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THE AMERICAN COMMUNITY SURVEY: THE CHALLENGES OF ELIMINATING THE LONG FORM FROM THE 2010 CENSUS

HEARING

BEFORE THE

SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY, INTERGOVERNMENTAL RELATIONS AND THE CENSUS

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

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THE AMERICAN COMMUNITY SURVEY: THE CHALLENGES OF ELIMINATING THE LONG FORM FROM THE 2010 CENSUS

TUESDAY, MAY 13, 2003

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,
INTERGOVERNMENTAL RELATIONS AND THE CENSUS,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:07 a.m., in room 2154, Rayburn House Office Building, Hon. Adam Putnam (chairman of the subcommittee) presiding.

Present: Representatives Putnam and Clay.

Staff present: Bob Dix, staff director; John Hambel, senior counsel; Scott Klein, Chip Walker, Lori Martin, and Casey Welch, professional staff members; Ursula Wojciechowski, clerk; Susanne Lightman, fellow; Bill Vigen, intern; David McMillen, minority professional staff member; and Jean Gosa, minority assistant clerk.

Mr. PUTNAM. A quorum being present, this hearing of the Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census will come to order.

Good morning and welcome to today's hearing entitled, "The American Community Survey: The Challenges of Eliminating the Long Form From the 2010 Census."

The census is one of the oldest civic ceremonies of our Nation. The enumeration of our resident population is set forth in Article I, Section 2, in our Constitution. The first census was conducted in 1790 under the direction of Thomas Jefferson. That census was conducted by U.S. marshals on horseback and counted 3.9 million inhabitants.

The modern-day census is the largest peacetime mobilization of manpower America undertakes. In 2010, rather than riding horseback, enumerators will carry with them mobile computing devices. Although the basic fundamental notion of enumerating our population has not changed, the way in which the Census Bureau conducts this enumeration certainly has.

The census has adapted over time to the continually changing needs of our Nation for timely, quality data. In 1940, we saw the introduction of the long form. The long form has provided volumes of data for users from Federal, State and local governments to businesses and universities. The Congress and specifically this subcommittee is being asked to consider whether or not it's time for another significant evolution in the way we conduct the census, the

elimination of the long form and the introduction of the American Community Survey.

The Census Bureau has been developing the ACS since the 1990's, and in recent years has worked closely with Congress and with many outside interest groups and data users in its development. By most accounts, the data users' community is supportive of the American Community Survey and its full implementation by the Congress.

The Census Bureau began developing the ACS in the mid-1990's and has been collecting data in a development program since 1996. The goals of the ACS, as stated by the Census Bureau, are: Provide Federal, State and local governments an information base for the administration and evaluation of government programs; eliminate the long form from the 2010 census, thereby facilitating improvements of the accuracy by allowing the decennial census to focus on counting the population by simply using the short form; and provide data users with timely demographic housing, social and economic statistics updated every year that can be compared across State communities and population groups.

I would also add a goal that is critical if ACS is going to receive the necessary funding from Congress for full implementation. The Census Bureau must demonstrate to both the authorizers and appropriators that fully funding the ACS will eliminate duplicative survey at the Census Bureau, and in this arena alone the taxpayer will recognize savings.

I simply would find it unbelievable that no surveys could be eliminated with the advent of the ACS. Eliminating redundant surveys would send a clear message to Congress that the Census Bureau is truly dedicated to making the American Community Survey top of the class and not just another survey.

To be sure there are still some serious issues to mitigate beyond the mere cost, one of those issues is privacy. As an elected official, I understand that in order for governments to make informed decisions when spending hard-earned tax dollars, governments need timely and reliable data on which to base those decisions. At the same time, I understand how important people's privacy is to them. In many aspects of my work chairing this subcommittee, integrating technology, information and security needs with the right to privacy of Americans has been at the forefront.

Generally speaking, government has a tremendous challenge ahead of it: How to obtain the information that is needed to make informed decisions while at the same time respecting the privacy rights of the public. The Census Bureau needs to be at the forefront of overcoming these challenges. The Bureau, to its credit, has the most protective privacy law on the books. All personal census information, including the American Community Survey, is not shared with anyone for 72 years.

That said, I don't know if that will continue to be sufficient in convincing people to participate in this survey. I don't suggest that the law needs to be strengthened necessarily, but rather the Census Bureau should seriously explore new and innovative ways to solicit voluntary cooperation from the residents of the Nation.

I know that the Census Bureau, the Congress, the public and private data users and partnership groups have done a lot of work on

the ACS. I'm also aware that we are rapidly approaching a point where the Census Bureau needs to know if there will be a long form in the 2010 census or if the ACS will be the new survey tool. It is fundamental to a successful 2010 census that we let the Census Bureau know as soon as possible how the Congress expects the census to be conducted. I'm hopeful that we can continue to work together to resolve these issues, and that Congress can make a final determination on full funding for the ACS in the very near future.

As with most of our hearings, today's hearing can be viewed live via Web cast by going to reform.house.gov and clicking on the link under "Live Committee Broadcast."

I appreciate the gentleman from Missouri, the ranking member of this subcommittee, for his attendance here and his support of the committee's work, and I recognize him for his opening statements.

[The prepared statement of Hon. Adam H. Putnam follows:]

COMMITTEE ON GOVERNMENT REFORM

SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY, INTERGOVERNMENTAL RELATIONS AND THE CENSUS

CONGRESSMAN ADAM PUTNAM, CHAIRMAN

May 13, 2003

Chairman's Statement

"The American Community Survey: The Challenges of Eliminating the Long Form from the 2010 Census."

Good morning.

The Census is one of the oldest civic ceremonies of our Nation. The enumeration of our resident population is set-forth in Article I Section 2 of our Constitution. The first census was conducted in 1790 under the direction of Thomas Jefferson. That Census was conducted by U.S. Marshals on horses and counted 3.9 million inhabitants.

The modern day Census is the largest peacetime mobilization of manpower that America undertakes. In 2010 rather than riding horseback, enumerators will carry with them mobile computing devices. Although the basic fundamental notion of enumerating our population hasn't changed, the way in which the Census Bureau conducts this enumeration certainly has. The Census has adapted over time to the continually changing needs of our Nation for timely, quality data. In 1940 we saw the introduction of the long form. The long form has provided volumes of data for users from federal, state, and local governments, to businesses and universities.

The Congress and specifically this Subcommittee is being asked to consider whether or not it's time for another significant evolution in the way we conduct the census: The elimination of the long form and the introduction of the American Community Survey. The Census Bureau has been developing the ACS since the 1990's and in recent years has worked closely with Congress and with many outside interest groups and data users in its development.

By most accounts the data using community is supportive of the American Community Survey and its full implementation by the Congress. The Census Bureau

began developing the American Community Survey in the mid 1990s and has been collecting ACS data in a development program since 1996.

The goals of the ACS as stated by the Census Bureau are:

- Provide federal, state, and local governments an information base for the administration and evaluation of government programs.

- Eliminate the long form from the 2010 Census thereby facilitating improvements of the accuracy by allowing the decennial census to focus on counting the population by simply using the short form

- Provide data users with timely demographic, housing, social and economic statistics updated every year that can be compared across state, communities, and population groups

I would also add a goal that is critical if ACS is going to receive the necessary funding from Congress for full implementation. The Census Bureau must demonstrate to both the authorizers and appropriators that fully funding the ACS will eliminate duplicative surveys at the Census Bureau and in this arena alone, the taxpayer will recognize savings. I simply would find it unbelievable that no surveys could be eliminated with the advent of the American Community Survey. Eliminating redundant surveys would send a clear message to Congress that the Census Bureau is truly dedicated to making the American Community Survey the top of the class and not just simply -- another survey.

To be sure there are still some serious issues to mitigate beyond the mere cost. One of those issues is privacy. As an elected official I understand that in order for governments to make informed decisions when spending hard-earned tax dollars, governments need timely and reliable data on which to base those decisions. At the same time, I also understand how important people's privacy is to them. In many aspects of my work chairing this Subcommittee integrating technology, information and security needs with the right to privacy of Americans has been at the forefront.

Generally speaking, government has a tremendous challenge ahead of it: How to obtain the information that is needed to make informed decisions while at the same respecting the privacy rights of the public. The Census Bureau needs to be at the forefront of overcoming these privacy challenges.

The Census Bureau, to its credit, has the most protective privacy law on the books. All personal census information, and this would include the American Community Survey, is not shared with anyone for 72 years. That being said, I don't know if that will continue to be sufficient in convincing people to participate in a survey. I'm not suggesting that the law needs to be strengthened necessarily, but rather the Census Bureau needs to seriously begin to explore new and innovative ways to solicit voluntary cooperation from the residents of the Nation.

I know that the Census Bureau, the Congress, public and private data users and partnership groups have done a lot of work on the ACS. I am also very aware that we are rapidly approaching the point where the Census Bureau needs to know one way or the other if there will be a long form in the 2010 census or will the ACS be the new survey tool. It's fundamental to a successful 2010 Census that we let the Census Bureau know as soon as possible how the Congress expects the Census to be conducted. I'm hopeful that we can continue to work together to resolve these final remaining issues, and that Congress can make a final determination on full funding for the ACS in the near future.

Mr. CLAY. Thank you, Mr. Chairman, for calling this hearing.

As you may know, I hosted a meeting in St. Louis 2 years ago, so that the Census Bureau could explain the survey to a wide cross-section of business and community leaders in our State. We had over 100 people who attended that session, and all were very interested in the possibilities promised by the American Community Survey, both Acting Director Barron and Director Kincannon were instrumental in making the arrangements for the forum, and I'd like to thank the witnesses on this panel and the next for taking their time to appear before us today.

I hope this hearing will improve our understanding of this complex survey.

The last hearing we had on this issue was just about 2 years ago. At that time, the committee was concerned about the cost of the survey, the length of the questionnaire and the fact that answering the survey was mandatory. Witnesses raised questions about the quality of the information produced by the survey, the complexity of those data for small places, and fears that either dwindling appropriations or cost overruns would result in a survey that was less useful than promised.

Unfortunately, many of those questions remain on the table today. The good news is that we have 2 more years' worth of experience and data with which to answer those questions.

This survey is a bold undertaking. Over the 10-year census cycle, this survey will cost between $1.5 and $2 billion. It is important that Congress recognize the full cost of the survey. Funding it for a year or two won't do anyone much good. If we are to go forward, we must do so recognizing and committing to the full cost of the survey.

I look forward to today's testimony, and I hope that many of these questions will be put to rest today.

Thank you, Mr. Chairman, and I ask that my full statement be included in the record.

Mr. PUTNAM. Without objection, it will be inserted at appropriate place in the record.

[The prepared statement of Hon. Wm. Lacy Clay follows:]

STATEMENT OF THE HONORABLE WM. LACY CLAY
AT THE HEARING ON THE
AMERICAN COMMUNITY SURVEY

MAY 13, 2003

Thank you Mr. Chairman for calling this hearing. As you may know, I hosted a meeting in St. Louis two years ago so that the Census Bureau could explain this survey to a wide cross-section of business and community leaders in our state. We have over 100 people who attended that session, and all were very interested in the possibilities promised by the American Community Survey. Both Acting Director Baron, and Director Kincannon were instrumental in making the arrangements for that forum.

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The last hearing we had on this issue was just about two years ago. At that time, the committee was concerned about the cost of the survey; the length of the questionnaire; and the fact that answering the survey was mandatory. Witnesses raised questions about the quality of the information produced by the survey; the complexity of those data for small places; and fears that either dwindling appropriations or cost overruns would result in a survey that was less useful than promised.

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I look forward to today's testimony, and I hope that many of these questions will be put to rest today. Thank you Mr. Chairman, and I ask that my full statement be included in the record.

Mr. PUTNAM. We'll now begin with the first panel. Each of you has submitted written testimony which will be included in the record of this hearing. I've asked that you summarize your oral testimony in 5 minutes so to leave ample time for questions and dialog.

You have a light on your table. All of you are familiar with the lighting system. The green light means, begin your remarks; yellow light means, it's time to start wrapping up; and red light means, your time has expired.

As is the custom with this committee and its subcommittees, we'll swear in the witnesses. We'll ask the first panel and those who will be providing you any corollary support or whispering in your ear, whatever, would be asked to be sworn in, as well.

So please stand, raise your right hands.

[Witnesses sworn.]

Mr. PUTNAM. Note for the record the witnesses responded in the affirmative.

Operating under the lady's-first rule, we will begin with the Honorable Kathleen Cooper.

As the Commerce Department's Under Secretary for Economic Affairs, Ms. Cooper serves as the principal economic adviser for Secretary Don Evans and is CEO of a 7,000-employee organization that gathers, calculates and disseminates much of the U.S. demographic social and economic data. Business leaders, policymakers, indeed, all Americans, base decisions on the information in Dr. Cooper's purview, including reports on the Nation's GDP, retail sales, personal income, housing starts, inventory levels and international trade.

She is the Administrator of the Economics and Statistics Administration and oversees two statistical agencies, the Bureau of Economic Analysis and the Census Bureau, and the Internet information resource, STAT-USA.

Her priorities included advising Secretary Evans on economic trends and policy and communicating the President's economic agenda, retaining and improving the high quality of the Nation's indicators and reengineering the decennial census by planning for an accurate short-form-only census in 2010.

Prior to joining the Bush administration, Dr. Cooper was the chief economist and manager of the economics and energy division at Exxon Mobil Corp., where she advised corporate leadership on the global business environment and energy markets and developed the appropriate assumptions for planning purposes.

Dr. Cooper holds a bachelor's degree in mathematics and master's degree in economics from the University of Texas at Arlington and a doctorate in economics from the University of Colorado.

Welcome to the subcommittee. You're recognized.

STATEMENTS OF KATHLEEN COOPER, UNDER SECRETARY FOR ECONOMIC AFFAIRS, U.S. DEPARTMENT OF COMMERCE; AND C. LOUIS KINCANNON, DIRECTOR, U.S. CENSUS BUREAU

Ms. COOPER. Thank you very much, Chairman Putnam, Mr. Clay. As you noted, my name is Kathleen Cooper, and I have the privilege of serving as the Under Secretary for Economic Affairs at the Department of Commerce, and I'm here today to explain why

the administration and the Department of Commerce believe so strongly in the American Community Survey.

But I'm here today to explain why the administration and the Department of Commerce believes so strongly in the American Community Survey. Quite simply, the old system, leaving us with 10-year-old data, is simply not good enough for the world's largest and strongest economy.

Secretary Evans has made it clear that he values the most timely and accurate economic and demographic data. The President's budget for ACS will revolutionize both how we take an every-10-year census and how Americans use these data products.

The Census Bureau is a premier statistical agency in the world. It took an excellent census in 2000 which produced long form data on which policymakers, businesses and families are today basing important decisions, but as late as 1 year ago, you and I and our fellow citizens had only data from 1990. Already data gathered in April 2000 grows stale; we can do better.

The professionals at the Census Bureau have a better way. The American Community Survey is a developed and tested program; since 1996, the Census Bureau has tested the ability of the ACS to deliver annually the high-quality data that we need for even the smallest community. And that is indeed the difference: data every year for cities and towns of every size.

There are 31 test sites where the ACS is up and running. You will hear from leaders of some of those communities in the next panel, and I'm confident they will give you real-life examples that show the quality of the ACS data.

Dramatic changes do not wait. People are born, they grow up, wed, move, start families, open businesses, retire and die. There are plant openings, hurricanes, floods, base closings, new shopping malls, new interstate highways and other events taking place on a daily basis, changing the life of a community.

And, in fact, as I sit before you today, New York City, especially lower Manhattan, has changed in profound ways that have yet to be measured. You will hear shortly from Dr. Joe Salvo, a noted New York City planner. The census 2000 data that he must use now are essentially matters of history.

Long-form data are a wonderful snapshot. The ACS will be a moving video image. The American Community Survey questionnaire is essentially the same as the long form from census 2000, because the data must meet the same statutory and regulatory obligations. The Bureau has worked many years with other Federal agencies to ensure that the answers to those questions will provide the data to meet these requirements.

We are often ridiculed for asking questions that some believe to be intrusive—for instance, does this house, apartment or mobile home have complete plumbing facilities? The Department of Health and Human Services, Indian Health Service and Housing and Urban Development use these answers to determine public health policy and the condition of housing in remote areas and in low-income neighborhoods.

Some may not understand why we ask questions such as: At what location did this person work last week? How did this person

usually get to work last week? What time did this person usually leave home to go to work last week?

But answers to these questions provide the basis for commuting data required by the Highway Safety Act and the Transportation Equity Act of the 21st century. Answers provide the information to describe the geographic patterns of commuter travel and the volume of travel between communities. Evaluations of traffic congestion, air quality, public transportation needs are developed from answers to these questions.

Folks are sometimes reluctant to provide income data, but answers feed low-income children by way of a National School Lunch Program, and answers heat low-income homes in the winter through the Low-Income Home Energy Assistance Program.

All questions were evaluated by a content working group organized by the Office of Management and Budget. In addition, the Department of Commerce took the unprecedented step to seek affirmation of these needs from the legal offices of each department or agency; and this notebook—with your permission, Mr. Chairman, I'd like to enter the results that are included in this notebook into the record, indicating diverse uses for American Community Survey data.

Each of these questions meets data needs that are required by statute, regulation or court decision.

