by the American Library Association. According to them, per the FCC, more than 24 million Americans do not have high-speed internet access at home. Because the 2020 Census will be distributed primarily online, this lack of access could dampen response rates. So in response to that, ALA has encouraged public libraries to tout themselves as places that offer no-fee broadband access.

The 28-year history of my library for New York is filled with stories of clients who have leveraged accurate and up-to-date information into funding for their businesses, or as a factor in deciding to expand operations, or to assist in deciding where to export their products, or to determine where to target their marketing efforts, and numerous other ways.

A small business owner faces constant challenges. New York SBDC advisors frequently say that their library saves their clients valuable time by navigating the sea of information to find the answers they need. In turn, we owe them the responsibility of accessing only those resources whose accuracy and currency are beyond reproach. And I hope I have conveyed somewhat from our perspective the importance of Census materials to the small business community in the state of New York. Thank you for your time.

Chairman KIM. Thank you. Appreciate the testimony there.

We are going to turn it over to you, Mr. Parker. You are recognized now for 5 minutes. Over to you.

STATEMENT OF JAMES WHITTIER PARKER

Mr. PARKER. Thank you, Chairman Kim, and Ranking Member Mr. Hern. I appreciate the invitation and the opportunity to be here and make a presentation.

I guess I am an entrepreneur. I have been self-employed and I own a business that I have operated since 1976, so that makes it 42, going on 43 years. We are an award-winning, digital media production company, so that means I produce films for businesses and for broadcast.

We do 12 to 15 major programs per year on average and a number of smaller ones. I have five employees typically. Right at the moment I have four. And over the course of the year I may hire 15 to 20 freelance employees. I also am on the Board of Trustees of the Trenton Area Soup Kitchen where I have served for 15 years, 6 years as board Chair. And it is actually a small business, too, because we serve over 300,000 meals per year in Trenton, Princeton, Hamilton, Hightstown, Bordentown, from 13 different satellite sites. I sometimes feel like I should have received my MBA for the experience I have had as board Chair there.

But I am primarily here on behalf of the New Jersey Main Street Alliance. I am a member of the Steering Committee. New Jersey Main Street Alliance is an organization, a coalition of over 1,600 independently owned businesses in New Jersey, and we are here to ensure that these businesses have a voice in public policy matters that are important to the community.
Bordentown City, where I operate, is a community of just under 4,000 people. I looked at the census data on the way in. It was 3,900 and something based upon the last census in 2010. The Main Street in Bordentown is a thriving sea of local, primarily family-owned businesses, of which mine is included. I am told I am one of only two independent media television production companies in the state. That sounds interesting. I have to check that out.

But it’s access, for these businesses to thrive, including mine, access to all of the services—to healthcare, to infrastructure, to good transportation and public transportation, access to capital and credit—many small businesses owners have a more difficult time gaining access to credit than larger competitors who are better positioned. We have limited resources and we are working with a smaller staff. So, you know, having good information is really key. And all of this is impacted by accurate census data, by accurate census counts because, for example, I know that New Jersey receives roughly $22 billion per year in annual Federal funds that are based upon census information.

So having good data is important to us. We need to maintain and improve our infrastructure, keep our highways and our infrastructure safe, and to ensure that funds are available for public education for public support and public programs that are critical in New Jersey.

The takeaway I think is that the census is not a political football. Accuracy matters. We need a full count. We need full funding in New Jersey, so we need the census to be fully funded. And we need for people to be able to respond comfortably and not be afraid to respond. We are concerned that so many people fail to respond to the census.

So in closing, New Jersey is a state where extreme wealth and punishing poverty exists side by side. An undercount we feel would exacerbate existing racial and socioeconomic inequalities. I think the main objective needs to remain to help provide the opportunities for people to break out of the cycle of poverty.

When communities thrive and when people have education and access to health care, and when people have money in their pockets, everyone benefits, my business included. Thank you.

Chairman KIM. Thank you, Mr. Parker. I appreciate your testimony.

We are going to move on to Mr. Weinhagen. Over to you for 5 minutes.

STATEMENT OF JONATHAN WEINHAGEN

Mr. WEINHAGEN. Chairman Kim, thank you for inviting me here today. Ranking Member Hern and members of the Committee, I appreciate the opportunity to spend some time with you to talk about the importance of the 2020 Census for small businesses.

I also want to thank the team from ReadyNation for their help in making it possible for me to appear before you today.

My name is Jonathan Weinhagen. I am president and CEO of the Minneapolis Regional Chamber of Commerce. I was appointed by Governor Mark Dayton and held over by newly-elected Governor Tim Walz to Co-Chair our state’s Complete Count Committee for the 2020 Census.
I have also joined the Business for 2020 Census Task Force, which is an initiative of ReadyNation, to work alongside other business leaders across the country to help encourage residents to participate in the census next year and equip businesses to participate as well.

As you have noted, the United States Constitution mandates that the government count every person in America every 10 years, and businesses rely on the accuracy of that data for three main reasons.

First, census data is used to direct more than $800 in taxpayer dollars each year to Federal programs that support small businesses, with everything from transportation that helps move their products, to developing their work force.

Second, the count is used to determine political representation at the local, state, and national levels, ensuring that small business interests are represented in government decision-making.

And finally, and what I will focus on today, the census is a powerful foundation upon which small businesses make their decisions each and every day. And I should know. Prior to my work advocating on behalf of the business committee, I spent nearly a decade leading in my family’s fourth generation auto repair firm in St. Paul. I still serve in an advisory role today providing that you can leave the family business but it will not leave you.

Many small business owners like my dad and the nearly 80 percent of the members that I represent operate on razor-thin margins and rely on accurate census data to inform their decision-making. Opening a store in the best location that is accessible to their customers, offering the products and services that residents living and working nearby want and need in their daily lives, or importantly, investing and locating a new office or facility close to neighborhoods with skilled workers.

All of these decisions are based in part on information that only comes from the census. Oftentimes, small business owners are leveraging census information without even knowing it. Even when a company is using a private commercial data base, that information would require a benchmark to ensure that it is accurate. Because the census provides the most accurate and robust snapshot of everyone living in the United States, it is the best available benchmark we have which no other data source produces.

Census data is also the foundation for a wide-range of economic analyses from the unemployment rate to real estate figures. These indicators may encourage an entrepreneur to take the next step or cause them to wait to start a new tech firm or open a new restaurant. Essentially, census data is big data for small businesses, and it is extremely important that the census be as accurate as possible.

If the 2020 Census count is inaccurate, small businesses and our communities would be negatively impacted over the course of the next 10 years. An inaccurate census could result in a domino effect that may stifle local economies if small businesses decide against expanding or hiring more employees, hurt local communities if fewer investments are made by small businesses and neighborhoods with high concentrations of people that are considered hard to count.
I can offer an example. I am working right now on a project with Houston White in North Minneapolis, which is a large African-American population. Houston is an entrepreneur who owns a barber shop and he has a vision for a community-led redevelopment of his neighborhood. Camdentown has the potential to be the model for community-driven economic development and redevelopment, but only if there is accurate data to support the level of investment necessary to realize that vision.

And last, they could deprive Minnesota of public funding that grows our economy. Every year Minnesota receives roughly $15 billion in Federal funding for programs that help build roads, strengthen schools, and contribute to a healthy work force. This funding is allocated based on census data.

Simply put, Mr. Chairman and members, a robust 2020 Census is good for business, good for the City of Minneapolis, and good for our national economy.

It is why business leaders across the Nation understand the need for an accurate census. I have brought with me today and distributed a letter from over 75 business leaders representing small businesses and large enterprises that urges Congress to support adequate funding for the Census and to ensure an accurate count.

