

American Community Survey

Information for Businesses

The American Community Survey (ACS) provides a critical component of the information that businesses need for strategic decision-making. The data offer businesses the vital tools to guide capital investment, location of facilities, hiring, merchandising, and service decisions; all of which drive economic growth, job creation, and sustained business success.

“Though private tools exist to support businesses and franchise owners in making these decisions, such products are generally less accurate (because of the high cost of designing proper sampling procedures to obtain accurate information) and more expensive. Therefore, business owners with limited capital would be at a disadvantage in competing with deep-pocketed companies if they need to buy data, instead of getting it free from the Census Bureau.”¹

LOCATION, LOCATION, LOCATION

Finding a Community With the Right Combination of Clients and Potential Employees

Where a business is located often dictates who they can sell to, who will commute to work there, how they can market, and how much they can charge for products or services. New

¹ Scott Shane, “Cutting Census Funding Will Hurt Small Business,” *Bloomberg*, May 29, 2012, <www.bloomberg.com/bw/articles/2012-05-29/cutting-census-funding-is-bad-for-small-business>, accessed on April 25, 2017.

businesses, or existing businesses looking for a new location, can use ACS characteristics to compare many different locations (930,000 geography options), including neighborhoods.

WHO ARE OUR CUSTOMERS?

Using Demographic, Social, Economic, and Housing Information to Select or Understand a Market

Businesses designing product packaging, drafting advertisements, or determining business location and pricing can't know everything about their future customer. However, demographic, social, economic, and housing characteristics of a local area can inform them more about the people who will be likely to notice their new storefront or see the advertisement, and what those people might be interested in buying.

“For planning public services, writing grant proposals, developing business plans, planning distribution systems, and more, data like this can be invaluable. And expensive. In my newspaper publishing days, I used to pay thousands of dollars for market research that included this type of data.”²

² Matthew Spaur, “Free Market Research Data: American Community Survey,” *Marketing The Social Good*, March 11, 2014, <<http://matthewspaur.wordpress.com/2014/03/11/publicly-available-market-research-data/>>, accessed on April 25, 2017.

WHO WILL WORK HERE?

Using Demographic, Social, and Economic Information to Locate and Retain the Best Workforce

The ACS has estimates about educational attainment at local geographies, such as the percentage of people with high school and college degrees. The survey also provides estimates about the percentage of people at a local level who are employed or looking for work; employed full-time, year-round; or recently graduated. The ACS also has information about areas that might require employees with special skills, such as being able to speak a language other than English. Finally, ACS estimates could help a business find concentrations of people with desirable experience, such as veterans.

PLANNING FOR THE FUTURE?

Using Annual Trends in Estimates to Adjust Business Strategies

Businesses can use ACS estimates to develop business plans, plan distribution systems, and make informed strategic decisions. For example, ACS estimates about the characteristics of the aging population, family formation, and migration in and out of certain geographies can help a business make informed decisions about declining and expanding markets.

HOW CAN OUR TOWN ATTRACT NEW BUSINESSES?

The Intersection of Government, Policy, and Business

Many federal programs require communities to use ACS estimates in applications for development grants or special designations (such as an enterprise or empowerment zones). Savvy communities, nonprofits, and governments also use this excellent source to inform the development of policies that promote growth, including those that might favor small businesses.

Selected ACS Topics Relevant to Businesses

Economic

- Commuting (journey to work) and place of work
- Employment status
- Industry, occupation, and class of worker
- Health insurance coverage
- Income and earnings

Housing

- Year structure built
- Units in structure
- Kitchen facilities
- Plumbing facilities
- Tenure (owner/renter)
- Selected monthly owner costs

Social

- Educational attainment and school enrollment
- Disability status
- Veteran status
- Language spoken at home
- Migration/residence 1 year ago
- Selected monthly owner costs

Demographic

- Age
- Race
- Sex