

## Census: Planning Ahead for 2020

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Chairman Carper, Ranking Member Brown, Senator Coburn, and other distinguished Members of the Subcommittee:

I appreciate the opportunity to talk with you about recent developments regarding the Census Bureau's American Community Survey, specifically the House-passed prohibition on spending FY2013 funds to conduct the ACS as well as House and Senate efforts to prohibit enforcing penalties for refusing or willfully neglecting to answer ACS questions.

I'll first discuss why ACS termination would have a destructive impact. I'll then talk about the significant negative consequences of making the ACS voluntary, including increasing rather than eliminating the problems that voluntary ACS proponents want to solve. I'll then offer a series of recommendations that I hope will address the interests of the various parties in the debate about mandatory response.

In my remarks, I'll refer to several materials that you have in the packets that were distributed to your offices on Monday.

### The Value of the American Community Survey

Today, as has been the case for decades, small area census data are essential to the proper functioning of government, the economy, and communities. Annually updated ACS data are used by

- the federal government to
  - construct important geographic statistics, including
    - annual population estimates
    - total and per capita income
    - the housing component of the Consumer Price Index
    - metropolitan statistical area boundaries
    - occupational employment projections and classifications
  - inform the design, implementation, and evaluation of programs and policies in education, health, housing, transportation, small business development, human services, and environmental protection
  - distribute over \$450 billion in federal domestic assistance to states and communities

- provide benchmarks for enforcement of the Voting Rights Act and other civil rights laws
- state and local governments to
  - determine the best allocation of scarce fiscal and human resources in criminal justice, transportation, education, public health, and disaster management
  - calculate annual limits in the growth of state government revenue and spending
  - redraw legislative districts
- chambers of commerce and economic development partnerships to analyze regional strengths and weaknesses and encourage business attraction, expansions, and startups
- businesses of all types and sizes to identify markets, select locations, make investment decisions, determine product offerings, and assess labor markets
- nonprofit organizations such as hospitals and community service organizations to better understand and serve the needs of their constituencies
- researchers to identify social and economic dynamics that can guide public policy
- the public to understand changes in local socioeconomic conditions and to hold their elected officials accountable as appropriate

The origins of the ACS can be traced to Congressman James Madison’s efforts to have the 1790 Census gather information on age, sex, the race of free persons, and occupation in order to inform public policy. He wished that future Congresses would see to the collection of census data beyond “bare enumeration . . . to adapt the public measures to the particular circumstances of the community . . . and [mark] the progress of the society. . . .” To date, Congress has fulfilled Madison’s wish. (A longer discussion of the origins of the ACS can be found in the appendix.)

The implementation of the ACS in 2005 represents a great advance in the availability of current small area census data, as such data had been produced but once a decade since the nation’s founding. As far back as 1872, President Grant asked Congress to authorize a mid-decade census because “the information obtained at the decennial period as to the material condition, wants, and resources of the nation is of little practical value after the expiration of the first half of that period.”

My understanding is that there are no efforts in this chamber to terminate the ACS. Given the House’s action, though, I will say that, in light of the widespread public, private, and nonprofit reliance on data from the ACS, its elimination would cause economic disruption and job loss, misapplication of scarce community assets and services, and increased waste, fraud, and abuse of government funds.

It is often suggested that the private sector could readily replace the government’s effort. That is by no means the case. Only the federal government

- has the capacity and motivation to produce socioeconomic data that is current, objective, reliable, consistent over space and time, and available at each level of geography
- can cover a wide array of topics essential for the performance of congressionally-mandated functions
- provide the great public good of open data access
- produce a dataset that gives decision-makers and analysts the flexibility to produce nearly unlimited cross tabulations (such as male Hispanic military veterans over 35 with an advanced degree) to fit a multitude of purposes

### Addressing Issues in the Implementation of the ACS

Consistent with census law since 1790, the government has the authority to impose a penalty on any adult who refuses or willfully neglects to answer ACS questions or deliberately provides false responses. The current census law says that the fine for not answering ACS questions can be up to \$100, a range set in 1929. However, in the 1980s, this dollar amount was superseded by provisions of a comprehensive crime control law that establish a fine of up to \$5,000 for any misdemeanor or infraction of federal law.

Since the implementation of the ACS, Members of Congress have heard several types of concerns from constituents who have received the ACS. First, some ACS questions are experienced as an invasion of privacy. Second, there is distrust about the government's use of the data. Third, the possibility of a fine of up to \$5,000 for nonresponse feels coercive or terrifying. Fourth, the Census Bureau's practice of nonresponse follow-up is experienced as harassment.

The response of some Members to these complaints has been to propose removing the government's power to impose a fine for nonresponse, in effect making the ACS voluntary. However, moving to a voluntary ACS would have the perverse effect of increasing the number of constituent complaints and so aggravating the problem rather than eliminating it.

In 2003, at the direction of Congress, the Census Bureau conducted a field test on the difference in household response rate between a mandatory and voluntary ACS. The bureau's primary finding was that the mail-back response rate for the voluntary ACS was 20 percentage points lower than that for the mandatory ACS.