On behalf of my family of small business owners, my members, the Minnesota Complete Count Commission and ReadyNation, Chairman Kim, Ranking Member Hern, members of the Committee, I thank you and appreciate your leadership in focusing on this critical issue. I am certainly happy to answer any questions.

Chairman KIM. Thank you. I appreciate your testimony.

Ms. DIETZ, we are going to turn it over to you for 5 minutes.

STATEMENT OF JILL DIETZ

Ms. DIETZ. Thank you, Mr. Kim, and Mr. Hern, for letting me be here today. I appreciate it. It is a privilege.

I, too, am a business owner in Mr. Hern’s district for 35 years, so we probably started at the same time. I was in restaurants, too.

Mr. HERN. Back when we were 10.

Ms. DIETZ. Yes. Thank you. I appreciate that. Very politically correct of you. Thank you.

So it is my privilege to work for the OKSBDC to give back to my community because I can walk beside these people, these small businesses.

The OKSBDC, a partner with the Small Business Administration, provides that confidential, high quality, no cost entrepreneurial and small business advising to help people start new businesses and grow their existing ones.

I am excited to share today how important the U.S. Census is to my organization as we strive to assist those businesses through the many services offered by the OKSBDC. I cannot stress enough how much my organization relies on that demographic data. Whether we are helping a small business decide on a brick and mortar location or helping develop a marketing plan to reach those new customers, we routinely use this census information. The accuracy of that data provided by the census is instrumental in helping the OKSBDC support those small businesses.
Simply put, the quality of this information we use is critical to that business success. Often, a small business owner will approach me seeking guidance on how their business can perform better. During that consultation, we would perform a gap analysis determining the difference between the current customers and the potential customers. Without accurate census data, any gap analysis that we create would paint an incomplete and inaccurate picture. With accurate data, we are able to identify new locations the business should target, untapped audiences, and help create effective marketing strategies.

Speaking of which, any business striving to be successful needs a data-supported marketing strategy. The census provides such a wealth of information that it allows me to compare and contrast that demographic data so I can help create those marketing strategies that will best help my clients. Small businesses do not have access to unlimited capital. Every single decision has to be purposeful and conscientious. Without accurate census data, I would feel less comfortable providing marketing guidance.

Besides marketing, many businesses rely on the accurate data to maximize gains and justify spending. Fair market rents, insurance planning, asset acquisition, expansion, payroll decisions are just a few of those business considerations dictated by demographics. I, like every one of my peers, endeavor to offer sound advice to those businesses. It is only possible because of this data that is provided in the census.

Of course, the OKSBDC also works with those clients in the process of creating new businesses. We use census data and demographic analysis to justify and accurately explain their valuation, their marketing plan, and their business viability. Consecutively, lenders approve those loans based on the assumption that the data provided in those business plans are from reliable resources.

Information accuracy matters. A great example involving the OKSBDC using census data involves a client in northeastern Oklahoma. This month, June 2019, a client with an Army xTechSearch submission was asked to provide information to the Army about their product’s civilian market applications. The business was able to respond with certainty because the OKSBDC had previously researched industries and demographics to determine multiple private sector target buyers.

Given the extensive scope that census data plays in the day-to-day operations of the OKSBDC, it is easy for me to argument for the importance of accurate census data. This data is necessary for the practices, the procedures, and outcomes of the OKSBDC. Small businesses have become reliant upon, and in many cases completely dependent upon, the census data for numerous operations from business conceptualization all the way through growth and expansion.

Thank you for allowing me to speak today.

Chairman KIM. Thank you for coming here and speaking to us today. Again, I just reiterate it really is our honor to have you come from different corners of this country to be able to share your thoughts, your wisdom. Certainly on this Subcommittee, the Ranking Member and I are doing everything we can to make sure that we are hearing voices direct from business owners and business
leaders, the community, because these are the types of voices that we really need to make sure are brought up here in Congress and that we are able to hear directly from those that are impacted.

And I think just listening to the four of you speaking, a couple of things really stand out. Each and every one of you addressing in some capacity the need for the accuracy of the census and thinking about that in a couple of different ways. First of all, in terms of usefulness of the data to yourselves, to other small businesses, to communities, but also, as you mentioned, Mr. Parker, the resources that are coming to our state and our communities as well as a result of that which are helping small businesses in different ways, whether that is on health care or infrastructure or other capacities. So thinking about this holistically is something that is helpful for me to package coming out from your testimonies.

Just two questions that I want to get to before I turn it over to the others on the Committee, and if I have any more I will follow up at the end.

The accuracy of the census and the usefulness of the data, I really want to just get a better sense from you just of the data, are there particular categories of the data that are useful? I know you were talking a lot about the demographic side but, you know, if there is anything further you would like to add just in terms of what specifically, is helpful, that just helps give me an understanding of how it is being utilized from your perspective.

But on top of that, is there certain types of information that you wish you had? Are there certain things that if you were able to have access to that you feel like would kind of expand the amount of information you are getting, the usefulness of this? So I just want to open it up in case any of the four of you have something to respond to that question.

Mr. CONROY. I wish for a lot of things. As a librarian, I cannot help but be greedy.

Most of the queries that I get are answered with the products that exist now, some of which, however, are spaced out quite a ways. The Economic Census in particular does take quite a bit of time to compile and then made available at various levels of geography.

Case in point, recently, somebody in the Brooklyn area wanted to open up a specialty grocery store and he was just asking, “In my county or in my Census tract” (which you can get away with in Brooklyn because it is so dense) “what are other businesses like mine making? What are their net sales?” So which we argue more often than not, this is data that a business owner does not need to reveal as a privately-held business. But from a survey perspective, if you have a decent sample size you can compile useful data like that. However, when you tell them that the most current data available is from 2012, at least at that level, you see them sort of slump a little bit. It is hard to then project from that without making some speculation. So I do not know what could possibly be done about that, but that is an issue that my people face.

Chairman KIM. I appreciate it, Mr. Conroy.

Anyone else want to respond to this one?

Mr. PARKER. I think from the standpoint of my position with the soup kitchen, it is probably more relevant. The demographic
data helps our organization in planning for services and programs that will help people to get back on their feet. One of the things we at the soup kitchen, because it is a large organization, we have over 25 full-time employees and the last I heard it was something in excess of 3,000 volunteers that serve on an annual basis, who come in and serve the meals. But because of the nature of the community, one of the challenges is providing resources for adult education, for example. People that need to get their GED or get back into a place where they can earn a living.

So having demographic information about the population of the community helps to plan better and to come up with programs that will best suit the needs of the community. Of course, financial resources are also important. Whatever funds the community does not receive, such as SNAP assistance and things like that, it ultimately comes back to fall on shoulders of the organizations that are funded through individual donations like the soup kitchen to meet those needs. Thank you.

Mr. WEINHAGEN. Mr. Chairman, very quickly, I would agree with Mr. Conroy. When it comes to data for business decision-making, more is more. But I think when we think about the census, the 2020 Census, the demographic information that you hit on is really the key aspect that we hear from business leaders and owners that is helpful in their decision making. So just really emphasize that accurate and complete count being the primary and then we can think about augmenting with additional types of data.

Chairman KIM. No, absolutely. And that is well taken. And I do appreciate the Ranking Member’s comments during his opening statement. You know, of course, there is always more and more data that we can take and be useful but we have to be mindful about what it is that we are putting upon small business owners who are already pulled in so many different directions, and that is a fine balance that we always need to respect and understand.

One last thing as my time is drawing closed but I just want to ask, Mr. Weinhagen, what you just said there at the end about, you know, about the accuracy of the census and the focus on that, too, I wanted to ask, as you are here representing business for the 2020 Census and a coalition of other business owners, from your perspective, what role can the business community play in encouraging individuals to participate in this census and helping us reach that accuracy? I am curious from your standpoint if there are things that we can be thinking of from a business side to be able to help encourage.

