

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

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# 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

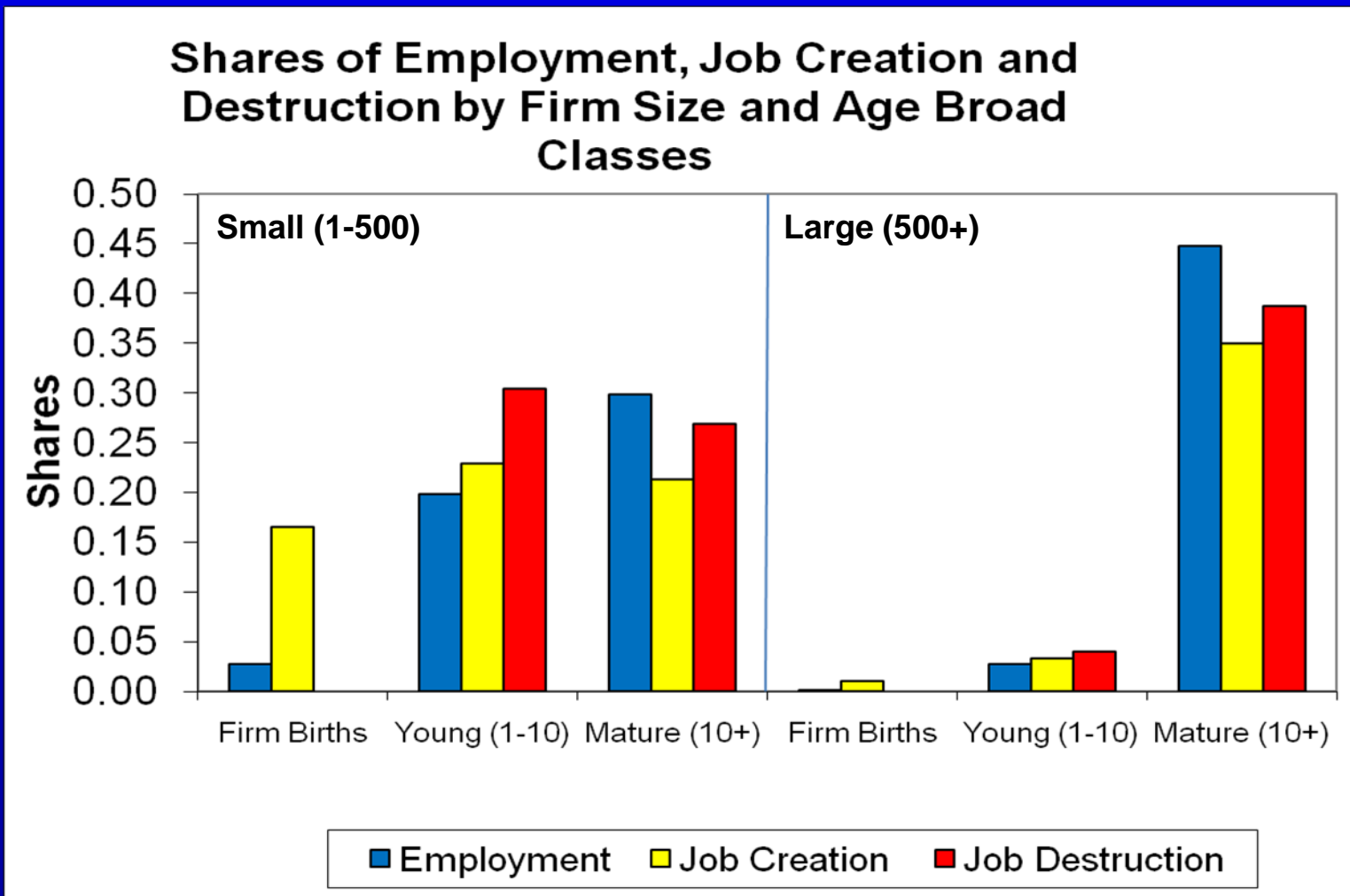
# The Business Register: The Census Bureau Business Master List

