The Employer Universe: The Business Register and the Longitudinal Business Database

Javier Miranda, U.S. Census Bureau

Census Research Data Center Network
Overview

• Employer universe business data at the US Census Bureau
• Research
• Public use versions
The Business Register: The Census Bureau’s Business Master List

- Universe coverage of employers in the U.S. with IRS filings
  - Transaction list of administrative records (income, payroll)
  - Enhanced with Census Collections to provide detail
- Origin and Use
  - Enumeration list for census and frame for surveys
  - Central storage of admin data for statistical products
  - Source data for Census products (CBP, LBD, BDS, BITS…)
- Structure:
  - Annual snapshots back to 1974, Single/Multi unit files
- Statistical Units:
  - EIN (the admin unit), Establishments and firms
The Business Register: The Census Bureau Business Master List

• Data in the BR
  • Industry, Geography, Employment, Payroll, LFO, Sales, Name and Address…

• Data often require substantial value added to be utilized for research.
• Solution: The LBD
Longitudinal Business Database (LBD)

• Longitudinal Universe Database of US Employer Business Establishments

• Uses Census Business Register longitudinal linkages of both firms and establishments
  – Census uniquely tracks firms and establishments through Company Organization Survey and Economic Censuses (and other surveys)

• All employers in the U.S.
  – Complete sectoral coverage
  – Detailed geography and industry
  – Basic backbone to which all other Census business data can be linked

• Long time series 1976-2008

• Firm and establishment characteristics
  • Including size and age. Age is critical to understanding dynamics and entrepreneurship.
LBD: Large vs Small vs Young

Important to put job creation and destruction in context...
LBD: Life cycle dynamics of businesses and who creates jobs

Net Employment Growth for Continuing Firms by Firm Age

“Up or Out” Dynamics of Young Business

U S C E N S U S B U R E A U
LBD: Life cycle dynamics of businesses and who destroys jobs
Census Data: Productivity Growth

“Up or Out” dynamics play critical roles....
LBD: The effect of business cycle dynamics and credit conditions on firms and job creation

Forms of financing differ for small and large firms...

Firm Size Effects:
Large firms are more sensitive to cycle...

US Census Bureau
Private equity

Large growth of private equity since 1980’s

Net loss of jobs but consistent with restructuring and creative destruction
LBD: Entrepreneurial activity over time and across states

Fraction of Employment Accounted for by Young Firms by State: 2000–2005 Average

Source: Authors’ own calculations from Business Dynamics Statistics.

Entrepreneurial activity differs across states...
Available Data

• Confidential Microdata only through the RDCs
LBD: Public Use Products

• Business Dynamics Statistics
  – Basic data by *firm* size and age across sectors, states and time. Expansions to detailed ind and geography.
  – Data visualizations available

• Synthetic LBD (ver. 1) – public use microdata

• Sister program: ILBD
Summary

• Very rich data by itself and when linked to other products
• A NAS study “Understanding Business Dynamics” discusses the importance of these data for accurate and timely measurement of critical economic and social concepts
• Lots of research opportunities…
More information about LBD and BDS can be found at Center for Economic Studies

http://www.ces.census.gov

You can email me at Javier.miranda@census.gov