Mr. PUTNAM. Is there an objection?

Mr. CLAY. No.

Mr. PUTNAM. Your information will be included at the appropriate point in the record.

Ms. COOPER. Thank you, Congressman.

These answers do not belong to the government. They belong to all Americans. Just the other day I read of a man who, at age 57, suddenly found himself an out-of-work executive in a market full of out-of-work executives. Since a new job that duplicated his income and title seemed out of reach, he and his wife decided to start a business instead. They investigated options and staked $20,000 into their new enterprise. Then according to Forbes magazine, they plowed through census data, looking for markets with demographic characteristics of those interested in their product.

As this example illustrates, access to yearly data can help businesses grow, help governments adapt and help Congress legislate. The administration believes ACS is the way to go. The Census Bureau has done great work, and Secretary Evans and I hope very much that Congress will support ACS.

And, with that, I thank you and would be happy to answer questions at the appropriate time.

Mr. PUTNAM. Thank you very much.

[The prepared statement of Ms. Cooper follows:]

UNITED STATES DEPARTMENT OF COMMERCE
The Under Secretary for Economic Affairs
Washington, D.C. 20230

PREPARED STATEMENT OF

KATHLEEN B. COOPER
UNDER SECRETARY FOR ECONOMIC AFFAIRS
U.S. DEPARTMENT OF COMMERCE

Before the Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census

U.S. House of Representatives

Tuesday, 13 May 2003

On behalf of the Department of Commerce and Secretary Evans, I am pleased to be here today to express the Administration's support for the American Community Survey. This program is an integral component of the Census Bureau's plans for a successful 2010 census and we hope it will receive the full support of Congress this year.

The American Community Survey is a well-developed program. Since 1996, the Census Bureau has tested the ability of the American Community Survey to meet the obligations of the decennial census long form: accurate, census-tract level data on an annual basis. There are 31 test sites located throughout the nation in which the American Community Survey is at "full implementation"—surveying thousands of households on a monthly basis. Local governments and planning organizations in the 31 test sites, including Fulton County, Pennsylvania and the Bronx, are already using these data for planning and decision-making. In addition, to determine the comparability of the new American Community Survey with the traditional census long form, the Census Bureau has conducted surveys of 700,000 households across the country since 2000. This has enabled the Bureau to test the data collection and determine the feasibility of collecting long form data each month on a national basis. The American Community Survey has delivered consistently high quality data in these test programs.

The defining difference between the American Community Survey and all other data products, including the decennial census, is that this program will deliver detailed data for every geography on a yearly basis. This is a rapidly growing, changing nation — during the three years since the 2000 census, changes have taken place in our cities, towns, and communities. Dramatic changes do not wait for data.

People are born, and they grow-up, wed, move, produce families, open businesses, retire, and die. There are plant openings, hurricanes, floods, base closings, new shopping malls, new interstate highways, and other events taking place on daily basis indelibly changing the life of a community. Every local government, however, will face a certain degree of difficulty in trying to keep pace with such changes. In fact, as I sit before you today, New York City, especially lower Manhattan, has changed in profound ways that have yet to be measured. The data that Joe Salvo of the New York City Planning Department must use from Census 2000—the most accurate source of detailed, small area data—are now essentially a matter of history.

The long form from the decennial census offers a comprehensive and in-depth snapshot of the conditions as of Census Day; it cannot provide timely, annual data. Delivering data once in a decade served this nation well in the past. Today, however, we believe that the American Community Survey offers an alternative that is more timely and more relevant to meet the needs — both public and private — of our nation. And the Department of Commerce believes the need for these annual data obliges us to pursue the American Community Survey.

The American Community Survey offers an alternative that is more timely and more useful to you and other census data users. The American Community Survey will deliver quality data comparable to the long form each year. The American Community Survey questionnaire is essentially the same as the long form from Census 2000, because the data must meet the same statutory and regulatory obligations and responsibilities. The Census Bureau has worked many years with other Federal agencies to ensure that the answers to those questions will provide the data they require to run programs and meet the needs of their stakeholders. For instance, one of the most intrusive questions, "does this house, apartment, or mobile home have complete plumbing facilities?" is used by several Federal departments and agencies, including the Department of Health and Human Services, the Department of Housing and Urban Development, and the Indian Health Service. This question has direct implications on issues of public health and well-being, including access and efficiency of sanitation services and the condition of housing in remote, rural areas and in low-income neighborhoods.

Other examples of American Community Survey questions include,

- "At what location did this person work last week?"
- "How did this person usually get to work last week?"
- "What time did this person usually leave home to go to work last week?"
- "How many minutes did it usually take this person to get from home to work last week?"

Answers to these questions provide the basis for the commuting data—including the average commuting time—that are required to meet the obligations of the Highway Safety Act and the Transportation Equity Act for the 21st Century [TEA-21]. The questions provide the information necessary to describe the geographic patterns of commuter travel and the volume of travel for traffic flows between communities. Evaluations of traffic congestion, air quality, public transportation needs…these are each developed from the answers to these questions.

The questions on income provide data to inform the National School Lunch Program, which provides nutritious meals to children of low-income families. It also helps to meet the needs of the Low-Income Home Energy Assistance Program. The Department of Justice requires these

data to determine disparities in voter participation and other enforcement responsibilities of the Voting Rights Act.

The content needs reflected in these questions, as well as the rest of the questions on the American Community Survey, were evaluated by an interagency committee organized by the Office of Management and Budget. In addition, the Department of Commerce took the unprecedented step to seek affirmation of these needs from the legal offices of each department or agency. The results, which I would like to enter into the record of this hearing, indicate far-ranging and diverse uses for the American Community Survey data. Each of these questions meets data needs that are required by Federal statute, regulation, or court judgment.

While the data needs that each question serves may not be immediately evident, many of these questions provide data that affect the daily lives of every person. The Census Bureau's field employees must be prepared to answer effectively the question, "Why does the government need to know?"

That is the key question. For an individual, our answer will explain why they should trust the Census Bureau and give their information to us. For you and other census data users, the answer may mean more schools to an overcrowded school district, better roads for a rapidly expanding region, or more opportunities for entrepreneurs and businesses.

Their answers, however, do not belong solely to the government. This country has a compelling need for reliable, timely data— and not only with a government, but also non-profit organizations, private corporations, small businesses, and entrepreneurs. Just the other day, I read of a man, who at age 57, suddenly found himself an out-of-work executive in a market saturated with out-of-work executives. Since a new job that duplicated his income and title seemed out of reach, he and his wife decided to start a business instead. Then, according to Forbes magazine, "they plowed through census data" looking for markets with demographic characteristics of those interested in their product. As this example illustrates, access to yearly data can help businesses grow, help governments adapt, and help Congress legislate.

The Commerce Department believes that the American Community Survey is the best source for timely, yearly data that will serve this nation more effectively and this is an important goal for this Administration. We are encouraged by the work that the Census Bureau has done thus far to meet this goal and we hope that Congress will support these efforts.

Thank you and I would be happy to answer your questions.

Mr. PUTNAM. At this time, we'll recognize Mr. Lewis Kincannon, Director of the U.S. Census Bureau.

Mr. Kincannon began his career as an a statistician at the Census Bureau in 1963, after graduating from UT-Austin—a couple of Texas grads here. Mr. Kincannon held positions of leadership at the Census Bureau and also with the Office of Management and Budget. He served as Deputy Director of the Census Bureau during the 1980's and as the Acting Director during the crucial final phase of preparation for the 1990 census.

Throughout his career with the Federal Government, Mr. Kincannon sought to strengthen the relationships between statistical agencies as well as data users in order to produce timely, relevant data that informs public policy and decisionmaking.

In October 1992, Mr. Kincannon was appointed as the first chief statistician in the Organization for Economic Cooperation and Development [OECD], in Paris to coordinate the organization's statistical programs as well as advise the Secretary General on statistical policy. During that time, he encouraged the cooperation and understanding among statistical agencies, underscoring the larger relationships between Nations.

He returned to the United States in June 2000 after leaving his post. President Bush nominated Mr. Kincannon for Director of the Census Bureau last year, and the Senate unanimously confirmed him on March 13, 2002.

Perhaps you could advise some of the judicial nominees on how to accomplish that.

The Census Bureau collects the data used by policy and decisionmakers that affect the lives of every person living in America. Mr. Kincannon is leading the agency's efforts to reengineer the decennial census, as well as update the collection of economic and demographic data in order to reflect America's diverse and changing society.

With that, you're recognized for your opening remarks. Welcome.

Mr. KINCANNON. Good morning. Thank you, sir. Thank you, and on behalf of the Census Bureau, I'd like to thank the whole committee for inviting me to testify this morning. This is an important opportunity to bring you up to date on the progress that the Census Bureau has made with the American Community Survey.

Is this now showing up on sound? Good. I'll try to keep it close.

It is also important to highlight the fundamental and intrinsic role of the American Community Survey in a successful decennial census in 2010. After all, these components of a redesigned 2010 census have one goal: to provide the data that will serve America's needs in the 21st century.

Mr. Chairman, this is a rapidly changing nation, as you well know, and it has urgent needs for timely data. In Florida, for example, during the 1990's, the population expanded substantially, changing the composition of many communities. In Brandon, for example, the number of persons who do not speak English at home more than doubled from approximately 5,000 to more than 11,000.

Closer to Washington, Loudoun County, VA was among the fastest growing counties in the Nation. The population grew by 96 percent between 1990 and 2000, and that meant far more than simply just congestion on Route 7. The school system, as an example, in

an attempt to keep pace with the needs of a growing student population, had already taken its own census before the long form results for 2000 were published.

The good news is that the Census Bureau is moving to improve dramatically the way we deliver crucial and important data on the characteristics of our population. With the American Community Survey, we will eliminate the long form by collecting these data every year. While this will change the way that we get our information, we will continue to provide the same long-form-type data that are used throughout government and in the private sector. The real difference is that once fully implemented, the American Community Survey will offer data updated every year for every neighborhood throughout the country.

The President's budget for 2004 includes funding to implement the American Community Survey at full sample size next year in the final quarter of the fiscal year. The American Community Survey will provide data for areas and groups of 65,000 persons or more in 2006. This means that there will be detailed characteristics data for areas such as New York City, including each of the five boroughs, for Los Angeles, for Sacramento, St. Louis, as well as Warren County, OH, and Brockton, MA, in 2006 and every year thereafter.

In 2008 we will start providing data for every county, town and community between the sizes of 20,000 and 65,000. This means there will be summary data for Gila County, AZ; Port Huron, MI; Bethel Park, PA; and Redmond, WA; and they will be updated every year thereafter.

The data for neighborhoods, census tracts or block groups, and smaller towns will come 2 years before long form data could possibly be provided by a conventional census in 2010. This means there will be data for Ballast Point and Forest Hills in Tampa, as well as for neighboring small towns such as Pine Crest, FL.

The development of the American Community Survey, along with modernization of the Census Bureau's geography systems, has enabled the Census Bureau to plan a short-form-only census, and we are now well along the path to ensure their success.

Moreover, the dramatic advantages of having both the American Community Survey and a fundamentally redesigned short-form census in 2010 will cost the American taxpayers less than a traditional long-form decennial census. Our current estimates indicate that the three components of a reengineered 2010 census will cost approximately $11.2 billion. However, if we change course right now and revert to a traditional long-form census, the overall cost will be at least $12 billion and perhaps much more.

Our success will rely on your support of the President's 2004 budget and on our ability to continue early planning and testing for the 2010 census. The American Community Survey is a high-return investment in America's future. It will mean yearly data from growing and changing communities throughout America.

Mr. Chairman, even as we speak this morning, there are thousands of local, elected officials and planners struggling to balance diverse community needs. They are trying to establish priorities and invest in the future in an era of constrained budgets. For many, the American Community Survey will illuminate the dif-

ference between the past and the present, and this understanding is the key to being able to move confidently into the future.

I ask that my complete statement be included in the record, and I thank you and would be happy to answer questions when the time comes. Thank you, sir.

Mr. PUTNAM. Thank you, Director Kincannon, and your written testimony will be in the record in the appropriate place.

[The prepared statement of Mr. Kincannon follows:]

PREPARED STATEMENT OF

CHARLES LOUIS KINCANNON
DIRECTOR
U.S. BUREAU OF THE CENSUS

Before the Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census

U.S. House of Representatives

Tuesday, 13 May 2003

Good morning. On behalf of the Census Bureau, I would like to thank you, Mr. Chairman, and the House Subcommittee on Technology, Information Policy, Intergovernmental Relations, and the Census for inviting me to testify this morning. This is an important opportunity to bring the subcommittee up to date on the progress that the Census Bureau has made with the American Community Survey. It is also important to highlight the role of the American Community Survey in a successful decennial census in 2010. After all, these components of a redesigned 2010 census serve one goal: to provide data that will meet the needs of America in the 21st century.

The American Community Survey is a critical component for a successful census in 2010. The American Community Survey will deliver useful, relevant data, comparable to the long form, updated every year instead of every ten years. The American Community Survey will allow for the elimination of the long form in the decennial census, allowing the Census Bureau to focus its entire effort in 2010 on the complete and accurate enumeration of every person living in America.

This count is the basic responsibility of the decennial census as prescribed in the Constitution; yet, the decennial census has never focused solely on the task of counting every person. The census has always focused on current needs for timely, relevant data. Significant policy decisions are supported, opposed, and evaluated according to data. The decennial census is the bedrock for the nation's statistical programs, providing the most detailed measurement of the nation's population and housing at every level of geography.

Data from the decennial census are authoritative because they are accurate, reliable, and consistent throughout the entire nation. They are trusted throughout the government to make important decisions affecting the daily lives of every person living in America. Each year, approximately $200 billion of the money that Congress appropriates is allocated through funding formulas that rely in part on decennial census data. Poverty rates, marital status, household composition, educational attainment, median household income, median property values...affect the range of opportunities and options available to every neighborhood and community. The ability of first responders — fire, police, and rescue — to respond effectively is affected by data from the decennial census. For example, the Department of Agriculture helps many rural communities each year through the Community Facilities Loan program. This program can help volunteer fire companies to purchase new equipment, to replace aging equipment. It depends in part on poverty data from the census.

The question for today is whether the existing system of delivering data for every state, reservation, county, city, town, and census tract only once a decade can meet the expectations and demands of this nation.

This is a rapidly changing nation with urgent needs for timely data. In Florida, for example, during the 1990s, the population expanded substantially, changing the composition of many communities. In Brandon, for instance, the number of people who do not speak English at home more than doubled — from approximately 5000 in 1990 to 11,000. Closer to Washington, DC, Loudoun County was among the fastest growing counties in the nation — the population grew by 96 percent from 1990 to 2000, meaning much more than just traffic congestion on Route 7. The school system, in an attempt to try to keep pace with the needs of a growing student population, had already taken its own census before the long form results for 2000 were published.

The good news is that the Census Bureau is moving to improve dramatically the way that we deliver crucial and important characteristic data. With the American Community Survey, we will eliminate the long form by collecting these data every year. While this will change the way that we get our information, we will continue to provide the long form-type data that are used throughout government and the private sector. The real difference is that, once fully implemented, the American Community Survey will offer updated data every year for every neighborhood in the country.

The 2004 President's budget includes funding to implement the American Community Survey at full sample next year, in the final quarter of 2004. This will provide tract level data comparable to the long form two years before long form data could possibly be available from the decennial census in 2010. The American Community Survey will provide data for areas and groups of 65,000 persons or more even earlier, in 2006. This means there will be detailed characteristic data for areas such as New York City, including each of the five boroughs, Los Angeles, Sacramento, Dallas, St. Louis, Atlanta, Hillsborough County, Tampa, as well as Warren County, Ohio and Brockton, Massachusetts in 2006. Detailed summary data at the national level for large minority groups, including Blacks, American Indians, Asians, Native Hawaiians or Other Pacific Islanders, and Hispanics will also be available. And, in many cases, the Census Bureau will be able to provide similar summaries for these communities at the state or city level where the population size can support such data every year from 2006 on.

In 2008, we will start providing data for every county, town, and community between the sizes of 20,000 and 65,000 persons. This means there will be summary data for Gila County, Arizona; Port Huron, Michigan; Bethel Park, Pennsylvania; Hudson, New Hampshire; and Redmond, Washington, and they will be updated every year thereafter.

The tract level data will be available in 2010. The Federal Reserve Board uses these tract level data to prepare disclosure statements and reports on mortgage lending by financial institutions. The Home Mortgage Disclosure Act requires these data. The data are used to evaluate the lending practices of banks to determine whether they meet the credit needs of low and moderate-income neighborhoods, as part of the Community Reinvestment Act. These data are critical to ensuring that lending practices are fair and equitable, to encouraging home ownership, and to establishing stable communities.

The American Community Survey will produce tract level information based on data gathered from three million households each year and averaged over five years. There are two basic distinctions from the long form, however, with regard to data quality. On the one hand, because the five-year aggregations of the American Community Survey will involve fewer household cases than a long form, there will be a higher sampling error in the estimates. However, we believe that this will be offset by more complete responses to the American Community Survey questionnaire that the permanent staff of field representatives will collect.

The American Community Survey uses permanent, experienced employees for telephone and field non-response follow-up. During the decennial census, an enormous temporary workforce must come into existence, be trained, and finish its work within a matter of weeks. In 2000, this meant reaching 42 million housing units in nine weeks. The training that the Census Bureau provided was adequate but of necessity limited. The American Community Survey, on the other hand, will benefit from the training and education of the Census Bureau's permanent field staff.

