



FESAC

Federal Economic Statistics
Advisory Committee

Bureau of Economic Analysis • Bureau of Labor Statistics • Census Bureau

Measuring Business Exits & Deaths

Measuring business deaths is important in understanding business dynamics and this is especially true in the face of negative shocks to the economy such as the pandemic. The statistical agencies use a combination of administrative data and survey data to measure business deaths but struggle to produce timely statistics. Partly this reflects the processing of administrative data but also with the challenge of whether non-response in surveys indicates business exit, temporary shutdown, or survey fatigue.

In this session, the Census Bureau will discuss Business Register processing rules that determine that businesses are no longer in operation and thus out of scope for Census Bureau surveys, as well as how the Business Dynamics Statistics program generates related statistics on establishment and firm exit and associated gross and net job loss. The Bureau of Labor Statistics will present their CES net birth death model and discuss related issues. The agencies have been working to improve these measures and will ask the Committee for their thoughts on paths forward.