Mr. WEINHAGEN. Thank you, Mr. Chair.

Absolutely, there is a role for the business community in helping to make sure that we get the greatest turnout and the most accurate count in the 2020 Census. We are working to distribute and create tool kits for business leaders across the state of Minnesota to ensure that they can communicate to their employees, that they can communicate to their communities the importance of the census. And I think secondarily, there is a role for the private sector in helping fund and augment some of the local activities around outreach. One of the things that we hear most kind of on the ground and in our local communities, particularly as we get into greater Minnesota, is reaching every corner of every district is real-
ly critically important. The private sector can play a role in helping, you know, double down on the funding that comes from the Federal Government and from the states in making sure that we have feet on the ground to get everybody counted.

Chairman KIM. Great. I think that is an area that I would love to just stay in touch with you about and others about on what it is that we can build out going forward.

But my time has expired. I am going to turn it over to the Ranking Member. Mr. Hern, you are recognized for 5 minutes.

Mr. HERN. Thank you, Mr. Chairman. Thank the witnesses. Thank you all for being here today and sharing your testimony.

Mr. Conroy, as the Chairman said, I really appreciate your statement knowing that there is a burden put on small businesses, and the smaller the business, it seems like it is almost an impossibility to get done. I was just sitting here thinking, it would probably be a great marketing piece to put in front of those what this day will be used for. I think you would have even a greater participation because it is not just the decennial. We have tons of surveys that come out from the Department of Labor and Agriculture and everywhere else.

But along that line, if the census data were not available for your use, are there any other resources or source of information that could be used to replace this information at the same level?

We can start with Ms. Dietz. And if it is yes or no, or if you want to elaborate, that is fine. I am going to try to get through a lot of questions here because our goal is to really find out from you all how important this is regardless of our opinions or what we know, but it is important because obviously, this will be information that will go out to the public to see and this is important.

Ms. Dietz, are there any other sources that would replace or augment to a better degree what is currently being taken?

Ms. DIETZ. Not to my knowledge. I would defer to Mr. Conroy.

Mr. WEINHAGEN. Mr. Hern, I think the short answer is no. The census is the most expansive set of data that we have available to inform decision-making. There is certainly other databases and resources available, often in the private realm at exhaustive cost. And particularly, we talk about small businesses. That can be a limiting factor to providing them access to that data.

Mr. HERN. Okay.

Mr. CONROY. I am sorry. Were you going to say something?

Mr. PARKER. I was just going to say I am not aware of anything either except as in relation to Federal funds that the state receives which are based upon census data. I do not know of any other source of information that would help to drive that.

Mr. CONROY. Well, there are private sector databases out there. There is a company called Esri based out of California. They make a software product called ArcGIS, which is well regarded in the GIS field. We have a tool that correlates with that. It is a database. But it is my job to take a look at that data and you sort of look at the fine print, while you can get data that says it represents a population figure say for 2017-2018, you find that it is modeled on counts from the 2010 Census. So they are taking that and they are applying their own modeling. They are a respected company so their modeling techniques are respected but there are other data-
bases out there that are not as statistically rigid and I find their use actually of Census data to be hazardous. But again, it all comes back to the fact that it is based on the 2010. I do not mean hazardous. I mean, I am not a statistician by nature. I just think that sometimes——

Mr. HERN. Not as reliable as one would want?

Mr. CONROY. Right. Well, they just say the population is going to grow at 2.2 percent and they will just do that 2.2 percent for 10 years. Whether that is accurate or not, who can say?

Mr. HERN. So for the record, I think what you are saying is, yes, there might be other sources but those sources would be based on census data that is being collected.

Mr. CONROY. They are. They are.

Mr. HERN. And this is a way to monetize extrapolating data and forecasting and——

Mr. CONROY. These databases do a lot of other things as well. They collect data from other countries as well. They do a lot of labor data and it is a nice piece of product to have. But as Mr. Parker says, and Mr. Weinhagen says, these are not cheap. I am fortunate to work for an educational institution where I get that pricing level, but if you are a small business owner and need that and you have got to shell out $15,000 a year, that is an expense that you do not need to make.

Mr. HERN. So Ms. Dietz, I am going to start going left to right again.

Do any of you all in your respective positions get questions asked of you by people seeking to start new businesses or expand their businesses that you do not find there is any data for? And therefore, you have a feedback mechanism where you can go back to the creator, I mean, of these censuses and say we need this. In these interim Census Bureau, we need this information. We are not getting that.

I am just going to use an example. Ten years ago a question might have been the accessibility of broadband. So as the economy evolves, there are going to be questions. We did not take a census on 10 years ago, so the interim Census Bureau would capture those. Do you get to have that input? Are you aware of any direct from the field questions that you could roll back up to get those data points collected going forward?

Ms. DIETZ. I would say the only lacking gaps that I run into is that it is not narrow enough so such as Mr. Conroy said, a specialty grocery store, to find that to compare apples to apples, to make comparisons that are really solid, that you believe are concise. So I feel like a lot of the data is not narrow enough, and I know that that just creates more red tape and more filling out and more time of those censuses. But it is valuable.

Mr. HERN. Mr. Weinhagen?

Mr. WEINHAGEN. Mr. Hern, I cannot point to a specific example. Certainly, there is data that is requested on a daily basis that could benefit a company from having access to but not a specific example at this time.

Mr. HERN. Mr. Parker, I am going to roll back because my time is expired.
Going back to your statement about detail, I think that is my point is do you have a feedback way of going back up the stream and saying we need more detail in these particular areas, therefore, we need to survey more? Because sort of the thought is if a little data is really, a lot of data is awesome. And more data is like outstanding. And at some point in time the document is 50 pages long. And some on my side would argue that is kind of where it has gotten to. And if it is not doing the right thing, can we fix some of those? Yes or no? But, I mean, do you have a feedback place where you can offer that kind of input that you know of or are you just taking what comes down?

Ms. DIETZ. I am taking what comes down but I have today.

Mr. HERN. Thank you. Thank you.

Chairman KIM. Thank you.

I am going to turn it over to my colleague, Congresswoman Sharice Davids. Over to you for 5 minutes.

Ms. DAVIDS. Thank you, Chairman.

As we have heard today, accurate census data is incredibly important to the work that we do here in Congress, but also to the work that you all are doing on the ground. It is because the census gathers essential, important information that leads to Federal funding, whether it is in research, education, or transportation and infrastructure decisions.

In my conversations with stakeholders in Kansas, which is where I am currently a representative from, you know, I have talked to folks from chambers of commerce. We have a Greater Kansas City Chamber of Commerce, and they have stressed the importance of accurate census data to me for properly funding workforce initiatives that they have, whether it is workforce development training or trying to bridge that gap between the workforce we have got and what we think we are going to need.

So I am wondering if any of you can give us some insight into how you have seen census data used to address workforce shortages in your communities or I am sure you engage with folks all across the country as well.

Mr. WEINHAGEN. Ms. Davids, I think that is a great question. Three hundred thirty three million dollars flows into the state of Minnesota for workforce training each year, and it is census data that helps us distribute where those dollars are allocated district by district, and it allows us to surgically target across the state where the greatest need is. So I think it is an example of how critical the information that demographic information is, where population sheds are, where different ethnicities are settling, so we can make sure that we are targeting those dollars and being really good stewards of those resources to ensure that we are capitalizing and upscaling the workers that we need to fuel the continued growth of our economy.

Ms. DAVIDS. Thank you.

So, oh, go ahead, Mr. Conroy.

