



YourEconomy Time Series (YTS) Concept

YTS is a new time series being developed by BDRC and UW-Extension. Version 2 of YTS (includes 35% more establishments) was released in May of 2017, and is now available thru our data discovery and time series locator (DDaTSL) tool online, and is being used at youreconomy.org.

YTS Concept

YTS focuses on establishments that are “**in-business**” meaning they are intent on conducting business or commercial activities, or have a DBA (doing business as) physical location for that purpose. We use two very large Infogroup databases to assemble YTS, 1) The Verified File and 2) The Pre-verified File; both with establishment data from 1997 thru the beginning of the current year. Conversely, government data and other data resources like Dun & Bradstreet (D&B) include “**all-establishment**” entities that also include legal or financial transaction based entities (sometimes referred to as “paper companies”) that are formed strictly for legal or financial/tax purposes.

How the in-business definition may contrast to the all-establishment definition in the data:

- Establishment and job counts - there will be less total establishments in the U.S. (particularly under 4 employees) with the in-business data when compared with all-establishment data due to the exclusion of paper companies. This difference is likely found in certain industry segments that house financial, real estate, and tax reporting entities. Interestingly, the total job counts are (on average) not lower in the Infogroup data and can be slightly higher in certain cases. This would further suggest that paper companies explain the establishment count differences as they would be counted as an establishment with few if any jobs.
- Moves - many times when an all-establishment company reports an address, it is the same used for multiple entities (sometimes hundreds) of the same business. Inevitably the address will change if/when an actual location is used, thus potentially showing multiple moves for one establishment that may or may not be “in business”. Though more representative of an actual DBA economy, it follows that there will be less overall moves in the in-business data when compared with all-establishment data.
- Industry Segments (SIC and NAICS) - Infogroup’s U.S. Business Databases is organized according to the U.S. Government’s Standard Industrial Classification (SIC) Coding system that categorizes businesses by general business activity. Maintained are over 17,000 business category titles which net into 10,500 unique 6-digit SIC codes. Whereas the SIC system classified businesses based on the products or services they *produced*, NAICS classify businesses based on the *processes* used to create the products or services. Infogroup has added two additional digits to the NAICS codes to better match conversion from 6 digit SIC codes. Further, a comparison between in-business data and all-establishment data show high number of establishments cluster in certain 6 digit NAICS which can significantly inflate and deflate particular 6 digit NAICS categories, again predominately due to certain industry segments that house financial, real estate, and tax reporting entities.

The Nature of Longitudinal Data

Most consumers of large (or any) data look at single periods or “snapshots” (annual, quarterly, etc.). Actually seeing the underlying dynamics of an economy occur when you add one or more periods (years in our case) and begin to follow an establishment thru time. While this is uniquely revealing data, it also takes an extraordinary amount of time for verification. Imagine having completely different jobs and sales numbers once you add more years (or even one year) to an establishment’s history. Which numbers are correct? How do you know? Best method to change?

Fortunately time series data only gets better with use. We look forward to working with a growing user community to make YTS the most *accurate, transparent, and accessible* time-series of the U.S. business economy.