Even in the context of the success of Census 2000, the Census Bureau was aware that the operational boundaries of the traditional census were stretched as never before. Knowing this, and anticipating the range of changes taking place throughout this country, has motivated the Census Bureau to develop a new and innovative strategy. This strategy, known as the 2010 Reengineered Census, includes the American Community Survey, modernization of the Master Address File and TIGER® [Topologically Integrated Geographic Encoding and Referencing] system, and a short form-only census in 2010. The components of this strategy are inextricably linked to one another.

The development of the American Community Survey, along with modernization of the Census Bureau's geography systems, has enabled the Census Bureau to plan a short form-only census, and we are now well along a path to ensure their success. Moreover, the dramatic advantages of having both the American Community Survey and a fundamentally redesigned, short-form census in 2010 will cost the American taxpayer less than a traditional, long-form decennial census. Our current estimates indicate that three components of the 2010 Census will cost approximately $11.2 billion. However, if we change course right now and revert to a traditional census, the cost will increase to more than $12 billion and perhaps much more.

Our success will rely on your support for the President's 2004 budget and on our ability to continue early planning and testing for the 2010 census. The American Community Survey is a high return investment in America's future. It will mean yearly data for growing and changing communities throughout America. Even as we speak, there are thousands of local elected officials and planners struggling to balance diverse community needs; they are trying to establish priorities and invest in the future in an era of constrained budgets. For many communities, the American Community Survey will illuminate the difference between the past and the present, understanding this is the key to being able to move confidently to the future.

Thank you and I would be happy to answer your questions.

Mr. PUTNAM. And we will begin the questions with the gentleman from Missouri, Mr. Clay.

Mr. CLAY. Thank you, Mr. Chairman.

Mr. Kincannon, the Census Bureau produces the numbers that are used to draw congressional districts. Now, those numbers exclude children, but include noncitizens who cannot vote. This creates an inequity that is made even worse by an undercounted census, particularly in African-American districts. We wind up with districts that have an official census count that is quite different from reality.

What can the Census Bureau do about this?

Mr. KINCANNON. Well, I believe in the particulars for the redistricting data files that we follow the prescription of the law and include people as directed there as we do for the Voting Rights Act. And I do believe that it is intended that all people, whether citizens or not, be represented by the Member of that district.

Mr. CLAY. Well, but now, what about—so we're counting all adults in the numbers, but not children, and with that compounded by the undercount, do you see the disparity here in the funneling of the numbers, so to say?

Mr. KINCANNON. Yes, Mr. Clay. My understanding, my recollection—let me look for a glance of agreement—is that we include children in the public law data that provide the basis for redistricting. That is correct. So we include children in the data file required by law for redistricting the Congress, and we include noncitizens.

Mr. CLAY. Now, I'm not quite sure if that is accurate, and I will—I'll follow-up with a letter to you so that we can clarify, and hopefully you can clarify for me, if children are included in the hard count for reapportionment purposes. That is what I need to know.

Are they included in the voting rights data?

Mr. KINCANNON. No, sir, they are not, because the law specifies what should be—which parts of the population should be included; and only people of voting age, whether they are citizens or not, noncitizens, are included, as prescribed by the law, in the tabulations to support the Voting Rights Act implementation.

Mr. CLAY. OK. That sounds like a quirk in the law, doesn't it?

Mr. KINCANNON. Well, that would be best for you to judge, sir.

Mr. CLAY. But let's count you anyway, although services are rendered to a lot of children, too, you know, so that sounds like a quirk in the law.

Let me go to the next question, Mr. Kincannon. It is my understanding that you announced to the National Academy of Sciences that for the 2010 census, the Census Bureau would not make any effort to correct the population for either reapportionment or redistricting. I have a letter I am sending today asking for more information on that decision. However, I'd like you to briefly address it here.

Even the most optimistic counting of errors in the 2000 census still shows a significant undercount for African Americans, almost 2 percent, and a differential between African Americans and Caucasians that is almost as large as 1990, a reduction of only about 24 percent.

How can you say you're going to do nothing to be in a position to fix the census when these kinds of inequities remain and are likely to get worse? What do we do to correct that?

Mr. KINCANNON. Well, Mr. Clay, I think we do see a number of steps that we can take and are proposing to take to improve the completeness of the count in 2010. The American Community Survey, which will permit us to conduct a short-form-only census, is one step in that direction.

The mail return rates are 13 percentage points higher for the short form than for the long form. That step alone and the simplification of the followup logistics will very clearly lead to improved coverage overall and, I believe, to improved differential coverage rates, that is, narrower differentials between population groups.

The ACS will also permit us to target language minorities and other kinds of problems in rapidly developing or changing areas to address the kind of census taking we will need in 2010 with recent and complete information.

What I said in many forums and almost to everyone that will listen is that we are not asking funding that would support adjustment of the census, because we do not at present have a methodology that will provide results to meet the Constitutional and statutory needs of the census. I'm disappointed at that, but it's a fact that's the finding of the Census Bureau.

We do plan to conduct an extensive evaluation of coverage in 2010. It's important that we have knowledge about the coverage. I won't be able to prove that we have made steps forward in 2010 without that.

Mr. CLAY. Why in 2003 have you said, so far out, that you would not make any effort to correct the population for either reapportionment or redistricting? I mean, look, I respect your expertise in this area, but tell me why the timing—timing-wise——

Mr. KINCANNON. Mr. Clay, we've just completed a very thorough review of the effort of the 2000 census to measure coverage and to take steps to correct for errors in coverage, and that process has led us to the conclusion that we do not have a methodology that will support the kinds of applications that there are in the census. And I will mention three: First of all, reapportionment, use of sample-base data for reapportionment is prohibited under the law. So we will not propose any effort there.

For redistricting, we are convinced—it's not me. I listen to experts who went through the process by which they made the decision that they were unable to produce useful figures that would withstand criticism and examination in time for the redistricting proposals which were re—redistricting file which must be provided by April 1st in the year following the census. And it's a good thing we didn't, because at that time, the indication was an undercount of 3 million. When we finished work on this examination in December 2002, the indication was an overcount of a million and a half. That's a significant difference.

It still means that there are differentials, and that would be of concern, but it shows we were correct in deciding—the experts; I wasn't working at the Census Bureau at that time, but the experts

on the staff were correct in their decision that we did not have usable figures in the mandated period required by the law.

The last thing we examined was the potential for correcting for—of intercennial estimates which provide estimates at the place level throughout the country every year between censuses. And the examination—again of experts, not of me, because that's—I don't—I appreciate your note of respect for my expertise, but it doesn't extend that far. But the people who are experts and who have worked on this almost continually for the last decade drew the conclusion that we did not have a process that would produce usable, defensible figures even at the place level.

We have worked in this direction for 25 years, and the process does—the procedure that we have worked with does not provide us with useful answers.

Mr. CLAY. There is no process?

Mr. KINCANNON. I didn't say that. There may be, but we don't have one in hand.

Mr. CLAY. Ms. Cooper, did you want to add something?

Ms. COOPER. Yes. I simply wanted to add, as he describes, he has more expertise in this than I, but I have been here for 2 years watching the professionals at the Census Bureau trying to work through this issue; and I simply want to express even more to you, Mr. Clay, that is a very important reason why this administration and Secretary Evans, in particular, and I myself feel so strongly about full funding for the ACS. Because we really do want to measure the characteristics of the population as we move through this decade, and have all the ability in the world to do the most accurate count that is possible in 2010. We really believe that this is indeed the most probable way of doing a better job, of reducing that undercount again, as we move to 2010.

Mr. CLAY. I hate to put you on the spot, Ms. Cooper, but if you were fully funded, would you assure us that the methodology would be developed to come up with more accurate counts to do this thing fairly and—in a reapportionment and redistricting?

Can I get a guarantee from either one of you?

Ms. COOPER. I think guarantees are never easy to fulfill. I will guarantee you that we will do everything in our power, with full funding of the ACS, to do the best job possible at a full count, absolutely full count in 2010. Clearly, that is very difficult.

Mr. CLAY. Promise?

Ms. COOPER. But what we have done is get better each decade, and we want to continue that trend.

Mr. CLAY. Thank you.

Ms. COOPER. We promise that.

Mr. PUTNAM. We appreciate the gentleman's questions, and recognizing that we have a limited audience here, we're going to be generous with the time to have all your questions fully answered.

I want to followup with Mr. Clay's questions about the accuracy of the census. Could either of you give us some sense of the historical trend of accuracy? Are we getting better? How much better? Are we getting worse? How much worse? Any developments?

And since the purpose of this hearing is to talk about the American Community Survey, where does it get us in the next step toward a more accurate count?

Mr. KINCANNON. Mr. Chairman, I'm responding from memory, so I'll be rather general, but looking—again, we began systematically evaluating coverage of the census in 1940, and since that time, in general, there has been a trend toward better coverage, with the exception of the 1990 census where overall coverage and differential coverage between Blacks and nonBlacks widened. But we narrowed that and improved over the 1980 census in 2000.

So we have made gradual progress. I think this is due to, among other things, to the strong support in Congress for adequate funding to pay for workers in the field, for paid advertising and for the partnership program with local community leaders who can accomplish a relationship of trust to get over that barrier of concern about privacy. They can communicate better with the public than someone from Washington can.

Mr. PUTNAM. What portion of your budget is spent on the long form versus the short form?

Mr. KINCANNON. I can't really answer that question for 2000. We didn't get the records that way. I have some comparisons about conducting the census, either with a traditional long form or with the ACS in the redesigned census, if that is useful.

If we conduct the redesigned census with the ACS collecting the long-form data and a short form only in 2010, we estimate that total cost over the life cycle would be about $11.2 billion.

If we now change and go to a traditional long-form census, the cost would be closer to $12 billion and perhaps more than that. And of course the benefits we get are less because we would not have reason to expect better coverage, improved coverage, in the census in 2010 because we'd still have the complexity of long-form work at the same time, and we would not have 10 observations measuring the rapid change in localities in our country.

Mr. PUTNAM. Ms. Cooper, you used as an example the events of September 11th and how they have transformed Manhattan Island; and it occurred to me that the events of the last 2 weeks in parts of Missouri and other communities in the Midwest, where the entire community is destroyed, the data will not be updated to reflect that tectonic shift in middle America until 2011 or so, whenever the final numbers come out. What's the process for dealing with these community leaders who are struggling to clean up and deal with the aftermath and rebuild or make the types of long-term decisions they are being asked to make? How do they do that with this outdated data?

Ms. COOPER. Well, Chairman Putnam, that is a very good question and one that we struggle with, and I know the community leaders struggle with on a day-in-and-day-out basis, because there's simply not the ongoing set of information for them to use to make decisions about their future.

And so, again, I think that is one of the driving forces behind why we are pushing the ACS as much as we are.

Now, Director Kincannon may well have some better examples of how we deal with that, but I certainly do think that it's a very real issue and one that we have to be concerned about, going forward. This world is just changing too quickly, and tough events occur; and we need to be able to figure out how to deal with them.

Mr. PUTNAM. Presumably FEMA enumerates the number of small business loans, the number of buildings that are rendered unsafe, the number of people who are homeless or in need of assistance. Is there some collaborative effort to coordinate their data and update your data?

Mr. KINCANNON. Well, if I might, FEMA would have what we might call enumerated data, instances of transactions, loans, destroyed businesses and so forth, but the denominator for all their calculations are data from the Census Bureau. We work very closely with FEMA to provide data that help in finding for evacuations, for dealing with disasters and so on.

Just last month I was in Hawaii, meeting with native Hawaiian groups, because we have a new set of data in the census. The Commerce Department's tsunami warning center in Hawaii was conducting its first-ever statewide drill of tsunami warning, and I was privileged to observe the action. Thank goodness, it was only a drill, so it was a lot of telephone calls going back and forth, but the basis for the evacuation plans, census data, plus information about transportation.

Now, that data is very fresh now in Hawaii, because it comes from the 2000 census. But as we go on, it will not be as fresh, and the ACS, like the long form, will provide daytime and nighttime populations for neighborhoods, and it will be updated annually. So disaster planning, whether for tsunamis or tornados or other events, will be better.

Mr. PUTNAM. You let me and Mr. Clay know if the Hawaiians need any more tsunami drill observers.

Mr. KINCANNON. I only go because Senator Akaka wants me to.

Mr. PUTNAM. Last week, in advisory committee meetings that were hosted by the Bureau, a number of different groups expressed some concern that recent laws, particularly the Patriot Act, are threatening the confidentiality provisions of Title 13. Could both of you speak to those concerns about the department and the Bureau's commitment to Title 13's privacy protections?

Mr. KINCANNON. Well, I think the simple answer is, the Patriot Act has no effect at all on Title 13, and I can tell you that as long as I'm the Director of the Census Bureau any change in law that would affect that will not be quietly engineered.

Ms. COOPER. And I can tell you that the Department of Commerce stands firmly behind the Census Bureau in that.

Mr. PUTNAM. Very good.

As you're aware, this whole issue of privacy and confidentiality continue to be overriding concerns to many Americans. It's becoming more difficult for government, and the private sector, for that matter, to collect information from which information and decisions are derived.

Share your thoughts on how the Census Bureau has become more creative in the past in toning down people's concerns or helping them to feel more comfortable with this and how future censuses or future community surveys will continue that trend of dealing with the privacy and confidentiality concerns.

Mr. KINCANNON. Well, I guess the first step that we try to take is to explain very clearly that the law prohibits any kind of sharing of this information for purposes other than statistical or, in fact,

are in general outside the Census Bureau. That's a very clear provision of law, and the people who are punished if the violation occurs are Census Bureau employees. They can be fined very severely, a quarter of a million dollars, and they can go to jail for up to 5 years, I believe it is.

I'm under oath, so I'll qualify by saying I think that's my recollection of the penalty. That's a severe penalty. It's not just a legal prohibition without some force behind it. It's really very substantial.

Furthermore, we explain—and this is what the census field representative can explain very clearly on the doorstep or on the telephone when that contact with the concerned individual occurs—that we understand our business depends on our keeping the privacy of individuals who report to us protected.

Ms. COOPER. And I might just add that is again a good reason why the ACS will help us to do that, because with the ACS, we will have—we will have people who are full-time staffers, who understand what is going on, who have been part of the Census Bureau, who understand and are able to help, more than is the case when we go once a decade and have to hire a lot of people and train them—and train them very well, but nevertheless it's very difficult to train people in a very short period of time.

So having this done on an ongoing basis with permanent staff is—does do a much better job of alleviating some of those concerns of yours and other Congressmen's constituents.

Mr. PUTNAM. With the exception of the ongoing testing and response rates to the ACS of the voluntary survey, your operational testing has been rather extensive and successful in giving you the basis for your cost estimates for the ACS, but recent evidence, such as the response rate to the current population survey, has been declining steadily, from almost 96 percent in 1992 to your forecast of about 91 percent in 2005.

This information on response rates raises two questions about the costs of the ACS.

First, because the likelihood of a declining response rate to the male survey portion of the ACS will increase the more costly, personal interview followup, isn't it likely that you'll need more than the $150 million a year to collect reliable data?

Mr. KINCANNON. Well, Mr. Chairman, the difficulty in getting responses from households, whether a personal visit or by mail survey, is of concern to us. It is a phenomenon associated with changes in our whole society, with people—more people working and not at home during the day, with busier lives, with gated communities, concerns about privacy and so on; and very importantly, increased competition from private surveys or marketing activities that sometimes irritate people more than government surveys. It makes it harder sometimes for us to get that.

So far, the response rates for the ACS, looking at the 800,000-household sample, are remaining above 95 percent. If the society continues to change in ways that it has in the past, we may need more money than we expect now, but we expect that to be kept under control and to use every device and every technique at our hands to try to keep that response rate up.

Mr. PUTNAM. Your intent is that it remain voluntary?

Mr. KINCANNON. Sir? I didn't hear.

Mr. PUTNAM. If you eliminate the long form and replace it with the ACS, would that be voluntary or mandatory to respond?

Mr. KINCANNON. The ACS is a part of census, and under the census law, it is mandatory; and we have been conducting it on a mandatory basis. Recently, we have been conducting a very important test comparing mandatory and voluntary conditions of collection, and we will be reporting to the Congress on the results of that test in August.

At that time, the Congress will make a decision about which way it thinks it's better to go with the survey.

Mr. PUTNAM. Very well.

Mr. Clay, do you have another round of questions?

Mr. CLAY. Yeah.

Mr. PUTNAM. You're recognized.

Mr. CLAY. Thank you, Mr. Chairman.

Mr. Kincannon, in the plans for the American Community Survey, the Census Bureau indicates that the ACS will be used to update the master address file.

Can you explain to us just how that will work?

Mr. KINCANNON. Well, in the course of conducting the American Community Survey, the field representatives will have observations about changes in areas that they're visiting.

Also, we will be systematically making updates for areas of rapid change, new areas of development, as in the suburbs of some cities or other areas where there's rapid change.

So there will be an effort both through the post office and with census staff to try to make sure that the master address file is up to date.