Mr. CONROY. In New York State, excuse me, we have done a lot of work, since most of our centers are located in centers of higher education, a lot of those schools have come to our centers to see how they could perhaps restructure their curricula based on workforce labor patterns in their area and based also with an eye on
the future. A lot of interest in the tech industry in the Hudson Valley and New York, down on Long Island as well, and in the Rochester region where you have a lot of displaced folks from the old Eastman Kodak days, and the Binghamton area as well. So in that regard, we have given them data basically showing what those jobs in those industries ought to be versus what exist currently and then they can again develop curriculum to help maybe bridge that gap.

Ms. DAVIDS. Thank you.

I would like to actually follow up on a piece of testimony that you provided, both written and then you mentioned it, Mr. Conroy. But I am actually going to go to Ms. Dietz about it because knowing that broadband access is something that—a lot of spend quite a bit of time talking about broadband access—knowing that there are a lot of people, both urban, rural, and suburban, who do not have access to broadband, I am wondering, Ms. Dietz, if you can speak a little bit to the ways you are seeing people accessing areas, whether it is at libraries. Maybe it is at small business development centers, accessing online materials knowing that online is the direction that the census is going.

Ms. DIETZ. We are very rural, also. And so I do find many, many, many people that do not have that internet access, and I am always surprised at it because we only have the two major cities in Oklahoma.

I would say that many of the rural are not accessing it. They are not finding those places because the library is too far or they are not going to the library to use it so they just—we do have lots of people that are trying to submit information to us through the mail or bring it in and it is handwritten. So that is a definite problem. I have not experienced people coming to an SBDC for that access. So whether they are going to the local libraries, maybe, but it is a definite problem in Oklahoma.

Ms. DAVIDS. Okay. Yeah. And then could you talk a little bit more, Mr. Conroy, about the ways that you are letting people know that you are going to be able to offer a place for people to perform, respond to the census.

Mr. CONROY. Well, that was in reference to a document that the ALA, the American Library Association put out. In my testimony that I did not get to was an example of a case study where we had a client in the upstate corner of New York, very mountains region also populated by the Akwesasne Indian reservation. This is a very poor part of the state and this man had an opportunity to submit a proposal to a New York State program for expanding broadband access into these types of regions. And he had a wealth of data at his disposal. You can all read it. I do not want to reiterate what it is about. But it was a great success. It was an example of using our research capabilities combined with Census data, combined with an opportunity offered by the State of New York, and this man parlayed all three of those and has gotten a substantial amount of funding to maybe open some doors for people in that part of the state. That is the kind of stuff that we are trying to engage in.

Ms. DAVIDS. Thank you.
Mr. CONROY. Knowing that there are pockets around New York State that are very rural, very farm-like. And like Ms. Dietz says, they are falling further and further behind.

Ms. DAVIDS. Thank you. And thank you for all of your testimony and your time today.

I yield back.

Chairman KIM. Thank you.

We are going to turn it over now to my colleague, Congressman Stauber. Over to you for 5 minutes.

Mr. STAUBER. Thank you very much.

We talk about the census. It is critically important.

So Minnesota’s 8th Congressional District is mostly rural. And Mr. Weinhagen, you come from the great state of Minnesota in the Minneapolis-St. Paul area. And so I just want to share a story with you, all four of you.

A woman came to me and said in her mind how important the census will be. She said her 90-year-old father who still lives on the farm deserves to be counted. And so what are some of the ideas you think we need to do, put forth, to make sure rural America, that that census gets out of the metro area to make sure that we have the correct census in the outskirts, rural America, rural Minnesota, to ensure that those small businesses that want to invest understand and agree with the data that the census is going to put forth? So some of the ideas, Mr. Weinhagen, I will start with you and then we will go to the other panelists, because it is critically important that we keep our small businesses in rural America.

Mr. WEINHAGEN. Mr. Stauber, you are absolutely right. And this will be the most technologically advanced census of all time. And rightfully so. As technology advances, we should be adopting and adapting to that. But it also does come with challenges. And one of the things that we hear from Greater Minnesota every single day is that access to broadband is a challenge. And as we think about the way that this data is going to be collected and making sure that a 90-year-old grandfather is counted, we are going to need to use some different interventions. Whether things that we are thinking about with our work on the Statewide Complete Count Committee is just that, thinking about how are we going to go out into every corner of the state to make sure we collect this information and provide the technology necessary to do so?

So some of the specific strategies involve, you know, working with local communities and local cities to provide pop-up type resources in grocery stores, in libraries, all across communities, meeting people where they are at. So think mobile hotspots that are activating a bank of computers so that folks have the opportunity to input their data into the census. We are going to have to be much more intentional about how we collect some of this data, and it is going to be acutely felt in greater parts of our Nation.

Mr. STAUBER. I appreciate those comments. It is so important that they are counted.

Other panelists? Mr. Conroy?

Mr. CONROY. It is speculative on my part. I work with a man who has participated in the New York State Data Center, which is a collective of people within the state government who have a great interest in the Census. And is much more knowledgeable in these
areas. But I think one of the other great obstacles is to be very transparent in terms of what the Census is and what it can provide. Otherwise, I think you are dealing with a lot of people who may be deeply suspicious as to why someone is surveying them at all. And absent any kind of real clear effort to say this is why it matters, I think you are going to have a lot of difficulty in getting feedback from people because of that.

Mr. STAUBER. And do you know if the census takers take an oath that the information that they gather is private and confidential?

Mr. CONROY. I do not know. I would be surprised if they did not. And I would be surprised if they did not get this kind of training when they go door to door and they are going to meet with a lot of less than enthusiastic people. You are going to get other people who might be like this 90-year-old man who will be very eager to participate. I think it would start literally at the grassroots level just to get the word out.

Mr. STAUBER. And I think in Minnesota that is what we are doing. We are starting that a year and a half ahead to get the message out and the importance of the accurate census.

Mr. PARKER. Yes. I very much agree. And I agree with Mr. Conroy. The message is really important for people to understand the value this brings back to the community, back to them. And without that message there are many communities. I think of the population, our constituency that we serve through the soup kitchen. There are many people who are very suspicious because they simply do not understand what this information can do and will do. And we need to have all of the data counted for it to be accurate. Otherwise, it is not valid information. So thank you.

Mr. STAUBER. Ms. Dietz?

Ms. DIETZ. I concur with all of them.

Mr. STAUBER. Short winded.

Well, I want to thank you all for coming and sharing your expertise. It is important that we recognize that small businesses are the engine of our economy and we are all on the front lines. We all want our small businesses to succeed. As a small business owner myself, I totally understand it.

Mr. Chair, I yield back.

Chairman KIM. Great. I appreciate it from the gentleman from Minnesota.

And now turning it over to the gentleman from New York. Over to you.

Mr. ESPAILLAT. Thank you, Mr. Chairman, Ranking Member. Thank you, Mr. Chairman.

I guess we are here because our Nation has a chronic problem with accurate census in general, not just for this one. For many decades we have faced these hurdles of our inability to count ourselves in a precise and accurate way. And the implications that that brings to the table, in this case, to small businesses. I represent a very diverse district. It has Harlem. So like the capital of the African-American diaspora and the country, East Harlem with just the launching pad of the Latino experience in the northeast, a very immigrant community in Northern Manhattan, Washington
Heights, Inwood, and then the Bronx. And so small businesses there have these very particular niches that require for them to understand their customer base. And so my questions are for two sort of like silos.

The first one is, for minority women-owned businesses that always are pushing to get their place at the table, how do you feel that an inaccurate census will impact the ability of minority and women-owned businesses to get greater opportunity and a greater piece of the pie? How does this impact this very particular population that is always pushing? New York State, you know, the efforts that we made to include broader participation by minority and women-owned business. Anybody?

Mr. PARKER. I would think access to funding and having funds that are available based upon an accurate census in the community for SBA loans for funds that are available for small business loans and banking information. So I think access to credit and access to funding is going to be critically important particularly for new businesses and for small businesses.

