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Preparations for 2010: Is the Census Bureau Ready for the Job Ahead?

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Senate Committee on Homeland Security and Governmental Affairs
Subcommittee on Federal Financial Management, Government Information, Federal
Services, and International Security

July 17, 2007

Chairman Carper, Senator Coburn, Members of the Subcommittee, I am pleased to appear before you and very much appreciate your invitation. My role today is to twofold. First, I will describe the extraordinary importance of the decennial census to the nation—to our representative democracy, to public policy at all levels of government, and to our economy. Second, I will review key issues with regard to the Census Bureau's readiness to conduct the census, that is, its capacity to ensure that the census will be complete, accurate, and able to fulfill its essential public roles.

The Fundamental Importance of the Census to American Government and Economy

The architecture of our *representative democracy* rests on the foundation provided by the decennial census.

Office holders in each branch of the federal government are chosen, directly or indirectly, on the basis of the census. Article 1, Section 2 of the Constitution requires that the number of seats in the House of Representatives shall be apportioned according to the enumeration of the nation's population, which is to be conducted once every ten years. By extension, the election of the President also depends upon the census, as the number of votes allocated each state in the Electoral College is equal to the sum of their

Representatives and Senators. As the President chooses the members of the federal judiciary, the census influences the third branch of government as well, and, as we know, that influence can extend for quite some time.

After each census is conducted, state legislatures rely on the census population data to redraw Congressional and state legislative district boundaries. Local governments use these data to determine the size and shape of county and city council districts, school board districts, and voting precincts. In order to enable state and local governments to create legislative districts that comply with standards for population equity (“one person, one vote”) and racial and ethnic balance (Voting Rights Act, Sections 2 and 5), the Census Bureau provides a special tabulation of census data organized by voting districts as specified by each state.

Clearly, the collection and use of census data have a critical influence on political outcomes. While this relationship usually is uncontroversial and the outcomes typically go unchallenged, recent incidents demonstrate the power of the census and how small differences can have dramatic effects:

- After Census 2000, the state of Utah missed gaining a fourth Congressional seat and sixth electoral vote by 856 residents; the 435th seat and 538th electoral vote went to North Carolina instead.¹ Utah’s experience has been highly instructive to states with regard to the 2010 Census. Realizing that apportionment is a zero sum game, more states will be working aggressively to bring about a full count.
- The result of the 2000 presidential election turned on the accuracy of the 1990 census. The election was so close that a slightly more or less accurate census could have produced another pattern of Congressional apportionment and so a different outcome.

¹ Utah, believing that Mormon missionaries temporarily overseas should be counted as residents, went to the Supreme Court, where it lost.

- In 2003, the Texas state legislature’s redrawing of Congressional Districts produced quite a commotion, as some legislators in the minority left the state in the hopes of blocking approval of the new boundaries.

Our Founding Fathers’ notion of using population count as the basis for our representative democracy, rather than physical might or divine right, was, in its time, a remarkable innovation. As history shows, the decennial census has been essential to the success of the American democratic experiment. Consequently, the conduct of the census, enshrined in the Constitution, represents a sacred duty of a sort. Therefore, we cannot take the census—its completeness, its accuracy—for granted; to do so is a step towards diminishing our democracy.

The decennial census is essential not only for determining the allocation of power within government, but the *effective performance of the duties of government* as well. The impact of the decennial census on public policy is pervasive and profound.

When I discuss the importance of census data to government performance, I include by extension data from two other Congressionally mandated Census Bureau programs. The first is the population estimates program, which provides annual population estimates (by age, sex, race, and Hispanic origin) for states and local areas based on decennial numbers, administrative records, and other surveys.² The second is the new American Community Survey (ACS), the replacement for the decennial long form that will provide us with an annual detailed picture of population characteristics (such as educational attainment, occupation, income and poverty, housing conditions, and journey-to-work) down to the neighborhood level.³ The ACS significantly increases the efficacy of the decennial census, as it updates data for states and localities every year rather than once a decade.

² The population estimates program uses the components of change method. The year ending in “1,” it takes the decennial figure, adds births, subtracts deaths, and adds net domestic and international migration; each succeeding year adds and subtracts components of change to the prior year’s estimate.