Mr. CLAY. Just before the 2000 census, the Census Bureau came to Congress and requested an additional $100 million to update the master address file for the 2000 census. That money was used to send thousands of workers walking up and down the streets of our city checking and listing addresses. This was necessary because all of the work on the address list leading up to the 1998 dress rehearsal didn't produce a list that was accurate enough.

What assurance do we have that we will not be faced with the same problem in 2008?

Mr. KINCANNON. Well, certainly conducting the American Community Survey will make us much more aware of areas where we need to update where there's been more change going on. We will still, before the census in 2010, want to conduct a local update of census addresses so that we make sure that we take advantage of what local government knows about people in their areas, as well as using techniques with the Postal Service to make sure that we update that.

Mr. CLAY. It's important for this subcommittee to understand just how this process is going to work and to track the process so that we know well ahead of time if the project is getting off track.

Will you provide the subcommittee with a detailed operational plan for using the ACS to update the address list?

Mr. KINCANNON. Yes. Mr. Clay, we'll be very happy to provide the subcommittee with that information.

Mr. CLAY. And now, in addition, will you provide the subcommittee with specific milestones for that project and the appropriate performance measures?

Mr. KINCANNON. We certainly will.

Mr. CLAY. Appreciate that.

When the 2000 census came in at 281 million people, that was about 6.8 million higher than the Census Bureau's population estimates. The Census Bureau has said that the ACS will be better simply because it will be more timely than the census long form. However, as we saw with these population estimates, they might have been timely, but they weren't very accurate.

It is my understanding that these estimates will be used to control the population counts from the ACS. In other words, the ACS will come up with a total population that will be statistically adjusted to agree with those independent estimates.

What are the chances that in 2010 we will again find that these estimates and the ACS are way off on what the census shows the population to be?

Mr. KINCANNON. Well, I think we're taking steps to try to make sure that doesn't occur in 2010. Of course, the main problem in the estimates during the decade of the 1990's was that we clearly underestimated the amount of immigration that was occurring that was informal or undocumented. That was the main cause of the miss in the estimates compared with the census.

The ACS does not count—make an estimate of the count of the people. We will still carry forward the estimates program which takes the 2000 census results and adjusts it for birth, death and what we can measure about immigration. The difference in this decade is that the American Community Survey, if it is conducted, will provide information like the long form on persons of foreign birth. And since we will have that at local areas, we can see where there are changes occurring. And we expect to use that information to improve our estimates of immigration at the local area.

Mr. CLAY. Thank you, Mr. Kincannon.

Mr. Chairman, I have no further questions.

Mr. PUTNAM. Thank you, Mr. Clay.

Just a couple of wrap-up questions for the first panel.

Ms. Cooper, is it the Department's position that you have all the authority you need to proceed with the elimination of the long form and the implementation of the ACS?

Ms. COOPER. Chairman Putnam, it is. It is definitely our belief that we do have that authority, because it is part of decennial census that is authorized by Title 13, and the GAO supports us in that belief.

Mr. PUTNAM. Is the movement away from the decennial census to an annual ACS keeping with Title 13?

Ms. COOPER. It is. But the census—the decennial census is the count. Through the decade we will be measuring the characteristics, but they go all together and that is a part of Title 13.

Mr. PUTNAM. So you do not believe that additional congressional action is required to move forward?

Ms. COOPER. We do not believe it is necessary.

Mr. PUTNAM. Do you believe that it would be helpful to have additional congressional guidance on that?

Ms. COOPER. I would say that from our point of view, because we are looking at it from the legal point of view, we do not think it would be necessarily helpful to us. But certainly you may be looking at it from a different point of view.

The Congress has to make that decision on its own, if it finds it would be helpful to you.

Mr. PUTNAM. Very good.

Director Kincannon, if Congress fully implements the ACS in the fourth quarter of 2004, what can we expect to pay of the ACS, yearly, from that point until 2010?

Mr. KINCANNON. Well, Mr. Chairman, you know that I can't talk about future budget proposals that have not been reviewed in the administration and agreed to. The only guidance I could offer would be to go back to the administration's proposal for 2003, which would have collected ACS data for 9 months, covered by the balance from January through September. The estimate of cost there was about $124 million.

If you move that from 9 months' to 12 months' coverage, that would increase that by one-third, or about $165 million a year; and you can extrapolate out, multiplying by the number of years. And of course this extrapolation doesn't include any factor for inflation or more difficult enumeration of households or that sort of thing, but that would be the best offer, the best estimate one could make at this time.

Mr. PUTNAM. Well, that question was based on the fact that the President's budget request only fully implements ACS in the fourth quarter of 2004, which some of us had expected to be a bit earlier and wanted to make sure that the administration's commitment was still there.

Mr. KINCANNON. Well, the administration's commitment explicitly was to scale it up beginning in the fourth quarter of 2004; and that implies a commitment to be—it would be quite wasteful if there were not the administration commitment to follow through in 2005. And I assume that commitment is implied strongly, if not even explicitly, in the proposal for 2004.

Ms. COOPER. And I would add to that the commitment is there. That's why it is included in the fourth quarter of 2004.

Secretary Evans has testified, and he has said and talked so many times about the importance of implementing the ACS not only for doing a better job with the 2010 census, but for having the kind of data structure and infrastructure structure we need for this economy, for the largest and strongest economy in the world.

And so we do have a strong commitment; the administration has a strong commitment. And we certainly hope that it does get fully funded, and we'd appreciate your support.

Mr. PUTNAM. Under Secretary Cooper, Director Kincannon, we appreciate your testimony and the commitment that you have to improving the accuracy and reliability and innovation of the census. So, we will excuse the first panel now and take a 2-minute recess while we set up the table for the second panel.

[Recess.]

Mr. PUTNAM. We will reconvene the second panel. We will begin with the swearing in and the oath. Please rise and raise your right hands.

[Witnesses sworn.]

Mr. PUTNAM. Note for the record all the witnesses responded in the affirmative.

I want to welcome all of you to the subcommittee. We appreciate the time and energy that you have set aside in preparation for this, and your insight, as the subcommittee and the Congress as a whole ramps up and prepares for the necessary changes to improve the accuracy and reliability of the 2010 census.

We will begin our testimony with Mr. Reardon.

Thomas Reardon is originally from the Philadelphia area. He attended Shippensburg University, where he graduated with a bachelor's degree in public relations.

He has had a varied career including positions such as district executive with Hiawatha Council of Boy Scouts of America, the lead teacher in an alternative school, supervisor in a juvenile corrections facility, and is currently the executive director of the Fulton County Partnership, Inc., where he has served for 2 years. His wide range of experience has helped him succeed in bringing rapid growth to the Fulton County Partnership.

We look forward to your testimony, and you are recognized for 5 minutes.

STATEMENTS OF THOMAS REARDON, EXECUTIVE DIRECTOR, FULTON COUNTY PARTNERSHIP, McCONNELLSBURG, PA; DR. JOSEPH SALVO, DIRECTOR, POPULATION DIVISION, NEW YORK CITY DEPARTMENT OF CITY PLANNING; JOAN NAYMARK, DIRECTOR, RESEARCH AND PLANNING, TARGET CORP., TESTIFYING ON BEHALF OF THE U.S. CHAMBER OF COMMERCE; KEN HODGES, DIRECTOR OF DEMOGRAPHY, CLARITAS; AND RICHARD OGBURN, PRINCIPAL PLANNER, SOUTH FLORIDA REGIONAL PLANNING COUNCIL

Mr. REARDON. Thank you, Mr. Putnam. Good morning.

I've been asked to speak to you today about how we use the American Community Survey data in Fulton County. If I could direct your attention to the screens on the side, a small Power Point presentation for you. And I would like to welcome you to Fulton County.

What I'm going to do today is, I'm going to tell you a story, not just any story, but a human story about the people in Fulton County. And in order to do that, I think I need to give you a little bit of background about Fulton County.

So here is—I don't think you can see this on this map, but at the very bottom, in the center—unfortunately, it's cutoff—is Fulton County. It is cutoff. Go ahead to the next slide, please.

Fulton County is a small, 100 percent rural county. And perhaps the population of the county gives you a clue of that. According to the 2000 census data, it's 14,261 people. So it is very small, and it is a class 8, in Pennsylvania, county. That's on a scale of 1 to 8, 1 being something like Philadelphia, 8 being Fulton County and a few others.

We are geographically isolated, and I think that's a key there, as we have mountains to the west, the north, and the east, and we are bordered by Maryland on the south.

If you go to the next slide, I will break that out even more in terms of our population. According to the ACS data, you can see the median age is about 36½ years. You can review that yourself. Let me go to the next slide.

As I said, we are geographically isolated. And I think that's a key, that we don't get a lot of contact with the other areas in Pennsylvania because of these mountains. They are not snowcapped mountains, by any means, but they're enough that if you are a low-income person and you may not have a vehicle, you can't get out of the county very well.

Next, we are also an agrarian community; it has typically always been farms, family farms. But unfortunately, with the failure of so many family farms, we are moving toward a more manufacturing and industrialized community.

So now that you know a little bit about Fulton County, just a little background there, let me go ahead and tell you what we are doing with the ACS data now as we go into the next slide.

We have a flu vaccination clinic that we use. And this is one of my favorite examples. We used the American Community Survey to determine the number of vaccines to purchase. We knew from previous flu vaccination clinics that about 31 percent of our seniors would participate. We added a few more for other high-risk people. And using ACS data, we determined that we needed to purchase 650 vaccinations. Had we used the 1990 census data, which was only 6 years old at the time, we would have been off by 5 percent already.

So we also had to use the data to divide the doses among the senior centers. In a small community, it's very important that we not slight anyone. If we don't send enough to the south end of the town, they will be upset at us. And surprisingly—you'd be amazed how much time was spent in a committee trying to determine, how are we going to figure out how much of this vaccination goes to each of these senior centers.

The ACS data, we used it, we used the percentages that it gave us; we were within five doses at each senior center. It was amazing.

Next slide. We have a dental clinic. We have used the American Community Survey data to justify the need, based on the low-income population. We used that data to receive a grant for $200,000 for that dental clinic, to expand that clinic; and as a result, we have served more than 450 low-income patients in our dental clinic.

Go to the next slide. We have an employment transportation assistance program. Now, in Fulton County we have one major employer, and that's JLG. They produce industrial lifts like the one you see in the top right corner of this slide. You probably recognize them; they are orange and yellow, you have probably seen them before. They are the only employer in the county, for all intents and purposes.

When the economy is doing great and people are building, there's a huge need for these lifts. But when the economy is not doing great and people are not building, there is no need. And so, within a year, Fulton County at one point went from having the highest rate of employment in the State to the lowest rate of employment

in the State. The census data didn't show us that. You know, living in Fulton County we know that this is the case, but we can't express that to funders or people who are willing to fund that.

Using the 1990 census data, we applied for a grant for this Welfare to Work transportation program, got $6,000. Using the ACS data from 1996, we were able to justify $60,000. So there was a tenfold increase in what we were able to justify.

Next slide, please. And how do we plan to use the data in the future? Quite simply, up-to-date statistical information equals more accurate use of our money and our efforts. We are a small county, we're a small organization with limited resources. We need to focus our attentions, we need to be very cost efficient and cost effective—obviously, better planning for more accurate identification of trends.

If we can see something happening in a small part of our community, we can reach out there and prevent that from becoming a major problem. And by preventing those problems, we are saving tax dollars by—you know, an ounce of prevention is worth a pound of cure.

So, thank you very much.

Mr. PUTNAM. Thank you very much. Who is the Congressman from Fulton County?

Mr. REARDON. Bill Shuster.

Mr. PUTNAM. Very good.

[The prepared statement of Mr. Reardon follows:]

Testimony of:
Thomas S. Reardon
Executive Director
Fulton County Partnership, Inc.

When we watch a movie, we are actually seeing thirty-two frames every second. It takes all of those individual pictures each second to provide our eyes with a clear and fluid picture. Imagine if you were to watch a movie with one frame every ten years, how much you would miss. Unfortunately, the Decennial Census can only take one picture every ten years. The American Community Survey is a tool which can paint a clear picture of our country by filling in the blank spaces. Imagine how much clearer the picture would be if the number of pictures were to be doubled, tripled, or even increased by a factor of ten.

I hope that the primary goal of each of the elected officials in our country is to serve the people they represent. In order to serve people, one must know something about them. The American Community Survey (ACS) is the tool that can make this possible. The Decennial Census helps us react to the needs of the people in our community. The American Community Survey allows us to be proactive in meeting the needs of the people in our area by helping us observe trends as they are building and growing.

The Fulton County Partnership, Inc. located in Fulton County Pennsylvania, an extremely rural county in South Central PA, is dedicated to improving the quality of life for residents by developing the fullest potential for children, families, and individuals through an integrated, collaborative and comprehensive system of health, education, and human services. As a test site for the ACS, we have had up to date information since 1996. I would like to provide just one example of how the ACS data have helped us meet real needs in a real way.

One of the programs of the Fulton County Partnership, Inc. (FCPI) is an influenza vaccination program. We provide free flu vaccinations to high risk individuals. The vast majority of high risk individuals in Fulton County are senior citizens, so we hold a clinic in each of the three Fulton County Senior Centers. There is a senior center in the north, the center, and the south of the county. We must purchase our vaccine months in advance, and in order to be good stewards of our resources, we have to make an educated guess of how many vaccine doses we will need. The ACS data are the most up to date, and give us a good starting point for determining how many doses to purchase.

Next, we have to determine how many doses to allocate to each location. Now because we are in a small rural community, we must be extremely careful that we not slight one area, because there is so often a feeling that all services are provided only in the central area. We used the ACS data to determine the number of doses to send to each location, and we ended up having enough doses for everyone who attended with only five extras. Although this was for the 2002 Flu season, we had to order materials in February of 2001 and we still did not have the data from the 2000 Census. (We have been impressed with the turnaround time of the ACS data.) Here is how we used these data.

We know that each senior center serves certain townships, we are able to calculate the number of senior citizens in each township using ACS data as follows:

McConnellsburg Senior Center – serves elderly from McConnellsburg Borough, Todd, Ayr and Licking Creek Townships.
Hustontown Senior Center – serves elderly from Dublin, Taylor and Wells Townships.
Warfordsburg Senior Center – serves elderly from Belfast, Bethel, Brush Creek, Thompson, Valley-Hi and Union Townships.
The tables below show the senior population in each township, according to the ACS date, as compared to the 1990 Census Data.

McConnellsburg Center Name of Township	1990 65+ Population	ACS (1996) 65+ Population
McConnellsburg Borough	225	289
Ayr	167	211
Todd	143	92
Licking Creek	178	219
TOTAL	**713**	**811**

Hustontown Center Name of Township	1990 65+ Population	ACS (1996) 65+ Population
Dublin	155	189
Taylor	172	124
Wells	84	61
TOTAL	**411**	**374**

Warfordsburg Center Name of Township	1990 65+ Population	ACS (1996) 65+ Population
Belfast	135	261
Bethel	166	178
Brush Creek	113	119
Thompson	107	127
Valley-Hi Borough	8	0

Union	79	92
TOTAL	**608**	**777**

- We know that there have been slightly more than 31% of the seniors vaccinated in the past, so we ordered 650 vaccinations last year which is approximately 33% of the seniors counted in the 1996 ACS plus a few extras for other high risk residents, and rounded to a multiple of ten. (The doses are in vials of ten.)
- Using the previous charts with the ACS data, there are 811 elderly citizens or 41% of the elderly population who could attend the McConnellsburg Center; and
- 374 or 19% who could attend the Hustontown Center; and
- 777 or 40% who could attend the Warfordsburg Center.
- Using those percentages, 266 doses should go to McConnellsburg; 124 to Hustontown; and 260 to Warfordsburg.

- Using old 1990 data, flu vaccine would likely have been allocated at 41% or 266 doses for McConnellsburg (Okay)
- 24% or 156 doses for Hustontown (off by 32 doses or 5%); and
- 35% or 228 doses for Warfordsburg (off by 32 doses 5%).

This may be a simple example of how the ACS data have helped us make smart use of our resources, but we envision so much more. When we receive the Decennial Census information, we look carefully at the picture it paints, and we try to react to what we see. For example, if we see a high level of poverty in one township, we will work to meet the needs of those people who are hurting. The sad part of that is that they are already in poverty. With ACS, we can see trends starting, and we can be proactive in making sure that needs are met.

The old axiom, "An ounce of prevention is worth a pound of cure" seems to apply here. Everything we can do to be proactive in meeting the needs of residents whether it be in our service area, our constituency, or our families, saves money in the long term, as well as works toward building stronger and healthier communities.

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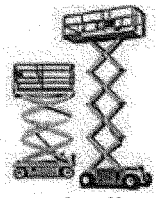
Another Program of the Fulton County Partnership, Inc. is our Dental Clinic. Our clinic is staffed entirely by volunteer dentists. Each of our sixteen dentists volunteers between three and five Fridays each year to come and provide services to residents of Fulton County. Even though their services are free, we must pay our Dental Assistant, Dental Hygienist, and for our supplies, tools, and equipment. We rely on Grant funding for these needs.

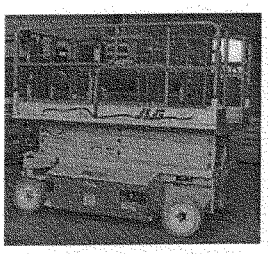
Dental care is one of the highest priority needs in Fulton County. Outside of our dental clinic, there are only five Dentists in the county. Only two of those dentists accept the Medical Assistance ACCESS Card, and they only allow a very small percentage of their clients to be ACCESS card holders. All in all, this provides Dental Care for approximately 50 to 100 low income residents.