Mr. ESPAILLAT. And for startup businesses, if I was to start up a new supermarket, I would like to have a feasibility study, an assessment of my customer base. I want to know if I have to have kosher food there. I want to know what kind of products I need to have there depending on the population that I want to serve. And obviously, the census continues to be a document that has trouble measuring that. So how would it impact our lack of very specific detail information about demographics, race, ethnicity? Income levels, too; right? I want to make sure that I am addressing the needs of higher income populations or lower income populations, you know, food stamps or that investment banker that may want to have a Whole Foods in their neighborhood but it is not there and now I want to put this new supermarket and I want to be able to compete. How does this census problem that we have in measuring accurately the population impact the startup of businesses? Anybody?

Mr. PARKER. I can give you a good example. In the city of Trenton, it is considered to be a food desert.

Mr. ESPAILLAT. Correct.

Mr. PARKER. There are no major supermarkets in the city of Trenton. A resident who does not have a car might have to travel 2 hours by bus or public transport to get to a supermarket. So the community relies on small businesses. They rely on the bodegas. They rely on the local barber shop, the local, you know, people who are operating in the community. And so theoretically, information, data information on that community would help a Whole Foods, for example, make a decision that here is an opportunity that could be taken advantage of.

Mr. ESPAILLAT. And since we have this problem of accurate data and demographics, are there any other tools that small businesses could go to to get this important demographic data and income data? Is there any other measuring mechanism out there besides the census that they can go to and make an assessment as to whether or not they want to start up a business in a particular community?
Mr. CONROY. The only things I can think of would be, depending on the industry that it is in, for instance, the National Restaurant Association is the largest trade group for the restaurant industry.

Mr. ESPAILLAT. Right.

Mr. CONROY. And they put out——

Mr. ESPAILLAT. They have information?

Mr. CONROY.—an industry operations report. It is basically a survey of their members. And you can get information on menu, trends, pricing, average check size, things of that nature. Things that are not captured in a census. But it is like a census in that it is a survey of a closed community.

Mr. ESPAILLAT. I know in New York City, and I will close it out, Mr. Chairman. I know in New York City it also goes to, for example, school data. They are able to see, sometimes school data is a little more accurate than even the census data because a parent goes to a school and shares his or her information.

Thank you, Mr. Chairman. I yield.

Chairman KIM. Thank you. The gentleman yields back.

I want to turn it back over to the Ranking Member for some follow-up here and some remarks.

Mr. HERN. Thank you, Mr. Chairman.

Do any of you know if the census data is used in collaboration with like the SBA, other Federal agencies, any cross-pollination there of any of that data, do you know?

Mr. CONROY. The only thing that I can think of is there is a Consumer Expenditure Survey that they undertake with the Department of Labor. I do not know if SBA is involved in actually producing any data. Certainly, they use it.

Mr. HERN. Part of the problem is being a business owner, is that we get surveyed by all these different agencies for many times the same, similar information. And I think that is part of the problem. Some of you may have read my background. I have been with McDonald's for 35 years and to your point, NRA, National Restaurant Association, McDonald's everybody polls everybody for a lot of information and it seems like you sort of every week have got some sort of a survey you are filling out and you are just kind of wondering after the day, can some of you not get together at some point higher than us and just send us one survey and share it somewhere? Because it is pretty onerous.

So I really appreciate your testimony. One of the things I would like to ask you all, and the Chairman and I were just talking about this, you all deal directly with small business development in some sort. And you see a lot of barriers and they have got to be immensely frustrating. My colleague from Kansas talked about broadband in rural areas. We have had hearings on that. But as you go through, we would ask, you now have some ownership in this. You know who to talk to as Ms. Dietz said. We would love to get your feedback on other things that you see as barriers for people with ideas wanting to start small businesses and put Americans to work. And so as you see those barriers, we would love, each one of you have contacts with some member on this panel, whether it is me, the Chairman, or other members that are in your district. We would love to get that feedback directly from you because the
purpose of this Committee is to hear from people who are either job creators themselves or helping people create jobs in the first place or grow their businesses. And we want you to know if people were to walk in here, I would assume you, and I have said this often and I will say it again, if people were to walk in here, it would be very difficult, if not impossible, to know which one of you are representing the Democrats and the Republicans because when you are in small business D and R does not matter any more. You are in survivability mode. It is, how do you grow? It is about taking care of your people, your customers. And I really appreciate that part of this Committee.

So I just want to leave it on that note. Please, we would love your feedback not only today as we have but going forward as well. Thank you all for being here.

Chairman KIM. Thank you, Mr. Hern, for your comments there. I cannot agree with you more, just the importance and what we are trying to do on this Committee, just really making sure that we are approaching this, cutting out the partisanship and just doing what we can to deliver for small businesses.

But also for our communities on top of that. And that is one point that I have just kind of been of percolating in my mind as I have been hearing from all of you. While we are thinking about this in terms of the impact on small businesses and their abilities to grow, another side of it is the ability for our communities, for Burlington County and Ocean County in my area to be able to attract businesses into. You know, be able to use that census information to be able to make a case for why this is an attractive place for small businesses when we think about our Main Street down in, you know, when we think about Farnsworth down in Bordentown. When we are thinking about Route 130 or Route 9 in Ocean. These are places where we are thinking about how do we bring in more and more businesses? And the census information is often what we are doing with the chambers and others to be able to make as strong of a case. So, you know, that is sort of another angle that I just want to continue to build into and figure out what it is that we can do.

I cannot thank you enough for taking the time to come on out here. I know it was a trip for each and every one of you. It means a lot to us as we are trying to make sure we are raising up your voices because your voices are the ones that matter so much. And we know it is so vitally important that for our Nation’s businesses as we have heard today to have that accuracy with the census in 2020 and beyond. This data is underpinning so many important decisions that are being made in terms of where to locate or hire, whether to expand. And those of us here in Congress need to do what we can to ensure that the census is accurate. Not only preserve the integrity of our democracy but also to help small businesses grow and expand.

I want to just bring this to a close, so I ask unanimous consent that members have 5 legislative days to submit statements and supporting materials for the record.

And without objection, so ordered.

And if there is no further business to come before the Committee, we are adjourned. Thank you so much. Take care.
[Whereupon, at 11:08 a.m., the subcommittee was adjourned.]
APPENDIX

HOUSE SUBCOMMITTEE ON ECONOMIC GROWTH, TAX, AND CAPITAL ACCESS

Statement of Darrin Conroy, Library Director
New York Small Business Development Center
June 20, 2019

Chairman Kim, Ranking Member Hern, and distinguished members of this Subcommittee, thank you for the invitation to appear before you today and provide testimony on the importance of accurate Census data to help the formation and growth of small businesses.

Background

Before I begin, here’s some background on our organization. The SBDC program is national in scope. There are programs in each of the 50 states, the territories, and the District of Columbia. The New York program began in 1984 as a partnership between the U.S. Small Business Administration, New York State, the State University of New York, the City University of New York, other higher education facilities, and the private sector. Currently, we operate 22 Regional Centers, 28 Outreach Offices and many part-time satellites. The SBDC provides a wide array of services pro bono through three core activities: one-to-one business advisement, training, and research. On average, New York SBDC business advisors provide counseling to nearly 20,000 small businesses each year.

I’m here on behalf of the research component. The New York SBDC created the Research Network in 1991, in response to a need by SBDC clients for a centralized information center. I began there in 1993, and became its director in 2002. Since its inception, it has been a collective of professionally trained librarians who provide value added research to any New York SBDC client who requests it.

In our history, we have answered over 64,000 requests for information on numerous topics, for numerous industries. Business owners have an insatiable need for information – the more current, and the more accurate, the better. And they really like demographic data.