³ Surveying 3 million households annually, the ACS is considered part of the “reengineered” 2010 Census. Its purpose is not to estimate population size, but the percent distribution of population characteristics; it

Each question in the decennial census and the ACS is crafted to fulfill a set of federal purposes.⁴ The federal government relies on census data in three ways. First, through use in eligibility criteria and allocation formulas established by law, regulation, and directive, census data guide the distribution of hundreds of billions in federal financial assistance to state and local governments, nonprofits, businesses, and individuals. I estimate that, in FY2004, the distribution of at least \$287 billion in federal funds from 75 grant programs (62 percent of \$460 billion in total grants) relied on numbers derived from the decennial census.⁵ The largest programs (totaling \$259 billion) include Medicaid, the Federal-Aid Highway Program, Section 8 Housing Choice Vouchers, Head Start, the State Children's Health Insurance Program, Federal Transit Formula Grants, Department of Agriculture Low Income Housing Loans, and the Community Development Block Grant Program.⁶ The appropriate and fair distribution of federal funds—and the return of precious tax dollars to states and communities—depend upon an accurate census.

Second, census data provide key benchmarks for federal enforcement of civil rights and antidiscrimination laws and court decisions. Small area census data on the occupational distribution by gender, race, and ethnicity are used by federal legal and regulatory agencies to enforce laws against discrimination in the workplace.⁷ Population estimates and ACS data on race, Hispanic ethnicity, and language spoken at home are used to enforce the Voting Rights Act. Housing-related ACS data are used in the regulation of lending practices and homeowner insurance procedures under the Fair Housing Act.

relies on population estimates from decennial census and the annual population estimates program as the bases on which to estimate how the count of people by characteristics.

⁴ U.S. Census Bureau, "Subjects Planned for the 2010 Census and the American Community Survey: Federal Legislative and Program Uses," http://www.census.gov/Press-Release/www/2007/subjects_notebook.pdf

⁵ These include figures from the decennial census, annual population estimates, the ACS, and agencies other than the Census Bureau. Examples of the latter include per capita income from the Bureau of Economic Analysis and median household income and fair market rent from the Department of Housing and Urban Development. My estimate of the total federal funds guided by census data are preliminary and reflect a work in progress.

⁶ In addition, census data are used to determine eligibility for the Federal Housing Authority's mortgage insurance program.

⁷ See http://www.census.gov/Press-Release/www/releases/archives/census_2000/001633.html. The Equal Employment Opportunity Commission, the Department of Justice, the Department of Labor's Office of

Third, census data play an important role informing the design, implementation, and evaluation of a variety of federal efforts other than financial assistance and regulation. For example, the data are used with regard to programs and policies concerned with adult education, small business development, veteran and senior citizen health, affordable housing, overcrowded housing, transportation planning, women in the labor force, farm workers, immigrants, disabled students, and groundwater contamination. With the release of the 2008 ACS data, programs that promote increased health insurance coverage and seek to influence marriage and divorce-related behavior (for example, TANF) will benefit as well.

In particular, census data are used to develop estimates and projections for a variety of federal programs. Examples of estimates include the measures of personal income at the metropolitan and county levels (Bureau of Economic Analysis), adult literacy rates (Department of Education), local travel patterns (Federal Highway Administration), the number of children in single-parent homes (Department of Health and Human Services), and residential and motor vehicle energy consumption (Department of Energy). Examples of forecasts include the number of people who will be eligible for Social Security and Medicare, the number of children who will need adoptive homes under the Child Welfare Act, and future tax revenue (Department of Treasury). In addition, census data are used by OMB to reset the boundaries of the nation's metropolitan areas.

The census also provides the basis for giving Members of Congress detailed, up-to-date profiles of constituent population through the ACS.⁸

State and local governments heavily rely on census data to make real, on-the-ground investment decisions across all domains of government. For example, these governments use census data to assess the needs for school buildings, highways, affordable housing, and access to health care. In addition:

Federal Contract Compliance Program and the Office of Personnel Management use these data to enforce workplace antidiscrimination laws.

⁸ The Census Bureau provides data profiles by state and Congressional District at <http://fastfacts.census.gov/home/cws/main.html>.

