Committee on Small Business
Subcommittee on Economic Growth, Tax, and Capital Access
"The Importance of Accurate Census Data to Small Business Formation and Growth"
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initiative of ReadyNation)**

Chairman Kim, I am deeply appreciative of the opportunity to speak this morning about the importance of the 2020 Census for small businesses.

My name is Jonathan Weinhagen, and I am President & CEO of the Minneapolis Regional Chamber of Commerce. I was appointed by Governor Tim Walz to Co-Chair our state's Complete Count Committee to make sure everyone is counted in the 2020 Census. I have also joined the Business for the 2020 Census Task Force to work alongside other business leaders around the country to encourage residents to participate in the census next year.

As you know, the U.S. Constitution mandates that the government count every person in America every ten years, and businesses rely on the accuracy of the census for three main reasons. First, census data is used to direct more than $800 billion in taxpayer dollars each year to federal programs that support small businesses with everything from transportation that helps move their products to developing the skills of their workforce. Second, the count is used to determine political representation at the local, state and national levels, ensuring that small business interests are represented in government decision-making. Finally -- and what I will focus on today -- the census is the powerful foundation upon which small businesses make decisions every day.

And I should know. Prior to my work advocating on behalf of businesses, I spent nearly a decade leading my family's fourth generation auto repair firm and still serve in an advisory role today. Many small business owners, like my dad and 80 percent of the members I represent, operate on razor thin margins. They need accurate census data to inform a range of decisions such as where to open a store that is accessible for their customers; what products and services to offer that residents living or working nearby want and need in their daily lives; and where to locate a new office or facility that is close to neighborhoods with skilled workers.

All of these decisions are based, in part, on information that only comes from the census. Often times small businesses are relying on census data without even knowing it. Even if a company were to use private commercial data, that information would require a benchmark to ensure it is

accurate. Because the census provides the most robust snapshot of everyone living in the United States, it is the best available benchmark, which no other data source produces[1].

Census data is a key ingredient in a wide range of economic analyses from the unemployment rate to real estate figures. These indicators may encourage an entrepreneur to take the next step or cause them to wait to start a new tech firm or open a new restaurant.

Essentially, Census data is "big data" for small businesses – and it's extremely important that the Census be as accurate as possible.

If the 2020 Census count is inaccurate, small businesses and our communities would be negatively impacted over the next 10 years. Unreliable data could stifle local economies because small businesses may decide against expanding or hiring more employees. Specific communities may be hurt if fewer investments are made by small businesses in neighborhoods with high concentrations of people that are considered hard to count.

For example, I'm working on a project right now with Houston White in North Minneapolis which has a large African American population. Houston is an entrepreneur who owns a barber shop and has a vision for a community-led redevelopment of his neighborhood. Camdentown has the potential to be a model for community-driven economic redevelopment, but only if there is accurate data to support the level of investment necessary to realize the vision.

Finally, an inaccurate census may deprive Minnesota of public funding that supports a growing economy. Every year Minnesota receives roughly $15 billion in federal funding for programs that help build roads, strengthen schools, and contribute to a healthy workforce[2]. This funding is allocated based on census data.

Simply put, a robust 2020 Census is good for business, good for the City of Minneapolis, and good for our national economy.

Chairman Kim and Members of the Committee, thank you for focusing on this very important issue. I am happy to answer questions.

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[1]
https://www.forbes.com/sites/scottmcdonald1/2017/12/06/danger-to-us-business-if-the-2020-census-flops/#1224052d3249

[2] Counting for Dollars, Georgetown University -
https://gwipp.gwu.edu/sites/g/files/zaxdzs2181/f/downloads/IPP-1819-3%20CountingforDollars_MN.pdf