Information requested by small business owners

Demographic data is something that every business owner needs, whether it’s a startup or a long-term successful establishment. Such data impacts where a store is located, what types of marketing should be employed, whether a business can attract financing or investors, or whether it should even be started.

One in five requests for information concerns the need for demographics. These are answered primarily with either private databases that use Census data for their own modeling (like “Community Analyst” from Esri, and DemographicsNow from Gale) or any of the 100+ Census surveys.

For example:

Q: Client wants to expand her pierogie food truck and begin distributing to supermarkets in western New York. Where do people of Polish ancestry live?
A: Use the 5-year survey from American FactFinder to identify the top 20 populations in western New York with Polish ancestry.
Q: A business advisor served on a committee to draft language for a bill that would assist NYS veteran business owners. Did we have any data on the number of those?
A: Use the Survey of Business Owners

Q: What was the number of construction projects done in the past 2 years in central New York?
A: Utilize the Building Permits Survey

Q: What is the total market value in terms of sales in the United States and New York of specialty grocery stores?
A: Access data from the 2012 Economic Census

Like much of our research, answers to these queries were incorporated into a client’s business plan. The presence of *current* Census data in a business plan is given immediate credibility by the investors who read these plans.

Census rolled out its "Business Builder" website in 2015. It enables users to access data from several Census surveys in one convenient location. This tool has become popular with SBDC business advisors (and their small business clients) in New York as well as the rest of the country. It's easy to understand, it's updated frequently, and (most importantly) its administrators are responsive to suggestions by its users. More current information enables clients to make better choices.

Another area where businesses can have a say is the participation in the Economic Census. Not every business is selected to fill out this survey that is conducted every five years. However, our library strongly encourages our business advisors to remind their clients who *do* receive a survey to complete and mail it back. The better the response rate, the more accurate the data. The more accurate the data, the better the chances of sound decision-making by policymakers, economic development agencies, and business owners themselves.

Our efforts in this area are analogous to those put forth by the American Library Association. Per the FCC, more than 24 million Americans do not have high-speed internet access at home. Because the 2020 Census will be distributed primarily online, this lack of access could dampen response rates. In response, ALA encourages public libraries to tout themselves as places that offer no-fee broadband access.

Case Study

Speaking of broadband access ... in 2014, our office in Canton NY was visited by a man who was interested in starting a company that would provide wireless broadband internet and phone access to small rural communities that lacked access. In 2016, New York State announced the New New York Broadband Initiative. This made grant funding available to businesses like that of our client. To get the funding, he needed to fill out a proposal. To fill out the proposal, he needed data.

He gave us a spreadsheet that he received from an agency within New York State that listed several hundred Census geographic codes. He needed to identify the towns and counties in which each of these codes resided. Then, he needed to know the population and the number of housing units in each code. From this, he could quantify in his grant proposal those areas that were unserved or underserved.
MABEL, a tool of the Missouri Census Data Center, greatly facilitated this process. Not only could it translate intimidatingly-long Census geographic codes, it also offered up the most current data for population and housing units for all of these codes.

After 14 hours of research and processing time, we were able to present to this client a spreadsheet that translated a series of intimidatingly long codes into the names of actual locations within a 7-county area in upstate New York that were greatly underserved when it came to broadband access. This information was then geocoded into maps, which were then incorporated by the client into his proposal.

One year later, the client received a $6.3 million grant to improve broadband internet and phone access to this region. Upon receipt, the client reported to his business advisor that the data provided by the SBDC Research Network was more specific and correct than any provided by governmental sources and was a vital part of their application.

Conclusion

The 27-year history of the library for the New York SBDC is filled with stories of clients who leveraged accurate and up-to-date information from the Census (and resources that are heavily influenced by Census data) into funding for their business, or as a factor in deciding to expand operations, or to assist in deciding where to export their products, or to determine where to target their marketing efforts, and numerous other ways.

A small business owner faces constant challenges. New York SBDC advisors frequently say that their library saves their clients valuable time by navigating the sea of information to find the answers they need. In turn, we owe them the responsibility of accessing only those resources whose accuracy and currency are beyond reproach. I hope that I’ve conveyed the importance of Census materials to the small business community.
U.S. House Subcommittee on Economic Growth, Tax and Capital Access
“Why Small Business Needs an Accurate Census Map”
Thursday, June 20, 2019

Testimony of James Parker
Owner, Riverview Studios
Bordentown, New Jersey

Chairman Kim, Ranking Member Hern, and members of the committee:

My name is James Parker, and I am the founder and owner of Riverview Studios, an award-winning digital video production company based in Bordentown, New Jersey. I’m also a Steering Committee Member of the New Jersey Main Street Alliance, a coalition of more than 1,600 independently owned businesses throughout the state who work to ensure small business owners have a voice on important policy matters. Thank you for the opportunity to testify today about the importance of an accurate, well-funded Census for New Jersey.

Bordentown New Jersey is a community of about four thousand people. We have a thriving main street made up primarily of small businesses. We have family-owned restaurants, specialty stores, antique shops and my own business, one of only two independent video production companies in the state. We thrive because, at least in my part of the state, we have good access to healthcare, a well-educated workforce, public and private transportation options and many other services and programs that benefit small businesses and main street communities. All of these services and programs are impacted on some level by an accurate census count.

This includes access to credit and capital. Many small business owners have problems securing loans or lines of credit, and so miss opportunities to expand or grow their business. We often have to find alternative means of funding to commercial banks. This includes Small Business Administration loans and the Business and Industry Guarantee Loan program. My small business just recently qualified for its first SBA loan, and it will allow me to continue to grow and thrive. Census data helps determine billions of dollars of federal funding for these programs.

These programs include many in public health. For many New Jerseyans the affordability of healthcare is a prime concern. Under the Affordable Care Act we’ve expanded Medicaid, and our governor has pushed through legislation that helped lower health care costs for many residents. Census data determines funding for programs such as Medicaid and Medicare part B, which are critical to the health and well-being of millions of state residents. Their access to affordable health care in turn affects how much they’re spending on local restaurants, shops and services, directly impacting the main street economy.

An accurate census impacts federal funding for transportation and infrastructure, determining tens of billions of dollars in allocations for projects such as highway construction and highway safety. In Bordentown we are fortunate to be accessible by county roads, a major highway and a rail line. It means we can serve customers from far away communities, which greatly helps our main street thrive. Federal funding based on accurate census data pays for the upkeep of the transportation infrastructure that makes our market accessible.
I could go on and on. Census data determines funding for housing and for education. It helps many businesses, industry associations and chambers of commerce plan strategically. According to one report immigrant business owners represent 47 percent of main street business owners in our state; it’s data like this that needs to be collected accurately for both the private and public sectors to make sound decisions.

I must insist that the key takeaway should be that the census is not a political football to be tampered with. Congress has a responsibility to ensure that an accurate census is conducted; nothing less. An accurate census translates to proper representation, which equals proper & necessary funding for each state to invest within their communities. Small business owners can only succeed if the community is flourishing with success.

New Jersey is a state where extreme wealth & punishing poverty exist side by side. An under count will exacerbate existing racial & socioeconomic inequalities. Our government’s main objective should be to strive for efficiency. We should invest in our struggling communities to ensure they have an opportunity to break out of the cycle of poverty. Doing so increases the middle class & possibly creating another small business owner that will go on to be a job creator to stimulate the local economy.

In the end an accurate census count impacts businesses of all sizes, but it’s especially crucial for small business owners. We can’t afford to operate at a loss for long periods of time, we rely on word of mouth and we need healthy, safe communities with customers with money in their pockets for our businesses to prosper. This means an accurate census count to properly fund the services and programs to make these communities possible. Thank you.
Chairman Kim, I am deeply appreciative of the opportunity to speak this morning about the importance of the 2020 Census for small businesses.