- States and local governments rely on census data to determine how best to deploy criminal justice resources.⁹ For example, relating the demographic profile of methamphetamine users to census long form data by place, the Illinois State Police were able to identify and focus on likely meth lab locations (“hot spots”) around the state.
- These governments also depend on census data to plan for and respond to natural and manmade disasters.¹⁰ The ACS is used to identify large swaths of the population with needs that must be addressed in evacuation plans, including the carless (9 percent of U.S. households), those with a physical or mental disability (13 percent of residents) or language barrier (8 percent), the elderly (40 percent have a disability), and those living in group quarters such as nursing homes and assisted living facilities (2 percent of residents). Our nation’s recent experience with 9/11 and Hurricane Katrina make quite clear the importance to adequate emergency planning.
- State and local transportation planners rely on the Census Transportation Planning Package (CTPP) commissioned by the Federal Highway Administration. Transportation planners use CTPP data—such as journey-to-work and vehicle ownership data—to evaluate existing conditions, develop and update travel demand models, and analyze demographic and travel trends.¹¹

Governments at all levels contribute \$2.6 trillion to our \$13.6 trillion economy. In one way or another, decennial census data guides the use of nearly all of those funds.

The influence of census data on the operations of the \$11 trillion *private sector economy* is equally pervasive. Businesses of all types (such as retail, manufacturing, services) and sizes (from Target and J.C. Penney to sole proprietorships) use census data (either

⁹ Andrew Reamer, “To Take a Bite Out of Crime: Safeguard the Census,” The Brookings Institution, June 26, 2006. <http://www.brookings.edu/views/op-ed/reamer/20060626.htm>

¹⁰ Andrew Reamer, “Anticipating the Unimaginable: The Crucial Role of the Census in Disaster Planning and Recovery,” The Brookings Institution, July 10, 2006. <http://www.brookings.edu/views/op-ed/reamer/20060710.htm>

¹¹ <http://www.fhwa.dot.gov/ctpp/>

directly from the Census Bureau or through value-added commercial vendors) to identify markets, select business locations, make investment decisions in plant, equipment and new product development, determine goods and services to be offered, and assess labor markets. At a Brookings briefing held on Capitol Hill last year, a representative of the National Retail Federation walked through the various essential uses of census data for retail decision-making.¹²

Nonprofit organizations such as hospitals and community service organizations rely on census data to better understand and serve the needs of their constituencies. For example, firms and nonprofits throughout the housing and real estate industry—including home builders, real estate firms, mortgage bankers, home improvement firms, and community development corporations—use census data to ascertain needs and opportunities and guide investment and action.

One realm in which public and private sectors work in tandem is regional economic and workforce development. Census data are essential to efforts by state and local governments, chambers of commerce, and public-private partnerships to promote business attraction, expansions, and startups that lead to job creation and a larger tax base.¹³ ACS figures on median household income, wage levels, educational attainment, industry and occupational distribution, self-employment, and journey-to-work help assess economic performance, industry structure, and workforce resources. Moreover, ACS data on workforce characteristics are important inputs in determining needs for workforce development efforts by community colleges, universities, for-profit schools, and other training institutions. Thus, census data are key ingredients to regional economic competitiveness, improved workforce skills, job creation, and tax base expansion.

Fundamentally, then, census data are essential for the effective operation of the entire \$13.6 trillion U.S. economy. Among the various public policy tools available to the

¹² http://www.brookings.edu/metro/umi/events/20060623_acs.htm

¹³ Joseph Cortright and Andrew Reamer, “Socioeconomic Data for Understanding Your Regional Economy: A User’s Guide,” 1998, for the U.S. Economic Development Administration. <http://www.econdata.net/pdf/uguide.pdf>

federal government (such as grants, tax credits, regulation), statistical programs are among the least expensive, and give the greatest return on taxpayer investment. The total annual federal investment in the nation's principal statistical agencies is less than \$3 billion (a figure that varies with nearness to decennial year). And no statistical program has a greater return than the decennial census. If I were talking about economic returns alone, we might have an argument (even then I think the assertion might be true). However, as I noted in the beginning, the census provides the foundation for the functioning of our democracy, and on that we cannot put a price.

Key Issues in Census Bureau Preparedness for 2010

To fulfill the role the census plays in sustaining the quality of our democracy and the health of our economy, we need a complete and accurate census. Achieving such a census in turn requires a complete and accurate Master Address File (MAF), the list of every known household address in the nation; a high level of household response to the census questionnaire (by mail, preferably, if not, then by phone or in-person); and the capture of complete and accurate responses to the questionnaire.