- 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)

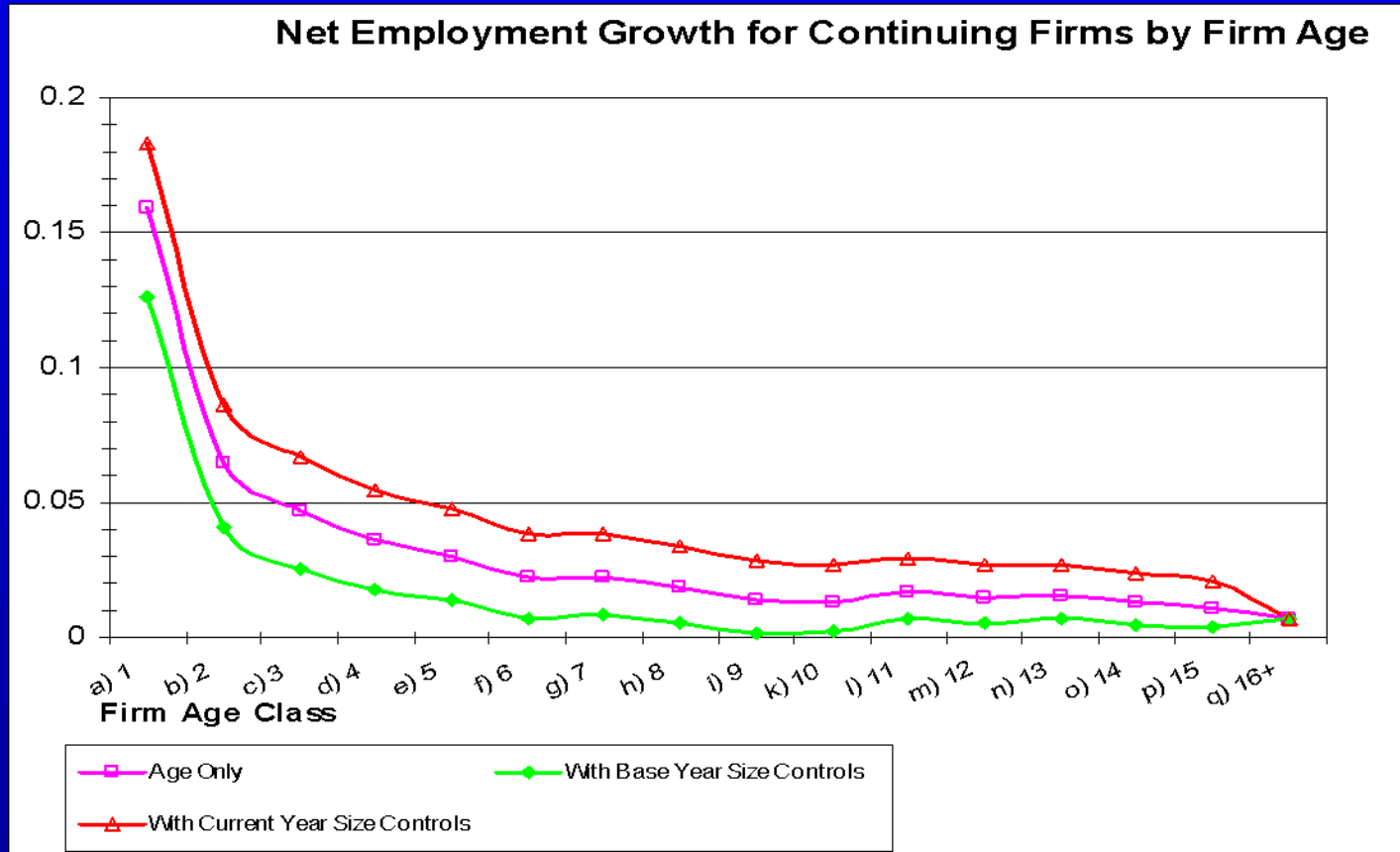
- Longitudinal Universe Database of US Employer Business Establishments
- Uses Census Business Register longitudinal linkages of both firms and establishments
  - Census uniquely tracks firms and establishments through Company Organization Survey and Economic Censuses (and other surveys)
- All employers 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