My name is Jonathan Weinhagen, and I am President & CEO of the Minneapolis Regional Chamber of Commerce. I was appointed by Governor Tim Walz to Co-Chair our state’s Complete Count Committee to make sure everyone is counted in the 2020 Census. I have also joined the Business for the 2020 Census Task Force to work alongside other business leaders around the country to encourage residents to participate in the census next year.

As you know, the U.S. Constitution mandates that the government count every person in America every ten years, and businesses rely on the accuracy of the census for three main reasons. First, census data is used to direct more than $800 billion in taxpayer dollars each year to federal programs that support small businesses with everything from transportation that helps move their products to developing the skills of their workforce. Second, the count is used to determine political representation at the local, state and national levels, ensuring that small business interests are represented in government decision-making. Finally -- and what I will focus on today -- the census is the powerful foundation upon which small businesses make decisions every day.

And I should know. Prior to my work advocating on behalf of businesses, I spent nearly a decade leading my family’s fourth generation auto repair firm and still serve in an advisory role today. Many small business owners, like my dad and 80 percent of the members I represent, operate on razor thin margins. They need accurate census data to inform a range of decisions such as where to open a store that is accessible for their customers; what products and services to offer that residents living or working nearby want and need in their daily lives; and where to locate a new office or facility that is close to neighborhoods with skilled workers.

All of these decisions are based, in part, on information that only comes from the census. Often times small businesses are relying on census data without even knowing it. Even if a company were to use private commercial data, that information would require a benchmark to ensure it is
accurate. Because the census provides the most robust snapshot of everyone living in the United States, it is the best available benchmark, which no other data source produces.

Census data is a key ingredient in a wide range of economic analyses from the unemployment rate to real estate figures. These indicators may encourage an entrepreneur to take the next step or cause them to wait to start a new tech firm or open a new restaurant.

Essentially, Census data is "big data" for small businesses – and it's extremely important that the Census be as accurate as possible.

If the 2020 Census count is inaccurate, small businesses and our communities would be negatively impacted over the next 10 years. Unreliable data could stifle local economies because small businesses may decide against expanding or hiring more employees. Specific communities may be hurt if fewer investments are made by small businesses in neighborhoods with high concentrations of people that are considered hard to count.

For example, I'm working on a project right now with Houston White in North Minneapolis which has a large African American population. Houston is an entrepreneur who owns a barber shop and has a vision for a community-led redevelopment of his neighborhood. Camdentown has the potential to be a model for community-driven economic redevelopment, but only if there is accurate data to support the level of investment necessary to realize the vision.

Finally, an inaccurate census may deprive Minnesota of public funding that supports a growing economy. Every year Minnesota receives roughly $15 billion in federal funding for programs that help build roads, strengthen schools, and contribute to a healthy workforce. This funding is allocated based on census data.

Simply put, a robust 2020 Census is good for business, good for the City of Minneapolis, and good for our national economy.

Chairman Kim and Members of the Committee, thank you for focusing on this very important issue. I am happy to answer questions.


2 Counting for Dollars, Georgetown University - https://g不变n.gwu.edu/sites/g/files/zaxltz2181/fidownload/IPP-1819-3%20CountingforDollars_MN.pdf
Witness: The Importance of Accurate Census Data to Small Business Formation and Growth

Jill Dietz, Regional Center Director

Oklahoma Small Business Development Centers
Langston University, Tulsa Campus
914 N. Greenwood Avenue Suite 206 | Tulsa, OK 74106
918.877.8174 | jill.dietz@oksbdc.org
www.oksbdc.org

06.20.2019

Written Testimony

Jill Dietz is the Regional Center Director for the Oklahoma Small Business Development Center (OKSBDC) Statewide Services Center at the Langston University Tulsa Campus. She supervises business advisors in Woodward, Edmond, Oklahoma City and Tulsa and has been with the OKSBDC for six years. Jill Dietz’s testimony, coupled with the testimony from other directors and business advisors who work for the OKSBDC, summarizes the impact that census data has on small business growth and development and the importance of access to accurate demographical data.

A large percentage of clients throughout the OKSBDC network use both demographic and psychographic data. Often, demographic data first helps to determine the best location for a business—minimizing competition while maximizing a business’s growth and penetration potential. Specifically, census data allows the OKSBDC and businesses to create gap analysis (analyzing
geographic areas by demographic segmentation to determine the difference between actual customers and potential customers) which helps to demonstrate saturated and/or business starved areas in both metro and rural communities. The process of creating a gap analysis naturally supports the recruitment of businesses and franchises into communities that would otherwise be void of specific goods and services.

Marketing is another major business component that is reliant on accurate and timely demographic and psychographic data. Small businesses naturally need to focus their capital resources on projects that will offer impactful rewards per expenditure. Targeting the right customers who have the right propensity to utilize a business’s services or buy their goods is only possible if marketing research relies on correct current data. The OKSBDC directors and advisors use census data to help clients determine target audiences, construct the best message and medium delivery tactics, and research regional, national and international growth opportunities.

Besides marketing, many expenditure decisions rely on accurate data to maximize gains and justify implementation. Fair market rents, insurance planning, asset acquisition, expansion, and payroll are just a few of the business considerations dictated by demographics. Providing sound advice and directional input to businesses is only possible because of data provided by the U.S. Census. Reliable and purposeful census information is crucial to the mission of the OKSBDC.
Clients in the process of creating a business plan rely on data and demographic analysis to justify and accurately explain their valuation, marketing plan and business viability. Consecutively, loan institutions and lenders approve loans based on the assumption that the data provided in business plans have reliable sources from which information is derived. Established businesses adjust their business plans as changing data dictates. Reliable and timely data updates are necessary for new and existing small business endeavors, both requiring and demanding extensive, accurate census data.

The OKSBDC, and by extension all SBDC entities operating throughout the United States, strive to meet the goals established by the Small Business Administration (SBA). Following similar operational practices, each SBDC does their best to help small businesses overcome obstacles and be successful. Data offered by the census is invaluable for operational practices, insuring advice and assistance is based on excellent demographic information.

As a specific instance to highlight the necessity for excellent demographic data, the OKSBDC often works with startup and established businesses that have developed innovative, technologically advanced products. The OKSBDC assists these businesses in expanding sales and diversifying clientele through events like Encountering Innovation, in which businesses are able to pitch ideas and products to the Department of Defense and other government departments in closed-door meetings with technology scouts. As these businesses navigate interest and feedback in their products from the government, they must simultaneously understand and establish a market use for their product outside of these
channels. As a result, market research is vital for a business to determine what target markets are available in the private sector, identify where potential customers are located, delineate consumer-purchasing habits, and assess if the market is large enough to be viable to enter. This data comes directly from the census.

One prime example involving the OKSBDC and census usage involves a client in northeastern Oklahoma. This month, June 2019, a client with an Army xTechSearch submission for solutions to Human Performance Technologies in the topic area of soldier lethality, was asked to provide information to the Army regarding their product’s civilian market applications, dual usage, successes in the market, and potential applications. The business was able to respond with certainty because the OKSBDC had previously researched industries and demographics to determine multiple private sector target buyers. Dual use technologies (supported by market data) advance at a faster pace and that is a benefit to both businesses and the government due to rapid innovation. Often, the consumer or commercial version of a product becomes the base model for the military to test and build upon—creating a more rugged and purposeful product for their needs.