One of our important aims is to provide the highest standard of care, and treat our customers with dignity and respect. The volunteer doctors are committed to these tenets, but can not meet these lofty aims without quality equipment and supplies. The Fulton County Partnership, Inc. applied for a state Challenge Grant in 2000. The Data from the 2000 census was not available yet, so we used the data from the 1996 American Community Survey to effectively demonstrate the need based on the percentage of low income people in Fulton County, and received the grant.

I believe that the ACS data has been used to clearly demonstrate the need for this clinic, and has provided the backing and support of community agencies that has been needed to keep this clinic going as an effective concern.

Fulton County, PA is without question, a small county. There are many advantages to that, but there are an equal number of disadvantages. There is one major employer in Fulton County, and that is JLG Industries. JLG Industries is the worlds largest manufacturer of industrial lifts such as the ones in the picture to the right and below. You may recognize them by their distinctive orange and yellow colors. JLG is a great asset to Fulton County. Unfortunately, JLG is extremely closely tied to the construction industry. When there is lots of construction, there are lots of lifts needed. But when there is not a lot of construction, there is not a great demand for lifts, and as a result there are many layoffs at JLG. Fulton has in the past gone from the lowest unemployment rate in the country to the highest unemployment rate in the state in a matter of eight months.





Because of the close-knit nature of the county, residents may see these trends, and be aware of the swings of the economy. Sadly, when funding sources look at the census data which may at times be more than ten years old, the data only represents one small slice of time but does not relate to the current needs. The ACS data are relevant. They give a clearer picture of today's needs.

We use ACS data locally to identify needs and prevent minor problems from becoming major problems. The Partnership has a program called the Employment Transportation Assistance Program (ETAP). The program is designed to help low income working residents keep working by helping them with their employment transportation needs. The program can help them with gas costs, vehicle repairs, vehicle purchase, insurance, inspection, and registration fees.

ACS data shows us where the low income populations are, and we focus our efforts in those areas. This allows us to be cost effective in reaching our target audience, and more importantly, by helping us invest our resources wisely, we can prevent individuals from coming to the point of needing welfare. Thanks to the clear picture presented by the ACS data, the Partnership was able to justify an increase in funding for the ETAP Program in the fiscal year 2000-2001 from $6,000 to $60,000. each year. (A funding increase request for ETAP was denied for 1995-1996 because we could not demonstrate a need for increased funding with the data that was available.)

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I believe that the data provided by the American Community Survey helps the partnership meet it's goal of improving the quality of life in Fulton County, PA. When we can identify needs, and help people develop their fullest potential, we save money. When a person is working, they are self sufficient. When a person has a healthy smile, they have a better chance of getting a job. When a person stays healthy and avoids the Flu, they stay out of the hospital which saves money. In short, the more information we have about the people we serve, the more efficient we can be with the resources we have to help them. In our society today, information is the most valuable asset one can have. The American Community Survey is the best tool I have seen to give clear, concise, accurate, and timely information.

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Thomas Reardon Biography:

Thomas Reardon is originally from the Philadelphia area. He attended Shippensburg University where he graduated with a bachelor's degree in Public Relations. Tom has had a varied career including positions such as District Executive with the Hiawatha Council Boy Scouts of America, Lead Teacher in an alternative school, supervisor in a Juvenile Corrections facility, and is currently the Executive Director of the Fulton County Partnership, Inc. where he has been for two years. Tom's wide range of experience has helped him succeed in bringing rapid growth to the Fulton County Partnership, Inc.

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Mr. PUTNAM. Our next witness is Dr. Joseph J. Salvo, the director of the Population Division, Department of City Planning, city of New York. He has worked there for 20 years.

The Population Division is one of the largest public sector users of census data in the Nation, and has a long history of involvement with all aspects of the decennial census. The Population Division coordinated New York City's address list review effort for the 2000 census, and provided technical support for local and Federal outreach operations.

Dr. Salvo's recent work includes research on the residential settlement of immigrants, 2000 census methods, and the American Community Survey. He serves on the National Academy of Sciences, the National Research Council panel on Future Census Methods, and is a former President of the Association of Public Data Users.

He was an editor and author of the Encyclopedia of the U.S. Census, and is the author of many articles on the demography of immigrants in New York.

Dr. Salvo received M.A. and Ph.D. Degrees in sociology from Fordham. In 1995, he was a recipient of the Sloan Public Service Award from the fund for the city of New York.

You have a lot of the same problems Mr. Reardon has, don't you? Welcome. You are recognized.

Mr. SALVO. Thank you, Mr. Putnam. Thank you for inviting me today. I appreciate it very, very much.

In the interest of full disclosure, I want to begin by saying that some of the research that you are going to be hearing about in a few moments was supported by a grant from the Census Bureau to the Department of City Planning Fund, a 501(c)(3) that was established several decades ago to enhance research activities at the Department of City Planning in the city of New York.

Two decades ago, local entities, including New York, challenged the Census Bureau to provide portraits of neighborhoods more than once a decade. However, it wasn't until 1991, when consternation over the lackluster results of the 1990 census caused several in Congress to press the Census Bureau to find a better way, that the idea of the ACS was pursued in earnest.

With the support of the Congress, the Census Bureau has now pilot-tested the ACS for more than 8 years and brought the survey to a point where national implementation is ready to occur.

So what is it about the ACS that should make it a priority in this era of budget austerity? There are two main reasons that I want to talk about today.

First, as a source of useful social and economic small area data, the ACS does a better job than the decennial census, which likely reached the limits of its capability in 2000. And, second, cost-effective government requires current information, which the ACS provides.

Regarding the former, we have evaluated the quality of socioeconomic data from the ACS against similar data from the 2000 decennial census in Bronx County, one of the five boroughs of the city of New York and one of the ACS test sites. What we found was that the 2000 census did a great job counting Bronx residents, many of whom were in historically undercounted groups in neigh-

borhoods that were among the poorest in the Nation. Measuring social and economic characteristics, however, was quite another matter.

The census long form fell on hard times in the Bronx in 2000. It appears that many forms were returned with missing information or, even worse, literally no answers to the long-form questions, such as those on education, income, language, and birthplace. More than one of every five census long forms in the Bronx had to be dropped from the pool of questionnaires used to create estimates because they failed to achieve a threshold designating them as minimally complete. The fact that a majority of these questionnaires had little or no information on them usually means that the census enumerators failed to make direct contact with members of the household.

In contrast, we have found that the ACS is a better vehicle than the census for collecting data on the characteristics of the population, because the survey's methodology uses better-trained professional interviewers who know how to collect data from sometimes reluctant respondents. Our research shows that followup enumerators in the 2000 ACS were far more successful in obtaining critical information on occupation, birthplace, and income than in the 2000 census.

Concerning the second point, the timeliness of data, we are the data hub for city agencies in the city of New York and for organizations that do business in the city. My staff and I have a first-hand, on-the-ground view of the importance of data for planning activities and for the delivery of services. And, as was mentioned earlier, planning the future of Lower Manhattan is a case in point.

Accurate knowledge of the characteristics of people who live in Lower Manhattan neighborhoods helps planners make decisions on development that is suitable for future residents, for example, the type of housing and the need for new schools and other facilities. Data on occupations, industry, commuting patterns is essential in evaluating the need for transportation infrastructure. Namely, which way a tunnel, a bridge, should go is literally dependent on the level of commuting into and out of areas.

The 2000 census data are now obsolete for this purpose, given the population movements and changes in the area associated with the aftermath of September 11th. Without an alternative to the traditional census long form, we will have to wait until 2012 for a post-September 11 view of the city because there is no way at present to gauge change over shorter periods of time.

With such a huge investment in infrastructure associated with rebuilding Lower Manhattan, it is reasonable and cost effective to expect that decisions be based on current information about residents and commuter flows. Yet, this is not the case. More generally, the planning and delivery of services in New York City occur largely within the context of 59 geographic units, known as community districts. Created in the late 1960's, these districts are aggregates of neighborhoods represented by community boards with members whose job it is to make officials within city government aware of the changing needs of the communities they serve, from day care for working mothers to transportation for the elderly.

We use long-form data to target districts for English language proficiency programs, and we identify areas with large numbers of working families with children that have fallen into poverty and are in need of health insurance or other government intervention to buffer the effects of an economic downturn.

But changes in immigration patterns and shifts in the economy do not follow the decennial cycle of data, rendering such data obsolete and compromising our capacity to establish priorities for spending. If the ACS is allowed to go forward, we will not have to wait 10 years for updated statistical portraits of these districts because data will be available every year.

In summary, every day my office receives requests from local agencies and community service providers who look to us for data in support of programs to meet the needs of our population. Local nonprofit community organizations applying for funds to rehabilitate housing, transportation planners trying to figure out how best to run ferry service across the East River and the Hudson. They are all looking for information to make decisions. And while the issues and goals may differ, the process is the same for all good governments, both urban and rural.

Having people come to you for this purpose is both an honor and a challenging responsibility. We constantly are asking ourselves, how do we get it right. That's the key to effective government, trying to get it right. But we can't get it right unless we have data. And ill-informed decisions result in wasteful spending, something that no government, large or small, can afford.

It is important that the Congress support activities that are cost-effective for local government decisionmaking, so we can make the most of our resources. What we do not have in dollars, we must at least partly make up for with wise decisions.

Therefore, we in New York would like to urge the Congress to continue its commitment to innovation by strongly supporting the national implementation of the ACS so that it can be incorporated as a replacement for the long form in 2010. Time is now of the essence, since the 2010 census planning hinges on the implementation of the ACS. We urge the Congress to act in a timely and decisive way.

Thank you very much.

Mr. PUTNAM. Thank you very much, Dr. Salvo.

[The prepared statement of Mr. Salvo follows:]

Why Local Governments Need the American Community Survey

Testimony of

Joseph J. Salvo

Director, Population Division

The City of New York

Department of City Planning

May 13, 2003

House Committee on Government Reform

Subcommittee on Technology, Information Policy,

Intergovernmental Relations and the Census

Overview

The Census long form provides key social and economic data that are used by local governments for planning and service delivery. In 2000, the long form included 34 subjects and was administered to a sample of about one-in-six households nationally. The 2010 Census plan calls for replacing the long form with the American Community Survey (ACS), which will be administered each month to a sample of the nation's population. Data will be accumulated at regular intervals, allowing for a continuous barometer of the social and economic condition of the nation's communities. According to the Census Bureau, elimination of the 2010 long form will make the decennial census less arduous operationally and enhance its capacity to collect constitutionally mandated data.

The ACS is important for New York City because it will provide more timely information for planning and for the delivery of services than the decennial census long form. Moreover, comparisons between the ACS and the decennial census in the Bronx, one of New York's five boroughs, show that the ACS was more effective in collecting vital socioeconomic information than the 2000 Census.

Historical Context

The ACS is the latest in what has been a history of innovations related to the decennial census and, like others, born out of both necessity and foresight. In the 19th Century, as federal officials recognized the value of information on the social and economic condition of the nation's growing population, the decennial census evolved from little more than a population head count into the major source of data on the characteristics of the population. Faced with difficulties of having to tabulate this increasing volume of information, the staff working on the census invented mechanical devices for tallying counts and ultimately recording them electronically. In the early part of the 20th century, around the time that the Census Bureau became a permanent agency of the federal government, cities like New York were growing at a prodigious rate. Health planners,

journalists and the clergy, in an effort to reach out to the burgeoning communities of New York, joined with the Census Bureau to create the first neighborhood data.

In the 1930s, after the Great Depression, once again the importance of more carefully tracking the social and economic characteristics of the population became clear to the leaders of the nation. Fresh approaches to data collection that utilized the new science of sampling were incorporated into the 1940 Census. In the 1950s and 1960s, the Census Bureau was one of the first organizations in the nation to recognize the utility of computers to tabulate, compile and disseminate data. As local officials began to use these data to establish priorities for program planning and service delivery, the usefulness of maps became apparent. This gave rise to the development of computerized maps that were used by local officials to pinpoint populations in need of services at the neighborhood level – children in poverty, persons without complete plumbing, the elderly with disabilities.

The development of the ACS was born out of necessity. Two decades ago, local entities such as New York challenged the Census Bureau to provide portraits of neighborhoods more than once a decade. The decennial portrait was proving to be increasingly inadequate in providing information on the country's mobile population, both urban and rural. However, it wasn't until 1991, when consternation over the lackluster results of the 1990 Census caused several in Congress to press the Census Bureau to "find a better way," that the idea of the ACS was pursued in earnest. With the support of the Congress, the Census Bureau has now been pilot-testing the ACS for more than eight years and brought the survey to a point where national implementation is ready to occur.

So, what is it about the ACS that should make it a priority in this era of budget austerity? There are two main reasons: first, as a source of useful social and economic small-area data, the decennial census likely reached the limits of its capability in 2000; and second, cost-effective government requires information that is current.

The Decennial Census Reached its Limit in 2000

For the past six years, we in New York City have partnered with the Census Bureau in evaluating the American Community Survey, first in Rockland County, a suburb of New York City. Then, in 1999, Bronx County was added to the list of ACS test areas. Most recently, we were able to evaluate the quality of socioeconomic data from the ACS against similar data from the 2000 decennial census. Here is what we found:

The 2000 Census did a great job counting Bronx residents, many of whom were in historically undercounted groups in neighborhoods that were among the poorest in the nation. To meet its constitutional mandate, the census focuses, first and foremost, on a count of people and their basic characteristics, such as sex, race and age. Our population count of just over 8 million was the largest enumerated population in New York City's history, with Bronx County recording a population of more than 1.3 million, an increase of 129,000 persons or 11 percent since 1990.

Measuring social and economic characteristics, however, was quite another matter. The census long form fell on hard times in the Bronx in 2000. It appears that many of the hardest-to-enumerate households returned forms with much information missing or, even worse, literally no answers to the long form questions, such as those on education, language, birthplace and income. More than one of every five census long forms in the Bronx had to be dropped from the pool of questionnaires used to create estimates because they failed to achieve a threshold designating them as minimally complete. The fact that a majority of these questionnaires had little or no information on them usually means that the Census enumerators failed to make direct contact with members of the household and were forced to use proxy respondents, such as neighbors, as a way to gather basic information.

The mammoth job that is the census, with thousands of temporary employees, seemed to have reached the limits of its effectiveness in the Bronx. In other words, the Census did an outstanding job of **counting** Bronx residents in 2000, but did a relatively poor job

collecting information on their social and economic **characteristics**.

The ACS is a better vehicle than the census for collecting data on the characteristics of the population because the survey's methodology allows for the use of trained, professional interviewers, who have many years of experience collecting data from reluctant respondents. Further, unlike the Census, the ACS is done gradually, on a continuous basis, year after year, where the focus is on obtaining a complete portrait of social and economic characteristics. This incremental approach results in a methodical and consistent collection of data items in the operation known as nonresponse follow-up, where ACS interviewers visit a sample of households that failed to return their questionnaires by mail or respond by telephone. Our research in the Bronx shows that follow-up enumerators in the 2000 ACS were far more successful in obtaining critical information on birthplace, occupation and income than in the 2000 Census. We have found that the ACS had a higher level of completed questionnaires and lower levels of missing data on key social and economic items, yielding fewer situations where the Census Bureau must employ a procedure that "imputes" part or all of a household's characteristics because no data were collected.

The Need for Current Information

As the data hub for New York City agencies, my staff and I provide data for countless applications relating to the work of city agencies and other organizations doing business with the city. The post-September 11, 2001 effort to rebuild lower Manhattan, including major residential construction and the creation of major transportation infrastructure, and New York's mission to effectively deliver services with limited resources are two cases in point.

Rebuilding Lower Manhattan

Census data give us a view of New York's neighborhoods in 2000. We know a great deal about persons who resided in lower Manhattan in April of 2000 and about the huge

flows of workers into and out of that area as of that date. The tragedy of September 11, 2001 brought devastation to many families in New York City. In addition, because of the dramatic effects of that day, a collateral result was that the usefulness of census data for lower Manhattan was seriously compromised. Without an alternative to the traditional census long form, we will have to wait until 2012 for a post 9/11 view of the city because there is no way at present to gauge change over shorter periods of time. This is clearly untenable, in light of the huge expenditure of resources that the rebuilding effort entails.

As part of the plans for lower Manhattan, Mayor Michael Bloomberg has emphasized the importance of new residential development. Such planning requires data on the current population of the area; it is no longer possible to use the 2000 data as if it were "current," given the events of September 11, 2001. Accurate knowledge of the characteristics of people who live in lower Manhattan neighborhoods helps planners make decisions on the kinds of development that are suitable for future residents, for example, the type of housing and the need for new schools. Data on average household size, households by type, presence of children and a variety of socioeconomic characteristics all help to define the existing conditions and, by extension, future needs. The 2000 Census data are now obsolete for this purpose, given the population movements and changes to the area associated with the aftermath of September 11, 2001.