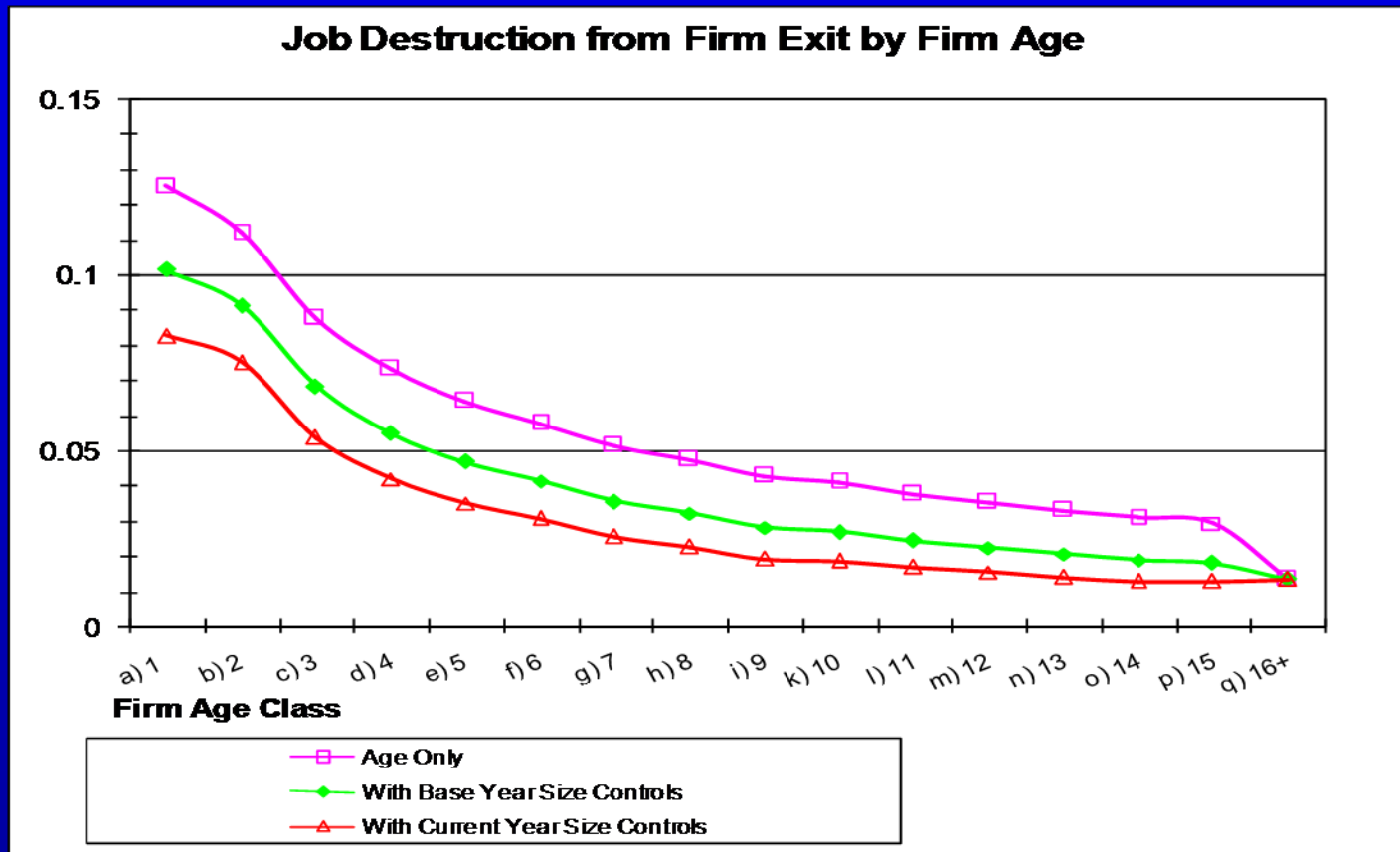
Important to put job creation and destruction in context...

