

## HOUSE SUBCOMMITTEE ON ECONOMIC GROWTH, TAX, AND CAPITAL ACCESS

Statement of Darrin Conroy, Library Director  
New York Small Business Development Center  
June 20, 2019

Chairman Kim, Ranking Member Hern, and distinguished members of this Subcommittee, thank you for the invitation to appear before you today and provide testimony on the importance of accurate Census data to help the formation and growth of small businesses.

### Background

Before I begin, here's some background on our organization. The SBDC program is national in scope. There are programs in each of the 50 states, the territories, and the District of Columbia. The New York program began in 1984 as a partnership between the U.S. Small Business Administration, New York State, the State University of New York, the City University of New York, other higher education facilities, and the private sector. Currently, we operate 22 Regional Centers, 28 Outreach Offices and many part-time satellites. The SBDC provides a wide array of services *pro bono* through three core activities: one-to-one business advisement, training, and research. On average, New York SBDC business advisors provide counseling to nearly 20,000 small businesses each year.

I'm here on behalf of the research component. The New York SBDC created the Research Network in 1991, in response to a need by SBDC clients for a centralized information center. I began there in 1993, and became its director in 2002. Since its inception, it has been a collective of professionally trained librarians who provide value added research to any New York SBDC client who requests it.

In our history, we have answered over 64,000 requests for information on numerous topics, for numerous industries. Business owners have an insatiable need for information – the more current, and the more accurate, the better. And they really like demographic data.

### Information requested by small business owners

Demographic data is something that every business owner needs, whether it's a startup or a long-term successful establishment. Such data impacts where a store is located, what types of marketing should be employed, whether a business can attract financing or investors, or whether it should even be started.

One in five requests for information concerns the need for demographics. These are answered primarily with either private databases that use Census data for their own modeling (like "Community Analyst" from Esri, and DemographicsNow from Gale) or any of the 100+ Census surveys.

For example:

Q: Client wants to expand her pierogie food truck and begin distributing to supermarkets in western New York. Where do people of Polish ancestry live?

A: Use the 5-year survey from American FactFinder to identify the top 20 populations in western New York with Polish ancestry

Q: A business advisor served on a committee to draft language for a bill that would assist NYS veteran business owners. Did we have any data on the number of those?

A: Use the Survey of Business Owners

Q: What was the number of construction projects done in the past 2 years in central New York?

A: Utilize the Building Permits Survey

Q: What is the total market value in terms of sales in the United States and New York of specialty grocery stores?

A: Access data from the 2012 Economic Census

Like much of our research, answers to these queries were incorporated into a client's business plan. The presence of \*current\* Census data in a business plan is given immediate credibility by the investors who read these plans.

Census rolled out its "Business Builder" website in 2015. It enables users to access data from several Census surveys in one convenient location. This tool has become popular with SBDC business advisors (and their small business clients) in New York as well as the rest of the country. It's easy to understand, it's updated frequently, and (most importantly) its administrators are responsive to suggestions by its users. More current information enables clients to make better choices.

Another area where businesses can have a say is the participation in the Economic Census. Not every business is selected to fill out this survey that is conducted every five years. However, our library strongly encourages our business advisors to remind their clients who \*do\* receive a survey to complete and mail it back. The better the response rate, the more accurate the data. The more accurate the data, the better the chances of sound decision-making by policymakers, economic development agencies, and business owners themselves.

Our efforts in this area are analogous to those put forth by the American Library Association. Per the FCC, more than 24 million Americans do not have high-speed internet access at home. Because the 2020 Census will be distributed primarily online, this lack of access could dampen response rates. In response, ALA encourages public libraries to tout themselves as places that offer no-fee broadband access.

### Case Study

Speaking of broadband access . . . in 2014, our office in Canton NY was visited by a man who was interested in starting a company that would provide wireless broadband internet and phone access to small rural communities that lacked access. In 2016, New York State announced the New New York Broadband Initiative. This made grant funding available to businesses like that of our client. To get the funding, he needed to fill out a proposal. To fill out the proposal, he needed data.

He gave us a spreadsheet that he received from an agency within New York State that listed several hundred Census geographic codes. He needed to identify the towns and counties in which each of these codes resided. Then, he needed to know the population and the number of housing units in each code. From this, he could quantify in his grant proposal those areas that were unserved or underserved.

MABEL, a tool of the Missouri Census Data Center, greatly facilitated this process. Not only could it translate intimidatingly-long Census geographic codes, it also offered up the most current data for population and housing units for all of these codes.

After 14 hours of research and processing time, we were able to present to this client a spreadsheet that translated a series of intimidatingly long codes into the names of actual locations within a 7-county area in upstate New York that were greatly underserved when it came to broadband access. This information was then geocoded into maps, which were then incorporated by the client into his proposal.

One year later, the client received a \$6.3 million grant to improve broadband internet and phone access to this region. Upon receipt, the client reported to his business advisor that the data provided by the SBDC Research Network was more specific and correct than any provided by governmental sources and was a vital part of their application.

### Conclusion

The 27-year history of the library for the New York SBDC is filled with stories of clients who leveraged accurate and up-to-date information from the Census (and resources that are heavily influenced by Census data) into funding for their business, or as a factor in deciding to expand operations, or to assist in deciding where to export their products, or to determine where to target their marketing efforts, and numerous other ways.

A small business owner faces constant challenges. New York SBDC advisors frequently say that their library saves their clients valuable time by navigating the sea of information to find the answers they need. In turn, we owe them the responsibility of accessing only those resources whose accuracy and currency are beyond reproach. I hope that I've conveyed the importance of Census materials to the small business community.