The Census Bureau faces a series of key issues with regards to its ability to meet these requirements. The first is *adequate funding*. The decennial census is the largest peacetime operation this nation undertakes. It is important for Congress to appreciate how essential decennial census preparations are in the several years before the count and to understand why the Census Bureau needs such a significant ramp-up in funding, especially starting in the year ending in "7." The 2008 dress rehearsal is the only opportunity the Census Bureau has to integrate, deploy, and evaluate all planned operations and systems in a census-like environment. We have only one chance to get it right in 2010; we do not want 2010 to be a test-bed for the integrated census design.

The Administration has been requesting the appropriate magnitude of funds for census preparations. While it is tempting to shift funds from this rapidly growing budget—one with a relatively weak constituency—for more politically pressing uses, as was done last week in the House Appropriations Committee, the costs to the nation of doing so are

large, in terms of wasted federal funds, unfair political outcomes, less effective public policy, and a less robust economy.

The second issue is the proper Census Bureau management of the *Local Update of Census Addresses (LUCA)* to ensure we have a complete MAF so that a mailed survey can reach each household. The MAF is based largely on U.S. Postal Service address listings. However, experience shows, the MAF can miss new construction, building conversions from non-residential to residential use, garages converted to residential use, and apartment subdivisions. LUCA, first carried out for Census 2000, allows localities and states to review the MAF and suggest additions and changes in address listings. Communities make use of alternative address listings such utility accounts, real property records, construction and demolition permits, and “911” records, as well as field visits.

LUCA, then, is a mechanism that allows states and localities to get their fair share of political representation and federal funds and create a more accurate picture for local government and business investment decisions. The potential value of LUCA is reflected in the fact that New York City was able to add nearly 370,000 addresses to the MAF in Census 2000.

However, the Census 2000 LUCA experience was uneven; many localities, particularly small ones, found it difficult to participate. The Census Bureau learned much from its first LUCA experience, and the program design this time around is quite improved.¹⁴ In particular, the Census Bureau has expanded options for participation, added training for localities, increased review time, and, very importantly, allowed state governments to assist localities. This last point is particularly valuable for smaller communities that do not have the internal resources to participate in LUCA on their own.

In March, Brookings sponsored a briefing for state and local governments about preparing for the census; an effective LUCA program was of significant interest,

¹⁴ For an overview of the 2010 Census LUCA Program, see <http://www.census.gov/geo/www/luca2010/luca.html>.

understandably. However, subsequent to our session, we see that the LUCA process for the 2008 Dress Rehearsal and the Census Bureau's ramp-up to the full LUCA for 2010 give some cause for concern regarding implementation. At a hearing held by the House Information Policy, Census and National Archives Subcommittee on June 26, 2007, officials from the two 2008 Dress Rehearsal states, North Carolina and California, identified Dress Rehearsal LUCA problems regarding inaccurate TIGER maps, limited Census Bureau outreach (to encourage localities to participate), and problems regarding training and technical support. The Census Bureau needs to address these issues so that they do not diminish the quality of the upcoming full-scale LUCA effort.

In August, the Census Bureau plans to send out letters to the highest elected and other officials in thousands of state, local, and tribal governments across the U.S. inviting them to participate in LUCA. This invitation will have been delayed by several weeks due to a combination of miscommunication and inadequate planning. The Census Bureau did not realize until late that it required OMB review and approval of the LUCA effort and related forms. Consequently, on June 15, 2007, it requested an emergency temporary (six-month) approval.¹⁵ Then, on June 22, 2007, it issued a call for public comments on the proposed new LUCA process, with a due date of August 6, 2007.¹⁶ Given the tight timelines for LUCA and the fixed Census Day of April 1, 2010, the Census Bureau plans to send out the letters immediately after August 6, leaving little time for meaningful response to comments. It would have been far better if the Census Bureau had issued its call for comments six months ago. Hopefully, these ramp-up timing issues are not consequential and do not foreshadow additional management problems going forward. I encourage the Subcommittee to ask the Census Bureau to explain the difficulties with regard to seeking OMB review and calls for public comment.