# LBD: Life cycle dynamics of businesses and who creates jobs



“Up or Out” Dynamics of Young Business

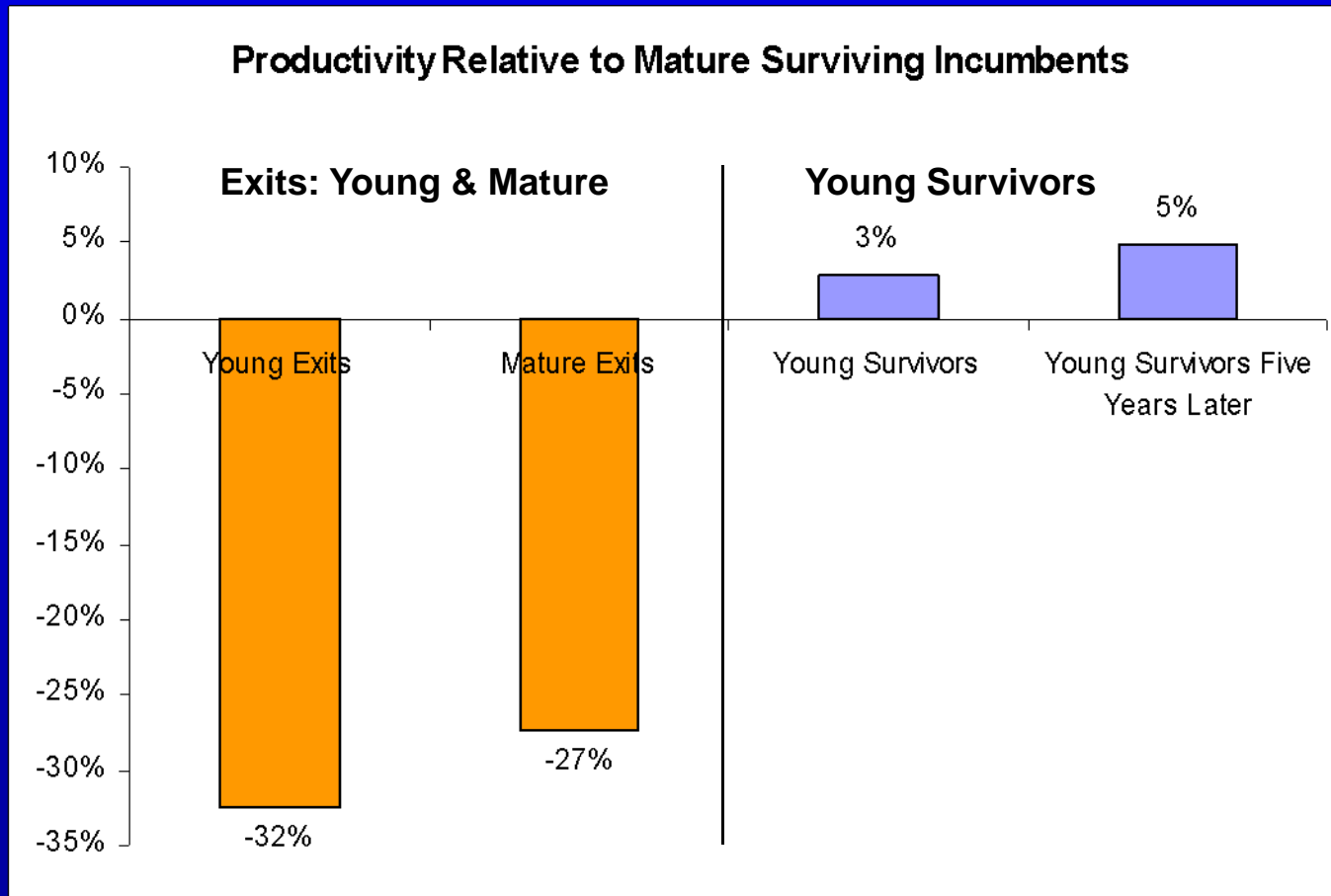
# LBD: Life cycle dynamics of businesses and who destroys jobs