On the basis of this finding, in June 2011 the Census Bureau published a memo titled "Cost and Workload Implications of a Voluntary American Community Survey." The memo finds that "to support production of sufficiently reliable ACS small area estimates," the bureau would need to increase sample size by 23 percent, at an additional annual cost of \$66 million (based on the 2009 workload). So, for example, each year an ACS form would be sent to 13,000 additional households in Oklahoma, just to pick a state.

Memo data suggest that the combination of the much lower mail-back rate and larger sample size would substantially increase the number of personal Census Bureau contacts with constituents. The memo says that a voluntary ACS at the 2009 sample size would require a 15 percent increase in the number of nonresponse households contacted by telephone and a 32 percent increase in the number of nonresponse households visited by Census Bureau field staff, at an additional annual cost of \$28 million. Even so, the number of completed surveys would fall by

more than 15 percent, resulting in an estimated, and unacceptable, increase in variances (a measure of data reliability) of 23 percent.

Putting memo's various figures together, one can calculate that maintaining current data reliability under a voluntary ACS will require a 23 percent increase in the number of households getting the survey, an 18 percent increase in the number of households telephoned, and a 39 percent increase in households visited in person. I don't believe that this is the impact that proponents of a voluntary ACS are looking for.

Further, while the memo suggests that this expansion would cost \$66 million annually, this estimate is lower than would be the case today, for one or both of two reasons. First, the analysis is based on the 2009 ACS sample size, not the larger 2012 sample size. (Congress supported sample expansion to allow the bureau to address declining data reliability due to population growth.) Second, the memo notes that "It is very possible that public reaction today could yield different results with significantly greater cost implications especially if there was considerable media attention given to the shift."

The memo concludes by saying that if Congress were to make the ACS voluntary and does not provide sufficient funding to maintain the current number of completed surveys, "the quality of survey estimates would be unacceptable and the ACS would not meet its responsibility to produce data of sufficient quality to replace the estimates from the census long form."

In light of these findings, particularly the increased burden that a voluntary ACS would place on Members' constituents, I will suggest an alternative approach, one that relies on the Census Bureau offering more carrots and reducing emphasis on sticks.

As noted earlier, two constituent concerns are invasion of privacy and distrust of government use of the data. It's worth noting that both these concerns have been raised by households and in Congress since 1790, and in some states, like Massachusetts and New York, since before the Revolution. These concerns did not deter prior Congresses from asking questions and making the responses mandatory.

It's also worth noting the periodic decrease in the percentage of households contacted to generate census small area estimates. From 1790 through 1930, every household had to answer every census question. The 1960 long form reduced the response burden for most questions to one-fourth of households. By 2000, only one-sixth of households received the long form. Today, to generate ACS small area estimates, about one-eighth of households are contacted.

At the same time, constituent do have privacy and data misuse concerns. To address them, I first suggest that the Census Bureau provide constituents with far more information about the benefits of the data to their states and communities. Currently, ACS recipients receive only general statements such as:

This survey collects critical up-to-date information used to meet the needs of communities across the United States. For example, results from this survey are used to decide where new schools, hospitals, and fire stations are needed. This information also helps communities plan for the kinds of emergency situations that might affect you and your neighbors, such as floods and other natural disasters.

I recommend that the Census Bureau provide the American public with web access to an up-to-date compilation of links to many thousands of uses of the ACS at the national, state, and local level. The bureau would

- use low-cost web spider technology to find these uses on public websites
- tag each use by geography (such as a state, metro area, or neighborhood) and type of use (such as for education, emergency planning, or business development)
- provide open web access to the database, allowing visitors to select their state, city, or ZIP code to get a listing, with links, of relevant ACS uses
- in the mailed ACS packet, include information on the web database of ACS uses and a list of 6-10 generally compelling uses, such as the state's use of the data to allocate federal highway funds and manage spending and revenues

My hope is that with readily accessible examples of personally meaningful uses of the ACS, recipients would be more open to filling out the survey to help their state and community.

To address constituent concerns about government misuse of ACS data, I encourage the Census Bureau to create an ACS analog to its well-received decennial census partnership program. The bureau would seek out, and provide training to, trusted national, state, and local third-party organizations that would be willing to provide individual constituents with information and reassurance on data confidentiality and limitations on use. The Census Bureau could provide local ACS partner contact information on its website and partnership program information in its mail packet. Partners also would be available to discuss how ACS data are used to benefit the local community.

To eliminate fear and sense of coercion raised by the possibility of a fine of up to \$5,000, I suggest that Congress pass legislation that exempts the Census Bureau from the Title 18 criminal justice statute, allowing it to revert to fines of up to \$100 for nonresponse and \$500 for false statements. The Census Bureau finds that simply saying ACS response is legally required boosts the mail-back response rate to the desired level. At present, the bureau does not appear to believe that it needs to seek prosecution for nonresponse, as it has not done so since the 1960 Census.