Given the extensive scope that census data plays in the day-to-day operations of the OKSBDC, the argument for accurate census data is easy to create. Census data is so ubiquitously present in practices, procedures and outcomes of the OKSBDC, that without the data, quality advisement and services would suffer or simply prove too time consuming. Small businesses and entities have become reliant (and in many cases completely dependent) on census data.
for numerous operations—from business conceptualization all the way through growth and expansion.
June 18, 2019

The Honorable Richard Shelby
Chairman
Senate Committee on Appropriations
Washington, DC 20510

The Honorable Nita Lowey
Chairwoman
House Committee on Appropriations
Washington, DC 20515

The Honorable Patrick Leahy
Vice Chairman
Senate Committee on Appropriations
Washington, DC 20510

The Honorable Kay Granger
Ranking Member
House Committee on Appropriations
Washington, DC 20515

Dear Chairman Shelby, Vice Chairman Leahy, Chairwoman Lowey, and Ranking Member Granger:

As American business leaders, we are writing to express our support for sufficient funding for the 2020 Census. We include members of the Business for the 2020 Census Task Force in addition to executives and senior leaders from major companies as well as national, state and local business membership organizations. We are united in our conviction that a reliable 2020 Census is critical for American enterprise.

The U.S. Constitution mandates a count of all residents every ten years. The data it produces is critical to informing decision-making in both the public and private sectors. Specifically, it provides businesses with vital demographic information about customers, the workforce and economic landscape used by companies of all sizes across industries. Population data from the census helps companies assess concentrations of skilled workers, neighborhoods to open a new store or office, and what products or services to offer in a particular location. Census data also guides the efficient allocation of hundreds of billions of taxpayer dollars to states and localities that contribute to a strong economy, such as education, workforce development, transportation and housing. Moreover, census data is used to ensure appropriate political representation at the local, state and federal levels, which is indeed of interest to business.

Although we are grateful for the increased support the 2020 Census received in Fiscal Year 2019, there is a substantial risk of an inaccurate count without proper funding in Fiscal Year 2020. In particular, the 2020 Census will be the first decennial survey conducted primarily online. We applaud the Census Bureau’s commitment to reducing costs by utilizing technology, but with the cancellation of multiple field tests, it is unclear whether that technology will function properly. As a result, adequate funds are needed to bolster communications, marketing and community partnership efforts to encourage all individuals to complete their census forms.
Business for the 2020 Census

next year. We also urge the Bureau to ensure that proper measures are in place to secure data after it is collected.

An unreliable 2020 Census would have harmful effects on businesses and the American economy that would persist into the future. We respectfully ask that you prioritize funding for this fundamental civic responsibility by ensuring that the U.S. Census Bureau receives $8.45 billion in Fiscal Year 2020, with at least $7.5 billion in direct funding for 2020 Census operations. This request is consistent with historical trends showing that the amount of funding needed in the fiscal year in which the Census takes place is at least twice the funding level of the prior fiscal year.

Thank you for your attention to this important matter.

Sincerely,

Todd Washam, Vice President, Public Policy & Industry Relations, Air Conditioning Contractors of America
Clark Rector, Executive Vice President-Government Affairs, American Advertising Federation
Bob Costello, Chief Economist & Senior Vice President of International Trade Policy, American Trucking Associations
Bill Popp, President & CEO, Anchorage Economic Development Corporation
Kim Reitmeier, Executive Director, ANCSA Regional Association
GH Franzen, Executive Director, Asian American Advertising Federation
Chiling Tong, President & CEO, Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship
Stephen Sandberr, CEO, Associated General Contractors of America
Steven Rubenstein, Chairman, Association for a Better New York
Patrick W. McGibbon, Chief Knowledge Officer, AMT - The Association for Manufacturing Technology
Bob Liodice, CEO, Association of National Advertisers
Brent Taylor, Global CEO, Barrows Group
Jim Wunderman, President & CEO, Bay Area Council
Thomas A. Heywood, Managing Partner, Bowles Rice
Lisa Sorin, President, Bronx Chamber of Commerce
Hector Batista, President & CEO, Brooklyn Chamber of Commerce
Sarah Bonk, Founder & CEO, Business for America
William J. Canary, Chairman, Canary & Company
Terry Handley, President & CEO, Casey’s General Stores
Doug Neumann, Executive Director, Cedar Rapids Metro Economic Alliance
Business for the 2020 Census

Sherry Menor-McNamara, President & CEO, Chamber of Commerce Hawaii
Brian Wallace, President & CEO, Coin Laundry Association
Jeff Wascen, President, Colorado Business Roundtable
Kenneth Poole, Executive Director, The Council for Community and Economic Research
Chuck Linden, EVP, Global Business Development, Crayola LLC
Kelly Brough, President & CEO, Denver Metro Chamber of Commerce
Hugh Welsh, President & General Counsel, DSM North America
Adam Sals, President & COO, Dynamic Entertainment Group/ULTRASTAR Multi-entertainment Centers
Katherine Kish, Executive Director, Einstein’s Alley
Jeffrey H. Smulyan, Founder, Chairman & CEO, Emmis Communications
Gabriel Vaca, Chief Operating Officer, Georgia Hispanic Chamber of Commerce
Kent Oyler, President & CEO, Greater Louisville, Inc.
Owen Caine, Executive Vice President Government Relations & Public Policy, Household & Commercial Products Association
Woody Hunt, Senior Chairman of the Board, Hunt Companies, Inc.
David W. Almy, CEO, The Insights Association
Tom McGee, President & CEO, International Council of Shopping Centers
David Rattray, EVP, Center for Education Excellence and Talent Development, Los Angeles Area Chamber of Commerce
Jessica Walker, President & CEO, Manhattan Chamber of Commerce
Jonathan Weinshagen, President & CEO, Minneapolis Regional Chamber of Commerce
Bob Pinnegar, CEO, National Apartment Association
Thomas Beers, Executive Director, National Association for Business Economics
Harry C. Alford, President & CEO, National Black Chamber of Commerce
Marco A. Giambardino, Executive Director, Government Affairs, National Electrical Contractors Association
Peter J. Larkin, President & CEO, National Grocers Association
Doug Bibby, President, National Multifamily Housing Association
Matthew Shay, President & CEO, National Retail Federation
Michele Siekerka, President & CEO, New Jersey Business and Industry Association
Thomas Bracken, President & CEO, New Jersey Chamber of Commerce
Robert J. Benfatto, Co-Chair, New York City Business Improvement District Association
Mainak Mazumdar, Chief Research Officer, Nielsen
Nelson Peacock, President & CEO, Northwest Arkansas Council
Business for the 2020 Census

S. Mark Tyler, President, OEM Fabricators, Inc.
Thomas J. Grech, President & Chief Executive Officer, Queens Chamber of Commerce
John H. Banks, President, The Real Estate Board of New York City
Adam Contos, CEO, RE/MAX Holdings
Richard Perez, President & CEO, San Antonio Chamber of Commerce
Simon Brackley, President & CEO, Santa Fe Chamber of Commerce
Hugh Roome, EVP & President of Consumer and Professional Publishing, Scholastic, Inc.
Michael Levine, Ph.D., Chief Knowledge Officer, Sesame Workshop
John Arensmeyer, Founder & CEO, Small Business Majority
Linda Baran, President, Staten Island Chamber of Commerce
Charlie Amato, Chairman & Co-Founder, SWBC
Justin Yancy, President, Texas Business Leadership Council
Denny Linderbaum, President & COO, UnityPoint Health—Des Moines Foundation
J.D. Foster, SVP, Economic Policy and Chief Economist, U.S. Chamber of Commerce
Thomas Lee, President & CEO, Vulcan, Inc.
Steve Roberts, President, West Virginia Chamber of Commerce

Signatories Participating as Individuals (Company or organisation name is included for informational purposes only.)

Joseph Rubin, Executive Project Consultant, Gleeds
Ankur Gopal, CEO, Interapt
Chuck Mills, President, Mills Machine Co.
Craig R. Knutson, President & CEO, Potts Family Foundation
Scott Mitchell, President & CEO, Sumitomo Chemical America, Inc.
Robert H. Buesing, Senior Member, Trenam Law
Vincentina C. Taylor, President, WaveLine Direct, Inc.