Similarly, a current picture of the labor force in lower Manhattan, specifically data on the occupation, industry and commuting patterns of workers, is essential in evaluating the need for transportation infrastructure. The displacement of jobs and residential population after September 11, 2001 has altered the character of work flows, and we have no means to update the picture. The 2010 decennial census data for journey-to-work will not be out until 2013. A current picture can only be gleaned from the New York State Department of Labor information on jobs, which is a very limited data source that contains no information on commuting patterns. Further, other survey data on transportation flows cannot provide detailed information on the commuting of workers at

the sub-county level.

The Planning and Delivery of Services

The planning and delivery of services in New York City occur largely within the context of 59 geographic units known as Community Districts. Created in the late 1960s, these districts are aggregates of neighborhoods represented by Community Boards, with members whose job it is to make officials within city government aware of the changing needs of the communities they serve, from day care for working mothers, to transportation for the elderly, to the resurfacing of streets. My staff and I create extensive data profiles after each census that become the context for decisions at the district level regarding unmet needs for the elderly, dollars for programs to encourage young people to pursue recreational and educational activities, and for changes in zoning and land use regulations to encourage specific types of residential development. Concerning residential development, Mayor Bloomberg is committed to increasing the stock of available housing through providing financial incentives that strengthen the private marketplace. Over the next two years, my Department will be working with New York City's Department of Housing, Preservation and Development to allocate resources to these efforts. We will be using data from the Bronx ACS as part of our analysis, specifically as an update to the information provided in the 2000 Census for the borough's households.

In New York City, we use data to make decisions that involve large expenditures of resources to serve the needs of our population, using Community Districts as a base for identification of needs and the delivery of services. But, profiles of our residents and their needs are quickly based on old data. If the ACS is allowed to go forward, we will not have to wait ten years for an updated statistical portrait of our Community Districts. The ACS will provide us with data every year for all of our 59 districts.

Targeting language services for local officials who are trying to prioritize areas for English language proficiency programs, identifying areas around city hospitals with

large numbers of recent immigrants as a way of anticipating the need for interpreters in emergency rooms, guiding the allocation of dollars for youth recreation programs to foster productive behavior, and helping to prioritize the construction of subway amenities to serve the elderly are just a few examples of how census data are used for planning and service delivery. The allocation of these resources requires a current picture of the population and this need is universal, encompassing all local governments – urban and rural.

The best example, though, concerns identifying and addressing the needs of a community's poorest residents, with programs for education and job training. The 2000 Census indicated that one-in-five New York City residents were below the poverty line, more than 1.67 million persons. Over one-third of city residents below the poverty line were under the age of 18, some 572,000 persons. Further, although poverty rates continued to be high among female-headed families with children, the data indicate that significant increases in poverty were apparent among working class married-couple families. These are families that are economically marginal, where small changes in the economic cycle can put them below the poverty line.

Addressing the needs of the population below poverty is a critical mission for all local governments. When recession strikes, as it did at the start of 2001, local governments are severely constrained because the data no longer track where the most needy people live. (The same was true after the 1990 Census, when the recession struck the Northeast and the Midwest in 1991.) Because changes in the economy affect groups differently, it is important to be able to identify local communities that have been adversely affected by an economic downturn, something we cannot do right now. Without an idea about the current distribution of poor persons, it becomes virtually impossible for local agencies to intercede effectively to buffer the impacts of an economic slowdown through investments in programs aimed at enhancing job skills, such as education and job training.

Summary

Every day, my office receives requests from local agencies and community service providers who look to us for data in support of programs to meet the needs of a large and diverse population. Examples include a local nonprofit community redevelopment organization applying for housing funds; an environmental assessment agency seeking to evaluate the impact of waste transfer stations on the local population; planners seeking to convert former industrial sites into areas for future residential construction; transportation planners working with the private sector on ways to expand ferry service for commuters across the East River and the Hudson. The information we provide helps them make decisions that frequently involve a large commitment of resources.

Having people come to you for this purpose is both an honor and a challenging responsibility. We constantly try to find ways to "get it right," because that is what makes government at the local level effective. However, we cannot get it right unless we have good data to inform our perspective. Ill-informed decisions result in wasteful spending, something no government in this nation can afford.

It is important that the Congress support activities that are cost-effective for local government decision-making so we can make the most of our resources. What we do not have in dollars, we must at least partly make up for with wise decisions. Therefore, we in New York City would like to urge the Congress to continue its commitment to innovation by strongly supporting the national implementation of the ACS, so that it can be incorporated as a replacement for the census long form in 2010. Time is now of the essence, since 2010 Census planning hinges on implementation of the ACS. We urge the Congress to act in a timely and decisive way.

Thank you and I would be glad to take any questions.

Mr. PUTNAM. The subcommittee did its best to find the best and the brightest in both the rural community and the urban community, and I feel confident we did that with you and Mr. Reardon. So we appreciate you being here.

We'll move on to the private sector now, and hear from Joan Naymark, who is director of research and planning for the Target Corp. Her department is responsible for research, supporting the store expansion program for Target, Mervyn's, and Marshall Field's. Before joining Target Corp., she was manager of population studies for the Upper Midwest Council and a research assistant in the Minnesota Office of State Demographer.

Ms. Naymark is a member of the Census Advisory Committee to the U.S. Secretary of Commerce, representing the U.S. Chamber of Congress and business stakeholders. She is a member of the Population Association of America, and a past chair of that organization's Business Demography Committee.

She received her B.S. and M.A. degrees in sociology and demography, magna cum laude, from Western Washington University in Bellingham, WA, in 1975 and 1978. She has been a speaker at national seminars and symposiums on retail geographic information systems and demographic topics.

She has worked with the Census Bureau regarding business's use of census products, value-added reengineering and outreach efforts, and the 1997 through 2002 economic censuses and the 2000 decennial census.

Welcome to the subcommittee.

Ms. NAYMARK. Thank you, Mr. Chairman and Mr. Clay. I am really pleased to be with you today to speak on the behalf of the American Community Survey.

I offer a strong endorsement of the American Community Survey, a widely and deeply shared view across the business community. The ACS is vital to economic development and for wise government and business decisionmaking. The ACS is an improvement over the census long form because it provides small area information annually instead of once a decade. I have three key points I'd like to share with you today.

First, the business community needs timely and consistent long-form data for small geographic areas, as planned in the ACS. Two, the ACS is an important part of our country's economic infrastructure. And, three, the ACS deserves congressional support and funding now. We feel very strongly about all three points.

So, first, the business community needs updated information on the characteristics of small areas, comparable across time and geography to make strategically and financially sound decisions. Let me share some examples of why these data are important to businesses on a daily basis from my own life at Target Corp.

We use long-form census data to select locations for new stores, capital spending on remodeling and infrastructure, providing merchandise marketing and advertising to match the neighborhoods in which we operate our stores, planning our work force, and supporting our substantial community giving program.

Target's new store site location decisions are made for the long term over 20 years. Our original stores built in the 1960's, I'm happy to report, are still operating.

Making a wrong decision is not easily corrected. Building for the long term brings jobs, goods and services and economic stability to local communities. We serve all kinds of communities, but must understand their characteristics in order to tailor products and services to meet the needs of those residents. The transition of older communities into better-educated, younger family neighborhoods, or vice versa, is difficult to observe and impossible to measure without good-quality, small-area data.

Neighborhood data helps inform a wide range of merchandising decisions. Home decor merchandise sells better in some area than others, so we analyze the age and mix of housing stock, household formation and composition. Pharmacy services, toys, clothing all appeal to different customer groups. Area characteristics change, but how do we know when and where that change is occurring?

Long-form data identifies multicultural merchandise and bilingual signing opportunities for stores with rapid Hispanic and Asian population growth nearby. No private data vendor can measure ethnic change at the neighborhood level; it just can't happen. Annual ACS data would eliminate simplistic trending following each census.

Target combines geographic information systems and computer models to leverage the small-area data in ways not imaginable 5 years ago across the country. The maps in my written testimony provide a spatial view of neighborhoods in metro Denver in the year 2000 and change in the 1990's. Without the ACS, these maps will remain in freeze-frame until the year 2013. Yet, measuring neighborhood change is highly important to our decisions. At what rate are new housing units being built? Do residents rent or own their homes? What is their economic and educational profile?

Annual updates would allow forward-looking decisions, not mistakes, based on outdated information. Until as recently as 6 months ago, Target's research still used 1990 long-form data. It was better than nothing, but not by much. In other words, timeliness is a critical element of accuracy in this new century. Data that accurately described conditions in the year 2000 are historically interesting, but less relevant with each passing year.

Point two, annual ACS data are an investment in the economic infrastructure of this country. Government and the private sector need to work from the same baseline of information—objective, reliable statistics—to make sure we are all moving in the same direction to make informed decisions in policy to support long-term economic growth. There is no viable alternative for the information collected in the census, and if Congress agrees, in the proposed American Community Survey.

The Census Bureau alone is positioned to ensure we know as much about Bartow, FL, as we do about St. Louis, MO, as much about rural counties in Pennsylvania as New York City. Target Corp. studies all of them.

We need consistent information across the board. A privately run organization couldn't replicate the conditions and infrastructure required to collect accurate, comparable data for neighborhoods of all sizes across the country. I encourage you to consider the economic value-added investment as you weigh the advantages and costs of replacing a 2010 long form with the American Community Survey.

And my final point, just quickly, Congress needs to commit to the American Community Survey over the long term. With adequate sample size, field staff, and outreach efforts, partnerships would ensure the quality and accuracy of innovative efforts that we see the Census Bureau implementing now. It's at a time now where full implementation is wise and necessary to realize the promise of this information. We can't have fluctuating support, as I know you understand. We are firmly behind this process, but we can't get started and then not continue.

We urge Congress to support the American Community Survey by committing the necessary funds now and in the long term to make the program a reality and a success for business, for our economic infrastructure, and for the good of our country. Thank you.

Mr. PUTNAM. Thank you very much. We appreciate your comments, and look forward to the questions.

[The prepared statement of Ms. Naymark follows:]

Statement of the U.S. Chamber of Commerce

ON: **The American Community Survey: The Challenges of Eliminating the Long Form from the 2010 Census**

TO: **House Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census**

DATE: **May 13, 2003**

BY: **Joan Gentili Naymark**

The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation, representing more than three million businesses and organizations of every size, sector, and region.

More than 96 percent of the Chamber's members are small businesses with 100 or fewer employees, 71 percent of which have 10 or fewer employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross-section of the American business community in terms of number of employees, the Chamber represents a wide management spectrum by type of business and location. Each major classification of American business -- manufacturing, retailing, services, construction, wholesaling, and finance -- numbers more than 10,000 members. Also, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the U.S. Chamber of Commerce's 92 American Chambers of Commerce abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on national issues are developed by a cross-section of Chamber members serving on committees, subcommittees, and task forces. Currently, some 1,800 business people participate in this process.

Statement of

Joan Gentili Naymark
Director, Research and Planning
Target Corporation

before the
Subcommittee on Technology, Information Policy,
Intergovernmental Relations and the Census

Committee on Government Reform
U.S. House of Representatives

Hearing on "The American Community Survey: The Challenges of Eliminating the Long Form From the 2010 Census"

Tuesday, May 13, 2003

Good Morning. Thank you for the opportunity to be part of this hearing on the "American Community Survey and the Challenges of Eliminating the Long Form From the 2010 Census." My name is Joan Gentili Naymark. I am Director of Research and Planning for Target Corporation (Target), the nation's second largest general merchandise retailer. This morning, I represent the United States Chamber of Commerce, the world's largest business federation, representing more than 3 million organizations of every size, sector, and region, including Target Corporation. I also represent the United States Chamber of Commerce on the Census Advisory Committee to the Secretary of Commerce. In this role, I offer a strong endorsement for the American Community Survey (ACS). The American Community Survey will collect data from a survey sample

of 3 million households each year, in every county, and American Indian and Native Alaska area, as well as in the Hawaiian Homelands and Puerto Rico. If the ACS is implemented as planned, it will provide the same sort of data as the decennial census long form questionnaire, and will be updated annually. With a nationwide sample of 3 million addresses, the American Community Survey can provide demographic, social, economic and housing profiles annually for areas and subgroups with 65,000 or more people. For communities of less than 65,000, it will take 3 to 5 years to accumulate enough of a survey sample to provide estimates similar to the quality of the decennial census long form.

Areas of 20,000 or more people will use a 3-year average updated every year. Areas of less than 20,000 people will use a 5-year average updated every year. By providing the same quality information earlier than the decennial census, full implementation of the American Community Survey, pending Congressional funding, will eliminate the need for a long form in the 2010 decennial census.

I believe the ACS is the right approach to the collection of detailed demographic information for the beginning of this century. The ACS is vital to economic development and wise government and business decision-making. I believe the ACS is an improvement over the Census long form questionnaire because the ACS provides small geographic area information annually and the long form occurs once every decade. But with a fully implemented ACS, we can eliminate the long form and replace it with something more valuable -- quality data reflecting the current conditions.

Although my professional experience is in the retail sector, I believe that my views reflect those of the broader business community, including the housing and mortgage banking, communications, transportation, marketing, and manufacturing sectors. Collectively, these sectors drive trillions of dollars in economic activity, through capital investment, movement of goods, provision of goods and services, job growth, and community development and stability.

Broadly speaking, I represent the use of census data within the business community. **We need high quality long form data for small geographic areas in order to make strategically and financially sound decisions.** We need data to be comparable over time, and across geography. It must have a high degree of accuracy and be without bias. With proper oversight and implementation, the ACS will provide this kind of data.

Census Bureau survey data are essential tools for broad-based decision-making in the private sector. Target uses long form census data to select locations for new stores, for capital spending decisions on remodeling and infrastructure, to provide merchandise, marketing, and advertising to match the characteristics of the neighborhoods in which the stores operate, to plan our work force and to support community giving. For over 50 years, Target has contributed five percent of federally taxable income to support nonprofits in the communities in which we operate stores. In keeping with our strong tradition of giving, Target Corporation will give over $2 million every single week to the

communities we serve in 2003. Target grant-making focuses on the arts, education and on family violence prevention. Target, in partnership with the U.S. Department of Education, is proud to support No Child Left Behind, and supports a wide variety of reading and school initiatives.

Target's new store site location decisions are made for the long-term -- 20+ years. Each store costs upwards of $20 million. Making a wrong decision is not easily corrected. Building for the long term brings jobs, shopping, and economic stability to local communities. Smaller retail stores, restaurants, and service providers depend on the research of large retailers and developers and co-locate in larger shopping centers. Target confidently opens stores in a wide range of settings -- suburbs, urban areas, fringe edge cities. Our communities change over time, and we must be able to measure that change. The transition of an older community into a better-educated, younger family neighborhood is often difficult to observe, and impossible to measure, without good quality small area data. We strive to serve all kinds of communities, but must understand their different characteristics in order to tailor the products and services we offer to meet the needs of residents. In dense urban areas such as Queens, New York, and Chicago, Illinois, the use of mass transit, car ownership, and commuting patterns inform our store planning decisions, from the need for fewer parking spaces to less demand for large-sized packaging for paper towels.

Small area census long form data helps to inform a wide array of merchandising decisions for Target's 1,100 existing stores and 100+ planned new stores each year. The

age mix of the local housing stock, rate of household formation, and family composition inform our understanding of home décor merchandise sales – areas with new homes, household turnover, and home-owners purchase more home merchandise than older, stable, or rental housing areas.

Census 2000 long form data have been used to identify multi-cultural merchandising opportunities and accurately place bilingual signs in our stores. Hispanic and Asian populations grew rapidly in the 1990s in many of the neighborhoods in which Target and Mervyn's stores operate. In order to provide desired merchandise for our guests in these growth areas, Target researches trends in the multicultural population within three miles of our stores and in each store's broader geographic trade area. By examining the trends over the decade, we are able to anticipate merchandising shifts based on extrapolation. No private data vendor is able to adequately capture ethnic change at the neighborhood level. Straight-line trending and windshield surveys in the local area are no substitute for quality, updated data. Annual American Community Survey data would be immensely useful in this application by eliminating simplistic trending assumptions.

The combination of sophisticated geographic information systems mapping software and powerful computer models allows us to leverage small area data to a degree not imaginable even five years ago. Small area data, available annually instead of once per decade, if and when the ACS is fully implemented, will provide even greater opportunity to serve the consumers of our communities through modern analytic tools.

The maps attached to this document provide a spatial view of the neighborhood profile of metropolitan Denver, Colorado and the location of Target stores. In 2001, Montgomery Ward declared bankruptcy and closed 258 stores. Many of the units were in first tier older suburbs, including Aurora, Colorado, which had experienced residential and socioeconomic change in the past decade. Neighborhood transition is a large risk factor for Target and other businesses. How has family and household structure changed? Do residents rent or own their homes? What is their economic and educational profile? If they are baby boomers, are they empty nesters or do they still have teenagers at home? What is their income and occupational profile? The answers to these questions determine our success in operating neighborhood-focused stores. The American Community Survey would provide the answers in a timely way, allowing us to make forward-looking decisions instead of mistakes based on outdated and incorrect information.