My understanding from congressional staff is that a substantial number of constituent ACS complaints concern their experience of being harassed by Census Bureau field staff conducting in-person nonresponse follow-up. I strongly suggest that the bureau review and revise current staff protocols and incentives to the extent needed for nonresponse households to not feel harassed. The bureau might consider creating a hotline or ombudsman for constituents.

Finally, I ask that the Census Bureau increase its communications with Members regarding the ACS. Specifically, the bureau could provide regular updates on recent ACS uses in a Member's state or district, information about positive efforts to encourage constituent response, and, with each ACS release, the updated profile of each Member's state or district.

In these several ways, I think, constituent discomforts with the ACS can be addressed while avoiding steps that compromise the integrity of its valuable data.

## Conclusion

In George Washington's first State of the Union message to Congress, he says

Knowledge is in every country the surest basis of public happiness. In one in which the measures of government receive their impressions so immediately from the sense of the community as in ours it is proportionably essential. To the security of a free constitution it contributes in various ways - by convincing those who are intrusted with the public administration that every valuable end of government is best answered by the enlightened confidence of the people, and by teaching the people themselves to know and to value their own rights; to discern and provide against invasions of them; to distinguish between oppression and the necessary exercise of lawful authority; between burdens proceeding from a disregard to their convenience and those resulting from the inevitable exigencies of society; to discriminate the spirit of liberty from that of licentiousness - cherishing the first, avoiding the last - and uniting a speedy but temperate vigilance against encroachments, with an inviolable respect to the laws.

This statement is rich with relevance for management of the ACS—the importance of good information, gaining the trust of the people, and teaching the people to “distinguish between oppression and the necessary exercise of lawful authority” and “between burdens proceeding from a disregard to their convenience and those resulting from the inevitable exigencies of society.”

I believe that, with this Subcommittee's guidance, the Census Bureau can find an approach that results in constituents experiencing a proper balance between individual rights and duty to community and nation.

Thank you for your time and look forward to your questions.

## Appendix: History and the ACS

The origins of the ACS can be traced to Congressman James Madison's efforts to have the 1790 Census gather information beyond the "bare enumeration" of free people and the human property of free people, as required by the Constitution for apportioning taxes and representation among the States. In particular, Mr. Madison wanted to collect information on race, gender, age, and occupation. He said:

(I)f this bill was extended so as to embrace some other objects besides the bare enumeration of the inhabitants; it would enable them [future Congresses] to adapt the public measures to the particular circumstances of the community. . . . This kind of information . . . all legislatures had wished for; but this kind of information had never been obtained in any country. . . . If the plan was pursued in taking every future census, it would give them [future Congresses] an opportunity of marking the progress of the society, and distinguishing the growth of every interest.

The House agreed with his request. The Senate did as well, with the exception of occupation.

In 1800, Thomas Jefferson, seeking to ascertain "sundry facts highly important to society," asked Congress to further enlarge the census questions to include citizenship and immigration status, occupation, and greater detail on age. Congress complied with the latter request.

Future Congresses found that they agreed with Madison. Throughout the 19<sup>th</sup> century and early 20<sup>th</sup> centuries, Congress regularly expanded the census data collected for the purposes of public policy. Because of questions added to understand and address the Great Depression, the 1940 census included the first supplementary sample survey. The long form was used from 1960 through 2000. The ACS debuted in 2005.

Presidents throughout the centuries have asked Congress to include certain questions for the purposes of public policy; touted census data, as Madison had predicted, to show the nation's dramatic growth; and used other data to identify pressing issues such as the pool of men available to fight (Jefferson), illiteracy (Garfield, Arthur, Coolidge), unemployment (Hoover), immigration policy (Truman, Eisenhower), rural telephone access (Truman), substandard housing (Kennedy, Johnson), poverty (Nixon), and education (Clinton).

In asking Americans to fill out their 1990 Census form, President Bush said

Abraham Lincoln once observed: "If we could just know where we are and whither we are tending, we could better judge what to do and how to do it." The census helps to provide us with such insight.

Moreover, as early as 1872, President Grant asked Congress to authorize a mid-decade census because "the information obtained at the decennial period as to the material condition, wants, and resources of the nation is of little practical value after the expiration of the first half of that period." In 1976, for the same reason, Congress finally authorized a mid-decade census, but it was never funded. The ACS is the fulfillment of Grant's request.

Tracing the line from Madison to the ACS, we can see the "democratization" of census data as the nation advances in its ability to analyze and communicate. Initially, the data were used to

inform public policy. Increasingly throughout the 19<sup>th</sup> century, they were studied by social scientists. By the 1880s, an explicit purpose of census data was to inform business decision-making, particularly to improve market efficiencies and firm competitiveness overseas. In the 1960s, Congress began relying on “long form” census data to distribute federal domestic financial assistance. For the last 15 years, the Internet and increasingly advanced software have allowed anyone anywhere instantaneous access to ACS tables and public use data and the capacity to analyze them in sophisticated ways.