The third important issue in Census Bureau readiness is having a *community outreach program* in place to promote "getting out the count." A wide range of stakeholders want to work with the Census Bureau to ensure an accurate count of an increasingly diverse

¹⁵ <http://www.census.gov/geo/www/luca2010/e7-11601.pdf>

¹⁶ <http://www.census.gov/geo/www/luca2010/e7-12160.pdf>

population that presents numerous counting challenges. Such stakeholders include state, local, and tribal governments, community-based organizations, rural community groups, inner city neighborhood associations, small businesses, media organizations, and faith-based organizations. The Census Bureau needs to take advantage of the substantial presence these stakeholders have in local communities, and continue a dialogue with stakeholders about what works best and how the Census Bureau can help them be effective in reaching hard-to-count populations.

By all accounts, the Census Bureau managed an effective partnership program for Census 2000, involving over 140,000 partners.¹⁷ Experience indicates that for a 2010 census partnership program to be effective, it must get underway in the coming fiscal year. However, the Administration denied the Census Bureau's request for FY08 funding for the program; Secretary Gutierrez indicated funds will be sought for FY2009, but this will be too late to build the necessary foundation for outreach. In consequence, the House Appropriations Subcommittee added \$13,000,000 to the FY08 Census Bureau budget for community outreach. The Senate mark has no comparable provision. I ask that Members of this Subcommittee encourage their colleagues who will serve on the bill's conference committee to support dedicated funding for such an important task.

As valuable as LUCA and the community partnership program are, they are not sufficient to ensure that the Census Bureau can generate an accurate count in every community. For many residences, particularly in multi-unit buildings and converted and subdivided dwellings, mailed questionnaires cannot find their destinations because unit numbers are confusing or non-existent. Census fieldworkers following up on non-responding households cannot sort out who answered and who did not answer via mail. As a result, communities with a high proportion of such residences are at risk of an undercount.

To address this problem, the Census Bureau has at its disposal a method called *Update/Enumerate* (U/E), which it used to good effect in Census 2000 in 35 states (on Indian reservations, colonias, and resort communities). In the U/E process, census

¹⁷ <http://www.census.gov/dmd/www/partner.html>.

fieldworkers walk blocks believed to have a high percentage of problematic units, with addresses in hand, knock on doors, update addresses, and count residents.¹⁸ Thus, the address listing and the enumeration are done at the same time.

While the Census Bureau says it is knowledgeable about and comfortable with the U/E method, at present it does not have concrete plans for incorporating U/E as part of the 2010 Census. We know that the Census Bureau is exploring possible uses of U/E, but the time is getting late. In light of U/E's demonstrated high value and success, I suggest that this Subcommittee encourage the Census Bureau to make effective use of U/E and ask for plans to do so. To the extent possible, it would be valuable to have the Census Bureau employ U/E as part of the 2008 Dress Rehearsal.

Readiness for the 2010 Census requires that the Census Bureau successfully:

- recruit, hire, and train over a *half million temporary workers*;
- properly manage its significant *technology contracts* (including for handheld computers), to ensure that all systems will perform well during the census; and
- develop *back-up/contingency plans* should any of the technological innovations not work as planned.

Recently, the Government Accountability Office (GAO) provided a series of reports and testimony on these topics. I concur with the GAO findings, and encourage this Subcommittee to use them as guides in overseeing Census Bureau preparations regarding staffing and technology.

As you well understand, designing, planning, and conducting a decennial census is an enormous, complex endeavor. As a consequence, the Census Bureau highly values staff who have participated in prior efforts. However, as is true throughout the federal government, numerous Census Bureau staff with *substantial decennial experience* have recently retired or soon will do so. I suggest that the Subcommittee ask the Census

¹⁸ <http://www.census.gov/pred/www/rpts/F.12.pdf>

Bureau about the extent to which it has been or expects to be losing experienced decennial hands, and its plans for retaining institutional knowledge and minimizing any knowledge gaps.

Addressing the various issues that I have identified are essential to the ability of the census to fulfill the demands we place on it to sustain our democracy and our economy. I hope you have found my remarks of value as you ascertain the readiness of the Census Bureau for 2010. I very much appreciate the opportunity to appear before you, and would be pleased to answer any questions you might have.