The private sector needs timely data to anticipate and meet the needs of people and communities that are changing more rapidly than a once-a-decade survey can measure. Until six months ago, when Census 2000 long form data became available for small areas, Target's research still used 1990 census long form data for many characteristics-- educational attainment, occupational profile, owner/renter housing occupancy, labor force status of mothers, age of housing stock. It was better than nothing, but not by much. There was no other choice. Decisions made two years ago can now be evaluated using 2000 census long form data. We have discovered varying degrees of change in our trade areas: some areas increased from 20 percent college

educated in 1990 to 35 percent college educated by 2000, but others retained their educational profile over the decade. Those differences impact our merchandising and sales performance and we are revising our expectations accordingly. If small area ACS data are available by 2009, we will not be making such comparisons and adjustments three years after the 2010 census, as we are today.

The American Community Survey offers a promising alternative to the census long form by measuring many characteristics of our population on a continuous basis, with annual data releases once fully implemented. It would provide far more timely data than the once-a-decade long form, and allow more precise estimates of change over time. The composition and distribution of our population, our living arrangements, and the way we work are changing dramatically.

Timeliness is a critical element of accuracy in this new century. Annual data collection is an investment in the economic infrastructure of this country. I encourage you to consider the economic value added of that investment as you weigh the advantages and costs of replacing the 2010 long form questionnaire with the American Community Survey.

With an appropriate process for determining content, the American Community Survey would also provide a timely vehicle for meeting emerging data needs identified by Congress, as well as state and local officials. These are significant advantages of the ACS.

Congress must make a commitment to support the American Community Survey over the long term – with adequate sample size, field staff, and outreach efforts, to ensure the availability of accurate, comprehensive data throughout the decade. Fluctuating support for the survey would seriously jeopardize the availability of data for small communities and populations, as well as our ability to monitor change over time and to make sound comparisons across time and geography.

The American Community Survey represents a sound and modest investment in the knowledge we need, in both the public and private sectors, to make wise and cost-effective decisions that spur and sustain economic development and growth and improve the quality of life in all communities.

Government and the private sector need objective, reliable statistics about our population and communities to make informed and fiscally prudent decisions that support long-term economic growth and check wasteful spending. There simply is no viable alternative source for the information traditionally collected in the census and, if Congress agrees, in the proposed American Community Survey. Further, census data, whether from the long form or ACS, are a public resource, representing all communities and accessible to all people.

Critics might suggest that the private sector collect the data it needs on its own. That view reflects a misunderstanding of data collection processes in both the public and

private sectors. The Census Bureau is uniquely positioned to ensure that we know as much about the characteristics, and therefore the needs of Bartow, Florida (population 15,000) as we do about St. Louis, Missouri (population 348,000). A privately run organization could not replicate the conditions and infrastructure required to collect accurate, comparable data for communities and population groups of all sizes across this vast and diverse country. Without universal neighborhood-level information, communities would be overlooked as businesses decide where to go, where to spend, what to build and offer, and who to hire. Data collected by the government becomes, in the aggregate, a public resource, available to all. The joint efforts of business, local government, non-profit, and other organizations, using comparable information, will build strong communities and neighborhoods.

Americans and their elected representatives are rightfully concerned about the privacy of personal information that reflects who they are and how they live. Fortunately, the Census Bureau is not in the business of compiling personal data. Its only mission is to collect and publish aggregate statistics on the characteristics of our population, our communities, our housing, and our economy.

At first glance, one might understandably question why the Census Bureau wants to know how many rooms are in your home, or what time you leave for work, or if you need assistance at home. Again, fortunately, the Census Bureau does not care what time you or I leave for work or how much money we personally make. It must ask those questions for the sole purpose of producing an impersonal portrait about how we live and

what we need to improve our quality of life, collectively. Are most people leaving for work at the same time from a particular suburb bordering a major highway, causing significant traffic congestion? Traffic issues, quality of life, affordable housing, matching jobs to workers, smart growth, funding community and regional resources and services --- these are the issues of today, in every community. These are the issues that can be addressed with facts from high quality, annual small area long form data.

What we don't know *can* hurt us, in the form of poor allocation of scarce fiscal resources, and uninformed decisions about a community's needs and resources. This is a difficult time to support funding for a new federal program. There are important, competing national priorities, and a growing federal deficit. But we cannot forego all innovation in times of economic uncertainty. The American Community Survey is an investment that will facilitate better planning, ensure more prepared communities, and generate smarter investment and operational decisions. It is a cost-effective investment that is beneficial to all and is worth making.

The business community recognizes that the Census Bureau must continue to refine the design and operational plan for the American Community Survey in order to ensure that we are replacing census long form data with an equally useful, accurate, and comprehensive set of data. But we are confident that the program is now at a point where full implementation is both wise and necessary, if we are to realize both the promise of more timely data and re-focus the 2010 census on its constitutional mandate. Lawmakers, planners, the business community, researchers, and community-based

service providers rely extensively on census data day in and day out. As an extension of the census, the ACS will help all of us make smarter, more cost-effective decisions. We must have long form survey data in 2010, or a fully implemented American Community Survey. Given a choice, the most promising option for this new century is the American Community Survey. We urge Congress to support the American Community Survey by committing the necessary funds, now and over the long term, to make the program a reality.

In summary, the business community is united in its view that the American Community Survey has strong appeal for public and private use. We believe congressional oversight will help establish a strong, public record in support of the continued collection of reliable, consistent, and detailed aggregate information about our people and communities.

Thank you again for the opportunity to testify today. The business community whose views I represent today looks forward to working closely with this subcommittee and the entire Congress to strengthen America's data infrastructure. We support the American Community Survey to replace the Census 2010 long form questionnaire. It is good for our nation – for government and for the private sector. It deserves full and consistent funding for now and our future. At this time I would be happy to answer any questions from Members of the Subcommittee.

Mr. PUTNAM. Now I recognize Ken Hodges of Claritas. He is director of demography at Claritas, a major supplier of consumer marketing information products. Mr. Hodges' responsibilities include methodology and evaluation for the Claritas demographic estimates and projections, and the incorporation of the U.S. census data in marketing information products.

Prior to joining them in 1993, he spent 11 years as chief demographer at Donnelley Marketing Information Services. He has a Ph.D. in demography from Cornell, and remains active in the profession of applied demography. He resides in Ithaca, NY.

Welcome to the subcommittee. You are recognized.

Mr. HODGES. Thank you very much.

I am a demographer with a company that provides information products to a wide range and large number of businesses. Businesses are prolific users of census data, usually in the form of value-added products tailored to applications including site selection and consumer segmentation. These applications require demographic data for very small areas, and the census is the best and often the only source of this type of information.

The private sector has its own excellent data resources, but they cannot replace what we get from the census. Many private sector information products begin with the census, so the quality of these products and the decisions based on them depend on the quality of census data.

Especially important are the data from the census long form, which provides detail on income, education, employment, language, and a number of items relevant to business decisions. And with a short-form-only census being planned for 2010, businesses have a major stake in the American Community Survey.

Support and even enthusiasm for the ACS are growing in the private sector because the ACS is billed as a long form replacement with the bonus of more frequent updates. The frequent updates hold great promise and appeal, but long form replacement is the top priority. And for business users, long form replacement means data for small areas. And by "small areas," businesses usually mean block groups, the level of geography provided by the long form, and we continue to be pleased that plans for the ACS continue to describe data at that level.

Now, the ACS is an ambitious program, and some data users have expressed some legitimate concerns about it. But even these concerns help us make the case for the ACS.

First, there is concern that controlling the ACS to Census Bureau estimates could introduce errors as there are known problems in some Census Bureau estimates. But problems with Census Bureau estimates should not dampen support for the ACS itself. Businesses already use information products controlled to these estimates as these estimates are widely used by the suppliers in building their value-added products.

And there is reason to expect that the ACS would contribute to significant improvements in the Census Bureau's estimates program. For example, the ACS would require regular updates to the master address file, which should improve estimation capabilities. In fact, at Claritas, some of the most accurate estimates for small areas that we've produced in the last few years have been those

based on ACS test data which are based largely on information from the master address file.

It remains to be seen just exactly how the ACS and the Census Bureau's estimates program would be integrated, but the potential for improvement is with the ACS.

Second, there has been concern that group quarters data have not been collected in the ACS and may have been a relatively low ACS priority. To qualify as a long form replacement, the ACS must collect information on the population in group quarters. But if, so far, group quarters seems to have been a stepchild of the ACS, it may have been a stepchild of the decennial census as well. Numerous errors in the census 2000 group quarters data already impair our ability to account for populations in college dormitories, nursing homes, military quarters, and other facilities. And we will live with these errors for the rest of the decade.

In contrast, an ACS that collects information on group quarters could provide more timely corrections to errors of this type and would ensure better group quarters data in future censuses. Again, the potential for improvement is with the ACS.

Third, there has been concern that delays in the full implementation of the ACS have pushed back or delayed the release of the first small-area data until 2010. These delays are unfortunate, but for most business purposes, 2010 would be acceptable as we would not expect 2010 census data to replace the old census until 2011 and 2012. Further delays could be a problem, but current timing is consistent with the goal of long form replacement.

Finally, there has been concern that the schedule gives us insufficient time to test ACS data which would be complicated by 5-year averages, different residence rules, and other technical issues. The ACS data would pose significant challenges, and in an ideal world, we might do additional testing. But census data have never lived in an ideal world. I do not honestly know yet exactly how we would address all the technical issues, but I know that we would. It's what we do in applied demography.

Again, the potential for improvement is with the ACS. And if we get a sustained ACS that is a true long form replacement, we would incorporate the information into those products which we provide to so many businesses. And if we do this every year, the ACS would significantly improve the quality of these products and better enable businesses to serve American consumers.

Thank you very much for the opportunity to testify. And I look forward to your questions.

Mr. PUTNAM. Thank you very much. And we appreciate you being here.

[The prepared statement of Mr. Hodges follows:]

TESTIMONY BEFORE THE HOUSE SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY, INTERGOVERNMENTAL RELATIONS AND THE CENSUS

MAY 13, 2003

Ken Hodges
Director, Demography
Claritas Inc.

I am a demographer with a company that provides information products to a wide range of large and small businesses. Businesses are prolific users of census data—usually in the form of value-added products tailored to applications such as site selection and consumer segmentation. These applications require demographic data for very small geographic areas, and the census is the best and often the only source of such neighborhood level information. The private sector has many of its own excellent data resources, but they cannot replace the data provided by the census. Private databases typically lack much of the content provided by the census, and are not really designed for small area statistical applications.

Many private sector information products start with census data, so the quality of such products, and the decisions businesses make based on these products, depend on the quality of census data. Especially important are the long form census data, which provide detail on income, education, employment, language and other items relevant to business decisions. With plans for a short form only census in 2010, business users have a major stake in the American Community Survey (ACS).

Support and even enthusiasm for the ACS are growing in the private sector because the ACS is billed as a long form replacement with the bonus of more frequent updates. The frequent updates hold great promise and appeal, but long form replacement is the top priority. And for business users, long form replacement means quality data for small areas. And by "small area," business users mean block groups—the smallest geographic level provided by the long form. Business users can accommodate the changes and challenges associated with the ACS, but quality small area data is a bottom line requirement.

The ACS is an ambitious program, and data users have expressed some concerns about it. The concerns are legitimate, and need to be addressed, but the concerns also point to potential benefits of the ACS.

First, there is concern that controlling the ACS to Census Bureau estimates would introduce errors, as there are known problems with some Census Bureau estimates. But concern that some Census Bureau estimates might not be good enough for the ACS should not dampen support for the ACS itself. Businesses already use products controlled to these estimates, as they are widely used by the private data suppliers in their value-added products. And there is reason to expect the ACS to contribute improvements

to the Census Bureau's estimates program. For example, regular updates to the Census Bureau's Master Address File (MAF)—required for the ACS—should improve estimation capabilities for both large and small areas. At Claritas, we have used small area ACS test data (essentially MAF counts) in our estimates, and evaluations confirm that these have been some of our more accurate estimates. It remains to be seen just how the ACS and Census Bureau estimates will be integrated, but the potential for improvement is with the ACS.

Second, there is concern that group quarters data are not being collected by the ACS, and may be a low ACS priority. To qualify as a long form replacement, the ACS must include the population in group quarters. But if group quarters data seem a stepchild of the ACS, they may be a stepchild of the census as well. Numerous and significant errors in the 2000 census group quarters data already impair our ability to accurately account for populations in college dormitories, nursing homes, military quarters, and other facilities. They also give us large errors in the population counts for some small areas. And we will live with these errors for the rest of the decade. In contrast, an ACS that includes group quarters could provide more timely corrections, and should even ensure better group quarters counts in the next census. Again, the potential for improvement is with the ACS.

Third, there is concern that delays in full ACS implementation have pushed the release of the first small area data to 2010. The delays are unfortunate and have some users worried about ACS funding. But for most business purposes, 2010 would be acceptable, as we would not expect 2010 census data—replacing 2000 data—until 2011 and 2012. Further delays would be a problem, but current timing is consistent with the goal of long form replacement.

Finally, there is concern that the schedule gives us insufficient time to test ACS data, which would be complicated by five-year averages, new residence rules, and other technical issues. ACS data would pose challenges, and in an ideal world, we might do more testing. But the world of census data has never been perfect. I do not know yet exactly how we would meet these challenges, but I know we would—it's what we do in applied demography. Again, the potential for improvement is with the ACS, and if we get an ACS that is a true long form replacement, we will incorporate it into the information products we provide to so many businesses. ACS data would significantly improve the quality of these products, and would better enable American businesses to serve American consumers.

Mr. PUTNAM. Our final witness for this panel is Richard Ogburn, who has almost 30 years of international experience and development planning in State and regional policy analysis. He currently is principal planner for the South Florida Regional Planning Council, a planning and public policy agency for this urbanized but environmentally sensitive region of 3 counties and 68 municipalities and 4 million residents, over a third of whom are foreign born.

Mr. Ogburn is responsible for the Council's State Data Center Affiliate program, and performs demographic and economic analysis of the region to support the strategic regional policy plan for south Florida, which guides implementation of Florida's landmark growth management legislation in the region. He also works with local governments and service providers in the region to improve the use and understanding of demographic and economic data about the region, including Census Bureau products.

Prior to joining the South Florida Regional Planning Council in 1989, Mr. Ogburn spent 15 years working for public planning agencies for the primary sector in the state of Bahia, in the northeast of Brazil, where he first arrived as a Peace Corps volunteer. He is fluent in both Portuguese and Spanish.

Mr. Ogburn earned his bachelor's degree in liberal arts from New College in Sarasota, FL, and has Master's degrees in Latin American studies from the University of Florida—Go Gators—and in economics from the University of California, Berkeley.

Welcome to the subcommittee.

Mr. OGBURN. Thank you, Mr. Putnam. And it's a pleasure to be here. It's an honor to be here today to address you with regard to the American Community Survey.

I have been asked to share some of the experiences that we have had working with businesses, community organizations, planners, policy analysts, and decisionmakers in Broward County, one of the ACS sites, and the rest of the south Florida region as the Census Bureau has carried out the pilot phase for developing the approach to continuous measurement.

The board of the South Florida Regional Planning Council believes that full implementation of the American Community Survey will bring about a sea change in how we plan at the local level. The ACS will support more effective allocation of scarce public resources in our communities by enabling us to better understand the need, more accurately target Federal, State, and local program resources, and better assess the impact of those resources.

As local governments and community organizations across the Nation assume an increasing responsibility for enhancing the quality of life in their communities, more current and better-quality information is an essential tool. Businesses in south Florida have little choice today but to either purchase or develop their own local market statistics to guide decisions, although such intercensual estimates are generally less reliable in fast-growing regions of the country like south Florida. Annual household characteristics of the population are available today only for large geographies, yet programs are targeted at local communities and neighborhoods. Data at that level of geography is available only once every 10 years.

The American Community Survey builds on the decennial census, which we consider the "gold standard" for understanding the

demographic and socioeconomic characteristics of our communities. Using a combination of tried and true methodologies, along with innovative new approaches, the ACS will ensure that the information we need is collected with a consistent approach across all jurisdictions. Without a recognized source for information with which to plan and evaluate programs and to understand our markets, we would be forced to divert scarce program resources from services for people and job creation to costly local surveys and other information gathering.

By enabling us to strengthen our economies and our communities, the ACS will contribute to enhancing the quality of life as well as the security of the Nation as a whole.

The South Florida Regional Planning Council represents 68 municipalities and 3 counties, with a population of over 4 million residents, a region that's larger than 24 States. We work with a broad array of Federal, State, and local public sector organizations. We also provide information services to the businesses and nonprofit organizations as well as the general public in our region.

The technical assistance we provide includes planning for land use and natural resources, transportation, economic development, affordable housing, emergency preparedness, hazardous materials, and human service systems. We also provide geographic information services and support for collaborative processes and consensus building.

As an affiliate of the Florida State Data Center, we receive and disseminate Census Bureau data. In virtually all of the programs and projects in which we participate, we use demographic and socioeconomic data to develop our analysis of regional trends and to profile areas of the region.

In my written comments I've identified some specific types of work that we do that would benefit from full implementation of the ACS, and I will be happy to answer any questions on those at an appropriate time.

In south Florida, 176 new residents settle each day. That means 50,000, 60,000, 70,000 new residents each year. All of these need jobs, housing, transportation, water, schools, hospitals, etc. Seven out of every 10 of these new residents are foreign-born. Today, the foreign-born represent 40 percent of the region's population, up from 25 percent in 1980. That's 1.6 million people.

Factors that are largely external to the region affect the pace and flow of immigrants from abroad, which makes it almost impossible to model the population. Shifts of the population within the region also play a key role in determining the pace and composition of growth in smaller areas in south Florida.