Out Component



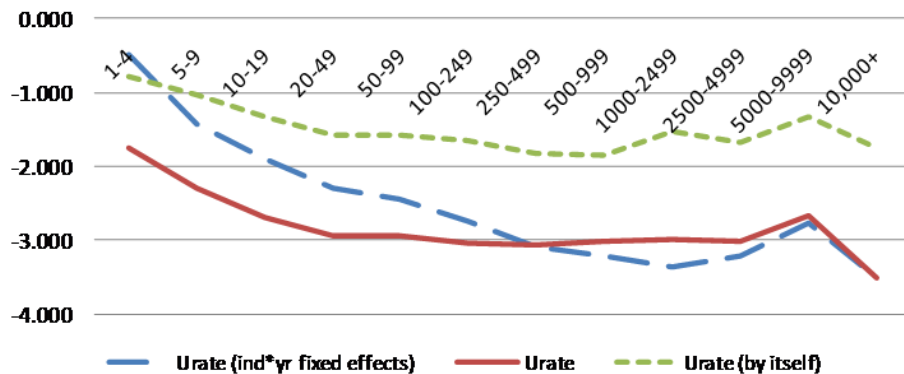
# Census Data: Productivity Growth



**“Up or Out” dynamics play critical roles....**

# LBD: The effect of business cycle dynamics and credit conditions on firms and job creation

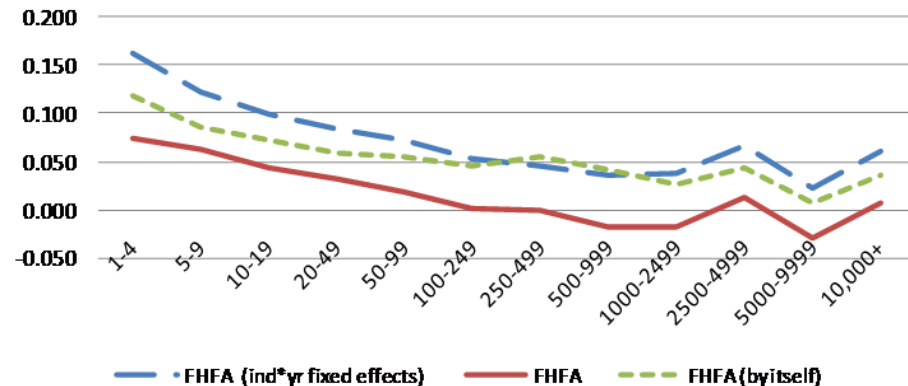
**Net Job Creation- Effects of Business Cycle\* by Firm Size, 1981-2008**



