

IN the Spotlight:

Business Uses of Census Data

The results are in — well, some of them, with more to come over the next year. And while the first job of the census was to apportion seats in Congress and then provide population counts for redistricting, we recognize that census data are essential to a business's bottom line.

If your company buys, or perhaps even does its own, market research, chances are that the basis of that research is census data. Few surveys get even close to the quantity or quality of data produced from the census. The census, which is conducted every 10 years, elicits a veritable boatload of information about how Americans — and Hoosiers — live.

For businesses whose sales depend

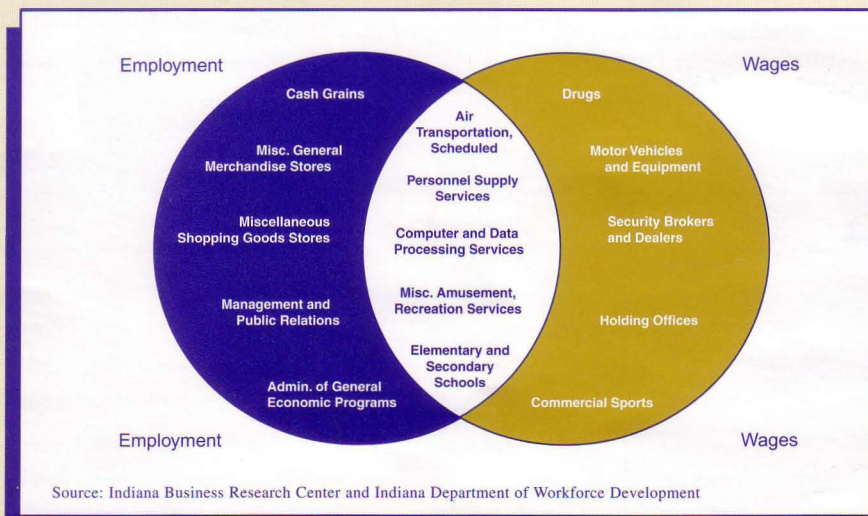
on individual consumers, the census is essential. It tells us how many people live in a given area. It describes their living arrangements, ages, income, educational attainment, commuting patterns and occupations. It even describes the kinds of homes people have, in terms of age of home, number of rooms, value, whether it has complete kitchen and plumbing facilities, the availability of telephones and automobiles and the type of home-heating fuel used.

That information can be taken, in an aggregated form (all individual responses to the census are confidential, so don't look to the census for a mailing list) and crunched
(continued on page 2)

INSIDE *this issue:*

- **IN THE SPOTLIGHT** 1
Business Uses of Census Data
- **IN BUSINESS** 3
Measuring Growth Momentum, Part III: Indiana's 'Big Mo' Industries
- **IN THE NEWS** 6
Regional Patterns in Personal Income Growth
- **IN THE DETAILS** 8
Changing Spending Patterns
- **IN LOCAL AREAS** 10
Indiana's Unemployment Rate Lower than Surrounding States
- IU Economic Forecast 10
Sees Flat Year

Growth Momentum: Indiana's 'Big Mo' Industries See 'IN Business' on page 3 for more details



**Indiana
Unemployment
Rate for
April 2001:
2.9%**

IN the Spotlight

(continued from page 1)

to help determine markets or determine skill levels and reasonable commute distance for the labor market. Because the census asks about language spoken at home, it can even be used to determine if a given area may have a large number of people who speak a particular language.

Cases in Point

- With the majority of mothers in the workplace, day care is a necessity. If someone wants to open a daycare center, the first thing to do is to look at various locations based on the number of children under age 6 living within a 1- to 5-mile radius.

- A person with skills in renovating older homes would search for those neighborhoods where much of the housing was built prior to 1950 or 1940.

- A company considering relocation would look for areas with a significant supply of skilled labor, combining those data with commuting patterns, occupation and education data.

- A company that provides personal services, such as cleaning or lawn-care or car detailing, would seek out

information on middle- and high-income neighborhoods.

- A law firm, looking at the aging of the population in the state, may decide to expand its practice in law specific to the elderly.

Challenges to Using the Data

The data are plentiful, as are the uses. But finding the specifics can sometimes pose a challenge. The sheer quantity of information to sort and sift can be overwhelming. This is where market research companies and consultants come in to provide tailored reports for specific needs, for a fee, of course. *CACI Demographics* is one such market research company. It uses census data as the foundation of much of its work, but customizes the data for specific purposes. Lifestyle segmentation is one such customization of census data and is combined with vendor estimates of income. (Census data on income will not be available for almost another year.)

A free version by zip code is available on CACI's Web site. When the author typed in the zip code 46205, the lifestyle segmentation description was "Urban Working Families." Colleagues' zip codes elicited a variety

of other catchy appellations, such as "Boomers with Children," "Young Professionals with Children," "Older Couples" and "Urban Professional Couples." A northern Indiana zip came back as "Rustbelt Neighborhood" (that term hasn't been used much since the 1980s). Both Bloomington, Ind., zip codes elicited "College Campuses," which shows clearly how such broad categorization can mask important details of an area, since there are thousands of highly paid professionals in Bloomington who are potential customers or workers.

Not so catchy, but also not subject to pigeon-holing, are the useful and free profiles of Indiana counties available on the Web site *STATS Indiana*, which details population, household types, employment status, income and commuting patterns (with graphs).

In Short

Census data are an essential part of business. Their role in decision making for profit ventures is not highly visible, masked as it may be by tailored reports and customization. And while the census data are not collected for business use, businesses have recognized its value.

Table 1: Useful Marketing: A Selection of Web Sites

Web Site	Web Address
CACI Demographics (\$)	www.caci.com
City Comparisons (cost of livings, etc.)	verticals.yahoo.com/cities/
Claritas (\$)	www.claritas.com
Consumption Profile	ftp.bls.gov/pub/special.requests/ce/highincome/y9899/hincome.txt
American Demographics	www.demographics.com
STATS Indiana	www.stats.indiana.edu
Census Bureau	www.census.gov