



# NEWS & VIEWS



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Member of the Texas Centers for Border Economic and Enterprise Development

## Rio Grande MSA's Among the 10 Fastest Growing Metro Areas in the Country

According to recent information released by the U.S. Census Bureau, McAllen-Edinburg-Mission MSA is the 3rd fastest growing MSA, and Brownsville-Harlingen-San Benito MSA is the 10th fastest growing MSA in the country.

This ranking is based on the percent of population growth between 1990 and 1996.

### Ten Fastest Growing Metro Areas in the Country Percent of Population Growth 1990-1996

1	<i>Las Vegas, NV-AZ MSA</i>
2	<i>Laredo, TX MSA</i>
3	<i>McAllen-Edinburg-Mission, TX MSA</i>
4	<i>Boise City, ID MSA</i>
5	<i>Naples, FL MSA</i>
6	<i>Fayetteville-Springdale-Rogers, AR MSA</i>
7	<i>Austin-San Marcos, TX MSA</i>
8	<i>Phoenix-Mesa, AZ MSA</i>
9	<i>Provo-Orem, UT MSA</i>
10	<i>Brownsville-Harlingen-San Benito, TX MSA</i>

Source: *Census and You*, Feb/March 1998, U.S. Census Bureau, Washington, DC

## Economic Census

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Every five years (during years ending with 2 and 7) the Economic Census measures the nation's economic activity and helps pinpoint trends in economic growth. The 1997 economic census questionnaires were mailed out to more than five million businesses located in every part of the country last December. Out of these 330,000 questionnaires were mailed to businesses in Texas.

"Sound and timely economic data are the fuel that powers economic decision making. Without it, policy makers in both the public and private sector would be flying blind," said Thomas J. Donohue, President, U.S. Chamber of Commerce. "The census data is not only important in its own right, but it is also pivotal to the proper interpretation of a whole host of other statistics."

Census figures help update such widely used figures as the gross domestic product (GDP) and monthly retail sales. "The Economic Census is indispensable to understanding America's economy," said Alan Greenspan, Chairman of the Federal Reserve Board of Governors. "It ensures the accuracy of the statistics we rely on for sound economic policy and for successful business planning."

### How People Use Economic Census Data

#### *Gauge the competition*

A manufacturer compared statistics for his company with industry-wide figures from Economic Census Reports. He became concerned when he discovered that his company achieved less value added per employee than the competition, as represented by industry averages. Economic Census figures helped him convince his company's board of directors to reduce administrative staff and take other measures to increase productivity and profitability.

A soft drink bottler considered expanding into two related beverage manufacturing operations: milk and alcoholic beverages. The Economic Census provided data on industry specialization, company size, and the relationship of expenses to receipts. The information encouraged the bottler to diversify.

#### *Locate business markets*

A man who developed software for managing quality control operations made a list of industries most likely to use his product. He then ranked the top industries based on Economic Census figures about value added and growth. He customized his software to appeal to those top prospects. Economic Census data on CD-ROM made it easy to find areas where large plants in the target industries were located.

#### *Locate distributors or resellers*

The publisher of a free distribution, TV magazine wanted location information of retailers by ZIP code in order to design sales territories. The publisher's salespeople previously found that owners of small stores were more willing to listen to their pitch than were owners of large stores. Therefore, they grouped ZIP codes until each sales territory had relatively equal numbers of small stores.

#### *Site location*

A major food store chain used Economic Census data and population figures to estimate potential weekly food store sales in the trade area for each of its stores. These estimates allowed the company to calculate market share for each existing store and to evaluate prospective sites for new stores.

#### *Evaluate new business opportunities*

A manufacturer of industrial chemicals used Economic Census data related to the production of semiconductors and other high technology products to assess the feasibility of introducing a line of advanced composite materials.

A recent engineering graduate examined Economic Census data about industries where he thought his skills could be used. After exploring the statistics, he concentrated his job search on the industries that had grown substantially in recent years. He also studied statistics about those industries in preparation for job interviews.

#### *Public policy and statistics*

The U.S. Department of Commerce uses detailed Economic Census statistics on products produced and materials consumed in manufacturing when updating its "input-output tables." These tables are the basis for updating the national income and product accounts, including the gross domestic product.

Federal and state agencies look to Economic Census data to gauge the effectiveness of programs such as minority contracting guidelines, trade policies, and job retraining.

The Federal Emergency Management Agency (FEMA) uses the ZIP code CD-ROM to inventory manufacturing locations by industry and size. They estimate potential losses to a manufacturer's production capacity that might result from a major flood or other disaster.