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

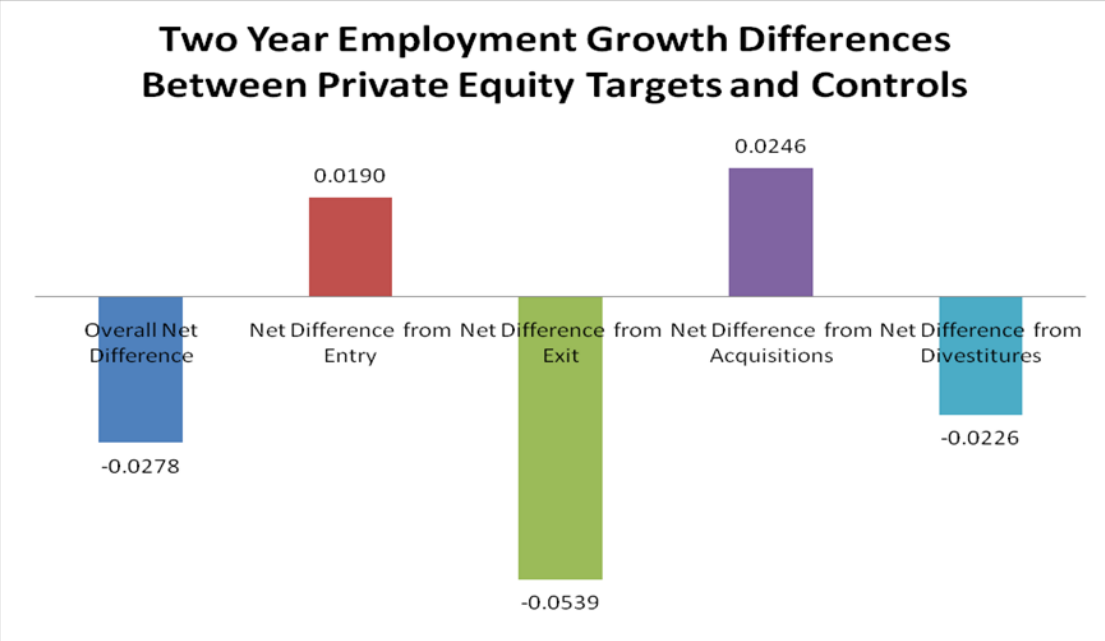
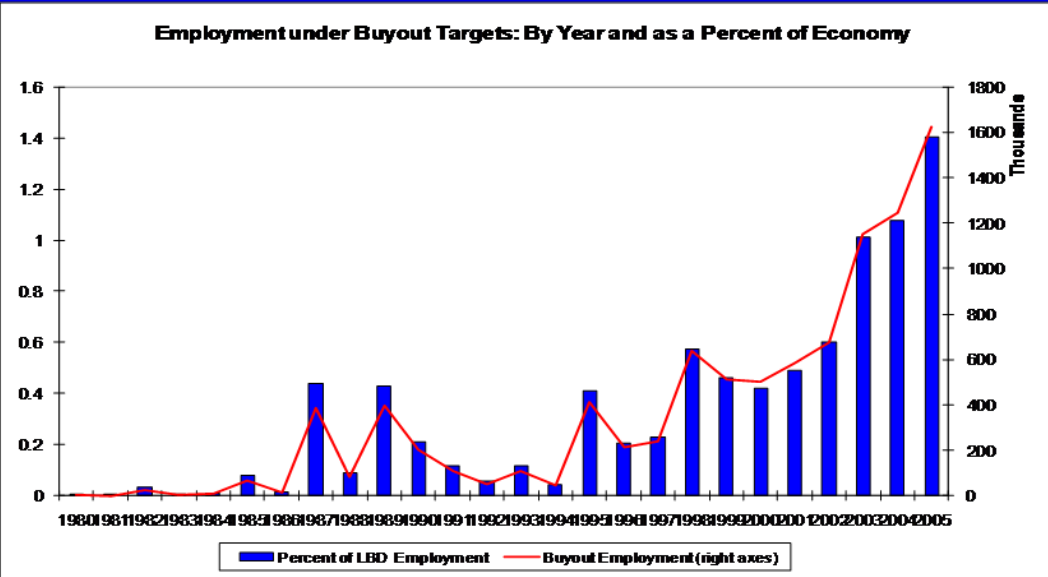
Firm Size Effects:  
Large firms are more sensitive to cycle...

**Net Job Creation- Effects of FHFA\* Prices by Firm Size, 1981-2008**



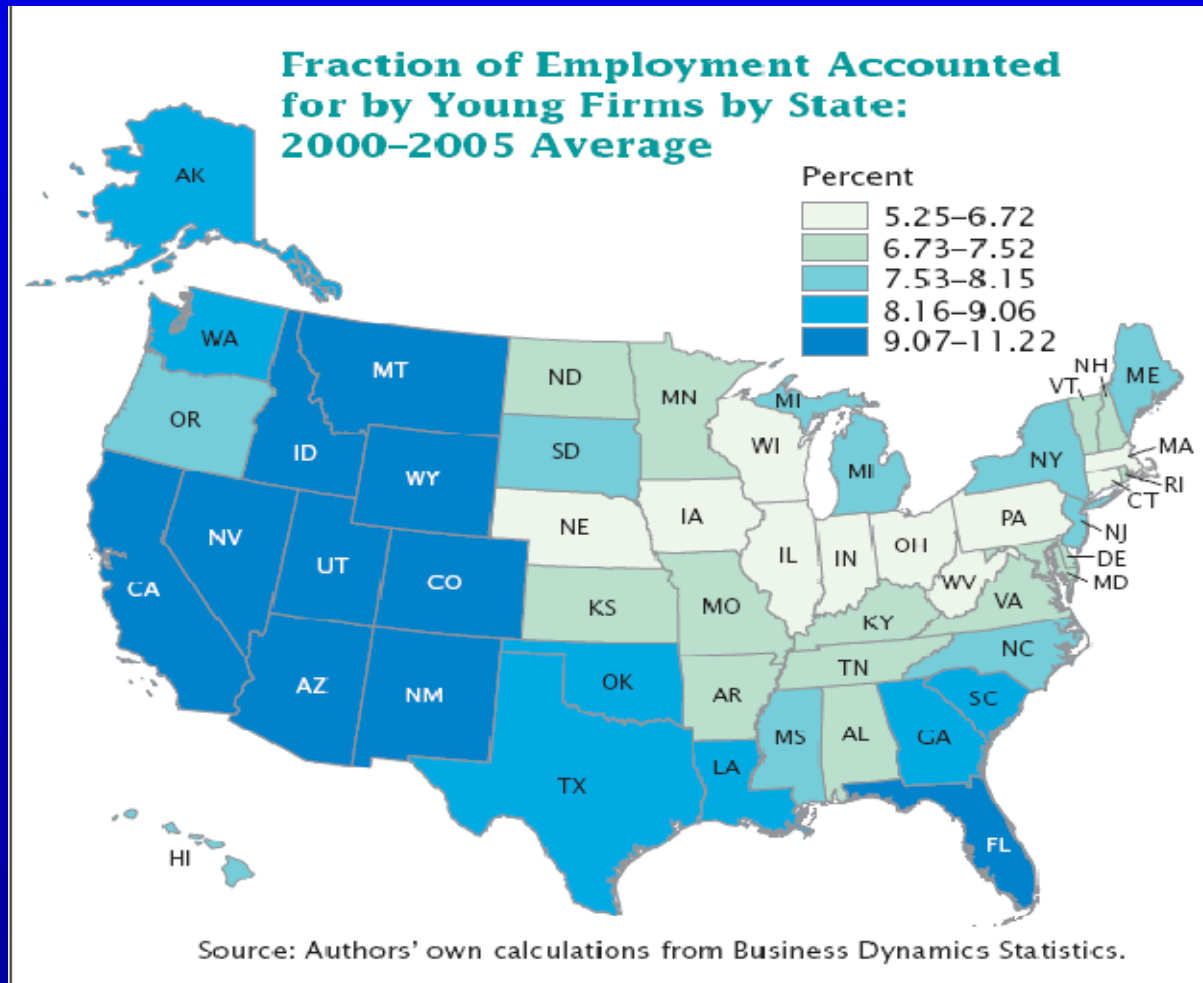
# Private equity

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



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
  - [http://www.ces.census.gov/index.php/bds/bds\\_home](http://www.ces.census.gov/index.php/bds/bds_home)
- Synthetic LBD (ver. 1) – public use microdata
  - To be deployed this coming year via the Cornell Virtual RDC  
(<http://www.vrdc.cornell.edu/news/data/lbd-synthetic-data/>)
- 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>

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