#### *Assist local businesses*

A consultant uses Economic Census CD-ROMs to compute business averages like sales per capita and establishments per 100,000 residents. He markets comparative summaries to shopping mall owners seeking business tenants and prospective entrepreneurs. He also advises them to look for opportunities in communities where an industry is underrepresented relative to state and national norms.

#### *Some Industry Trends from the Economic Census*

This section highlights industry trends from the previous Economic Census reports to illustrate the variety of statistics available.

- **Pass the fries.** Fast food restaurants, called "refreshment places" in the census reports, made up about 29 percent of eating places in 1972, 36 percent in 1977, 38 percent in 1982, 41 percent in 1987, and 44 percent in 1992.
- **Drive-in or not?** The number of drive-in theatres in the United States dropped by 47 percent between 1987 and 1992. They now account for less than 8 percent of all theatres nationwide.
- **Tee time.** Have you had to wait for a tee time recently? No wonder. Manufacturers' sales of golf balls soared 211 percent between 1987 and 1992, from \$161.2 to \$501.8 million.
- **Teen Transport.** From 1987 to 1992, manufacturers' shipments of skateboards dropped 75 percent in value, to \$12 million. So how are kids getting around? On skates! Shipments of roller-type and ice skates jumped more than 2,000 percent in five years, from \$3 to \$74 million.
- **Is your milk moustache a little thinner?** Sales of low-fat milk exceeded whole milk for the first time in the 1992 Economic Census. Manufacturers' shipments of whole milk dropped 4 percent, to \$4.4 billion in 1992, while low-fat sales climbed 42 percent to \$4.5 billion. Skim milk sales soared 110 percent to \$2.1 billion.
- **Fast-growing minority businesses.** The number of businesses owned by minorities in the United States increased 60 percent from 1,343,910 to 2,149,184 between 1987 and 1992. This compares to an increase of 26 percent for all U.S. firms, from 13.7 million in 1987 to 17.3 million in 1992. Receipts for these minority-owned businesses increased by 128 percent during this five-year span, from \$92.1 to \$210.0 billion. In comparison, receipts for all U.S. firms grew 67 percent from \$2.0 to \$3.3 trillion.
- **I want my Cable TV!** There were 4,468 cable TV establishments in 1992, with revenues totaling \$27.5 billion. About half of this total (\$14.6 billion) came from subscription fees for basic service, and another \$6.1 billion from premium and pay-per-view services. Only in New York State did revenues from premium services exceed basic service fees.

#### *New Classification System Debuts in 1997 Economic Census*

Reports from the 1997 Economic Census will have a new look. The 1997 census will be the first major data set to be published according to the new North American Industry Classification System (NAICS). The new system has been jointly developed by the United States, Canada, and Mexico.

NAICS (pronounced "nakes") has been formally adopted by the U.S. Government, and replaces the Standard Industrial Classification (SIC) system, which has been in use since the 1930s to classify data about businesses. While the SIC system has been revised every 10 or 15 years, the new system represents a more dramatic change than any prior revision.

NAICS identifies dozens of new industries recognized for the first time. Some new industries reflect "high tech" developments, such as fiber optic cable manufacturing and satellite communications. Other new industries simply recognize changes in the way business is done: bed and breakfast inns, environmental consulting, warehouse clubs and superstores, HMO medical center, and diet and weight reduction centers.

In today's changing economy, timely and relevant facts and figures are essential for sound business and government decision making. In fact, the 1997 Economic Census is going to give us a brand new picture of the American economy. So many new types of firms have emerged in a broad range of sectors - financial services, health care, technology - that it's been necessary to classify firms in new and different ways. This census will provide the first look at data collected this way. So if your company has not returned the 1997 Economic Census form, do it now.



**Data & Information Systems Center (DISC)**

DISC, at The University of Texas - Pan American, is a State Data Center Affiliate and a Member of the Texas Centers for Border Economic and Enterprise Development

***Service Area:***

Southernmost 19 counties of Texas: Aransas, Bee, Brooks, Cameron, Duval, Hidalgo, Jim Hogg, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, Nueces, Refugio, San Patricio, Starr, Webb, Willacy, and Zapata.

***Products & Services:***

- Census of Population and Housing
- Census Maps & Data for Counties, Cities, Census Tracts, Block Groups, Blocks, and Zip Codes
- Population Estimates and Projections for Counties
- Economic Census (Agriculture, Construction, Government, Manufacturing, Retail Trade, Services, and Wholesale Trade)
- County Business Patterns
- Employment and Unemployment Data by County
- Census Tract Factbook for the Rio Grande Valley
- Street Index by Census Tract for Cameron, Hidalgo, Starr, and Willacy Counties
- Geographic Information System (GIS) Services
- U.S. Statistical Abstracts
- Customized Consultation Services



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