In my written comments, I have provided some examples of the impact of the fast pace of growth, the shifts of population within the region, and the impact of natural disasters. Many of you will remember Hurricane Andrew that swept through southern Miami-Dade County in 1992. It devastated the city of Homestead. That city's population, which was almost 27,000 in 1990, is estimated to have fallen to under 19,000 by 1993, and then grown back to 32,000 in the year 2000. The only way that those estimates were able to be made was by going out and doing work on the ground separately from any existing statistical measurement procedure. It

was necessary for the University of Florida and the county to go out together and work on making those estimates.

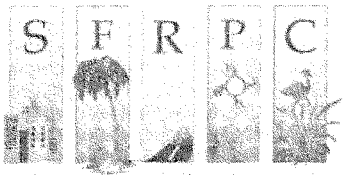
I've also provided some examples of how we use the data and how we expect to be able to use the data in the future. Many of the uses today involve the development of needs assessments and strategic plans, affordable housing needs assessments for the comprehensive planning process in the State of Florida, tracking crime statistics in small areas in each county in order to target the use of resources, developing facilities expansion plans for our service delivery organizations, and fulfilling the requirements of the growth management legislation in the State of Florida through the comprehensive planning process in each and every local government.

In summary, as local responsibilities grow, not having annual community level data to design programs, to monitor implementation, and to evaluate the results of those programs, as well as to support business decisions, is no longer an option. We use the data to provide technical assistance to our constituents, and they use the information to inform decisions that affect all of us.

We believe that the American Community Survey offers the best option because it builds on the decennial census. It will make it possible to monitor and evaluate targeted program implementation, and it ensures trustworthy data for all, with the least expenditure of scarce resources.

Mr. PUTNAM. Thank you very much.

[The prepared statement of Mr. Ogburn follows:]



South Florida Regional Planning Council

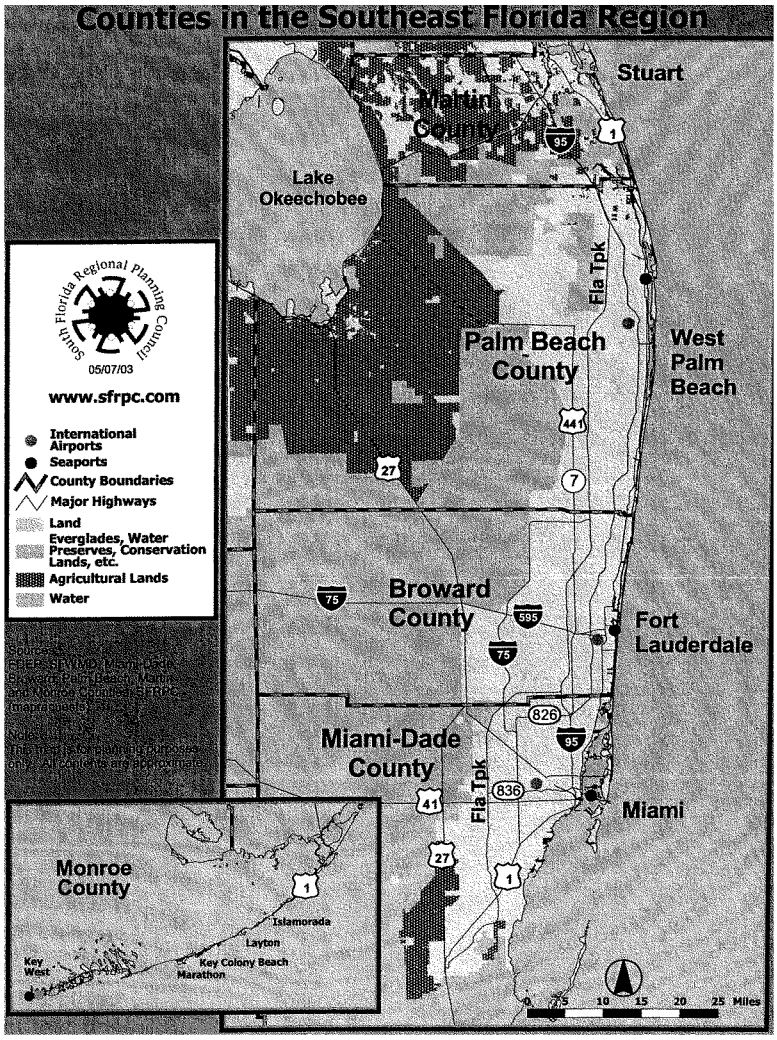
Testimony Provided to a Hearing Entitled
"The American Community Survey:
The Challenges of Eliminating the Long Form from the 2010 Census"

Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census,
Adam H. Putnam, Chair
House Committee on Government Reform,
Tom Davis, Chair

Rayburn House Office Building, Room 2154
May 13, 2003

The American Community Survey: Improved Information to Enhance Our Communitites

Richard F. Ogburn, Principal Planner


Counties in the Southeast Florida Region
Stuart
Martin County
Lake Okeechobee
Fla Tpk
Palm Beach County
West Palm Beach
Broward County
Fort Lauderdale
Miami-Dade County
Miami
Monroe County
Islamorada
Layton
Key West
Key Colony Beach
Marathon
South Florida Regional Planning Council
05/07/03
www.sfrpc.com
International Airports
Seaports
County Boundaries
Major Highways
Land
Everglades, Water Preserves, Conservation Lands, etc.
Agricultural Lands
Water
0 5 10 15 20 25 Miles

INTRODUCTION

It is an honor to be here today and to have the opportunity to address the Subcommittee on Technology, Information Policy, Intergovernmental Relations and the Census, on the subject of the American Community Survey. I have been asked to share some of the experiences we have had working with community organizations, planners, policy analysts, and decision-makers in Broward County and the South Florida region, as the Census Bureau has carried out the pilot phase for developing the approach to what it calls "continuous measurement."

I would like to start by saying that the Board of the South Florida Regional Planning Council believes that full implementation of the American Community Survey will bring about a sea change in how we plan at the local level. It will support the more effective allocation of scarce public resources in our communities, by enabling us to (1) better understand the need, (2) more accurately target federal, state and local program resources, and (3) better assess the impact of those resources. As local governments and community organizations across the nation assume an ever-increasing portion of the responsibility for enhancing the quality of life in their communities, more current and better quality information is an essential tool. At the same time, businesses in South Florida have little choice but to either purchase or develop their own local market statistics to guide decisions, although such inter-censal estimates are generally unreliable in fast-growing regions of the country, especially the small-area markets that are of most interest to smaller businesses.

The Census Bureau and its federal, state and local partners, have led the way in collecting **annual** statistics for the nation, the states, metropolitan regions and, to a lesser extent, counties. Our local communities are the next frontier. The American Community Survey builds on the decennial census, the "gold standard" for understanding the demographic and socio-economic characteristics of our communities. Using tried and true methodologies along with innovative new approaches, the ACS will ensure that the information we need is collected with a consistent approach across all jurisdictions. Without a recognized source for information with which to plan and evaluate programs and to understand our markets, we would be forced to divert scarce program resources from services for people and job creation to costly local surveys and other information gathering. Annual tabulations of the ACS will improve our ability to understand our communities **as we change**. By enabling us to strengthen our economies and our communities, it will contribute forcefully to enhancing the quality of life, as well as the security, of the nation as a whole.

THE SOUTH FLORIDA REGIONAL PLANNING COUNCIL

Before proceeding, it may be helpful to explain what we do. The South Florida Regional Planning Council (SFRPC, www.sfrpc.com) represents three counties with a population of over 4 million residents: Broward, Miami-Dade and Monroe (which includes the Florida Keys). Broward County, with 1.6 million residents, is one of 31 sites selected for

the pilot phase of development of the American Community Survey methodology. Our mission is to "identify and analyze the challenges facing South Florida on a regional level; anticipate what the future holds for the region; and provide the region's leaders with information and strategies to build a better future for South Floridians."

Created in 1976 under Chapter 186 of the Florida Statutes, the South Florida RPC is one of 11 councils in the state. Our Board is made up of 13 elected officials and 6 Governor's appointees, drawn from the 3 counties we represent. The *Strategic Regional Policy Plan for South Florida* is the document that embodies our assessment of the trends, conditions, opportunities and challenges facing the region and a shared vision for the future.

Our direct federal partners include the Economic Development Administration, which designated South Florida as an Economic Development District in 1994, and the Environmental Protection Agency, which designated the South Florida Brownfields Partnership as one of 16 National Brownfields Showcase Communities in 1998.

The Council provides technical assistance and expertise in a number of fields that affect the economy and quality of life of every resident of South Florida. Our assistance includes land use and natural resources planning, transportation, economic development, affordable housing, emergency preparedness, human services, geographic information services, and collaborative processes and consensus building. In each of these activities, an analysis of trends and conditions and area profiles based on socioeconomic data from the census are standard tools that policymakers use for program development and to assess the impact of programs on the people of the region. Below are highlights of some specific activities that use decennial census data and would be greatly enhanced with updated ACS profiles - more information about each of these is available at www.sfrpc.com.

- Implementation of the State of Florida's landmark growth management legislation
  - Review of local government comprehensive plans and amendments for each of the 3 counties and 69 municipalities (Chapter 163, Florida Statutes)
  - Coordinated review of large-scale development in the region (Chapter 380, Florida Statutes)
- Promotion of redevelopment and environmental preservation
  - Eastward Ho! Initiative - Preservation of the Everglades through refocusing growth on redevelopment of the eastern corridor.
  - Everglades Restoration - Membership on the Governor's Commission for a Sustainable South Florida / Water Resources Advisory Committee.
  - South Miami-Dade Watershed Study - Oversee preparation of an integrated land use and water management plan for the area between Biscayne National Park and Everglades National Park.
- Transportation
  - Regional Business Alliance - Business leaders from Monroe, Miami-Dade, Broward, Palm Beach, and Martin counties spearheaded the creation of the South Florida Regional Transportation Authority during the 2003 Legislative Session, with technical and administrative support from the RPC.

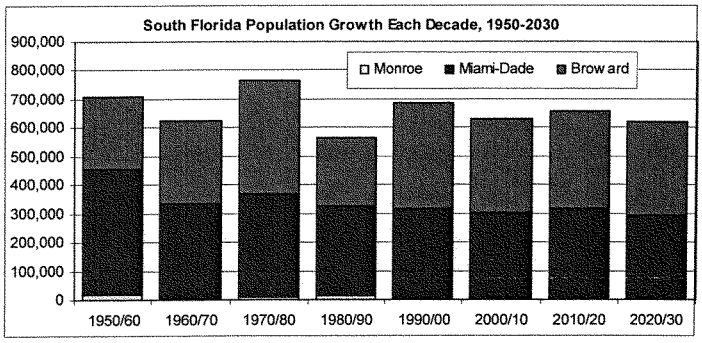
- Regional demographic and economic forecasting
  - Creation of a partnership with the Treasure Coast Regional Planning Council, the planning region north of us, and the member counties in both planning regions, to acquire a 7-county demographic and economic forecasting model.
- Disaster preparedness
  - Through the *Strategic Regional Policy Plan* and the review of local comprehensive plans, the Council concentrates on hazard mitigation as the preferred strategy to protect lives, property, and the regional economy prior to disasters. The Council also works with local government and emergency preparedness agencies to ensure that residents will be evacuated and sheltered safely in the event of an emergency.
- Hazardous materials management
  - Council has staffed the District XI Local Emergency Planning Committee (LEPC) for the last 14 years, bringing together emergency management, public safety, law enforcement and medical professionals with hazardous materials facility operators, community groups, and others from Broward, Miami-Dade and Monroe Counties on a regular basis.
- Human services system planning
  - The Coordinating Council of Broward (www.theccb.org) - Development of tools to support improved service delivery, including *The Broward Benchmarks*, and the Community Resource Inventory.
  - Broward Regional Health Planning Council (www.brhpc.org) - Evaluate the Broward County Community Access Program (CAP) grant, funded by the Health Resources and Services Administration of the US Department of Health and Human Services since 2001.
  - United Way of Broward County Commission on Substance Abuse (www.unitedwaybroward.org) - Develop profiles of youth substance abuse, drawing socio-economic data for small areas from the decennial census, as well as locally derived annual crime and treatment data, and program and service data taken from The CCB Community Resource Inventory. The profiles will be used by neighborhood substance abuse coalitions to develop intervention programs. Once ACS data for small areas becomes available, it will be incorporated into these profiles.
- The Institute for Community Collaboration (www.sfrpc.com/institute.htm)
  - State Road 7 / US 441 Collaborative - Planning improvements to a 25-mile corridor that cuts across 14 jurisdictions in Broward County.
  - The Violence Against Women On Campus Task Force at Florida International University

We are an affiliate of the Florida State Data Center, through which we receive and disseminate Census Bureau data. We work in partnership with our member local governments to identify and understand the best available sources of data and information to guide their decision-making. We use this demographic and economic data to develop our analysis of regional trends, and to profile specific areas of the region in virtually all of the programs and projects in which we participate. We also use

geographic information systems (GIS) software to create maps that help policymakers visualize data, and we often provide these services to partners who do not have their own. We keep current information about the region for our many users on our web site (www.sfrpc.com/region.htm).

WHY DO WE NEED ANNUAL DATA? SOUTH FLORIDA EXAMPLES

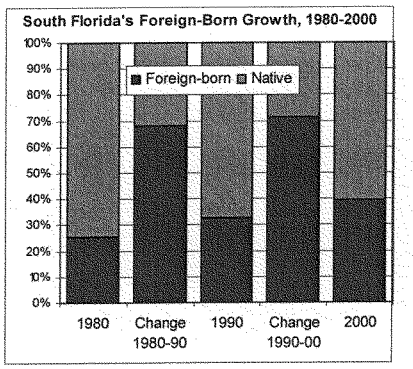
In each of the last 5 decades, South Florida has grown by somewhere between ½ and ¾ of a million residents. While the population more than doubled between 1950 and 1960 (from 600,000 to 1.3 million), it grew by 21% in each of the last two decades. Today, at just over 4 million, the population of South Florida is larger than 24 states, and 176 new residents settle here each day. We project that another 600 thousand new residents will call South Florida home in each of the next 3 decades, taking the region's population to 5.9 million (almost 10 times the population in 1950).



Much of the growth in South Florida in the 1950s, 1960s and 1970s was based on retirees coming from other areas of the United States, who contributed to a dramatic rise in the elderly population of the region. Although growth today continues to come from in-migrants, it is no longer primarily those who are ready to retire, but rather international migrants, most of whom are pursuing economic opportunity.

During each of the last 2 decades, roughly 7 out of every 10 new residents in South Florida were foreign-born. Today, the foreign-born represent 40% (1.6 million) of the region's population, up from 25% in 1980. While a third of the foreign-born population has come from Cuba, the other two-thirds represent an extremely diverse group (which is not all Hispanic or Latino). In 2000, each of the following countries was represented with at least 20,000 residents in South Florida:

- More than 500,000 - Cuba
- 80,000 to 120,000 - Haiti, Colombia, Jamaica and Nicaragua
- 20,000 to 50,000 - Dominican Republic, Peru, Honduras, Venezuela, Mexico, Brazil, Canada and Argentina



Factors that are largely external to the region affect the pace and flow of in-migrants from abroad - since the 2000 Census was completed, for example, there has been a significant increase in the influx of people from Colombia and Venezuela, mostly in response to events occurring in those countries. The changing composition of the population moving into the region, and shifting around within the region, play too important a role to be captured only once every 10 years.

A couple of examples may help to clarify the effects on a more local level.

- When Hurricane Andrew swept through southern Miami-Dade County in 1992, it devastated a relatively less densely occupied area that includes the City of Homestead. That City's population of 26,694 in 1990 is estimated to have fallen to 18,732 in 1993, before gradually growing back to 31,909 in 2000. Miami-Dade County estimates that there was a one-time loss of approximately 30,000 residents, who moved out of the county to find housing and never returned. Both the County and the State of Florida conducted surveys to develop these estimates, but there was no way to learn about the demographic and socio-economic characteristics of the population that stayed (or that left), so as to help in the response to the disaster.
- The City of Pembroke Pines, in southwest Broward County, with 65,566 residents in 1990, more than doubled in size to 137,427 in 2000. During this period, the Hispanic or Latino population of the City grew from 11.5% to 28.2%. At least some of the growth is believed to have come from those who migrated north from southern Miami-Dade County after Hurricane Andrew. Pembroke Pines was one of the cities with data tabulated starting with the 1998 American Community Survey, released in 1999, which enabled the City to establish a much-needed profile of their rapidly changing population 3 years earlier than would have been possible if they had had to wait for the 2000 Census.
- Hallandale Beach, in Broward County, with a large area of multi-family housing once mostly occupied by retirees, underwent a large shift in the age composition of its population over the last decade. In 1990, almost half (48.5%) of its 30,996 residents were elderly (65 years or older). In 2000, the population was 10.6% larger, but the elderly population fell by 18.5%, and now represented only about a third of the total (35.8%). In the same period, the school-age population (5-17) grew by 52.9%, with an increase of 1,095 children. This shift was accompanied by significant growth (137.5%) of the Hispanic or Latino population in the City, to 6,447 (18.8% of the total). Because of its size, data was not available during the pilot phase of ACS to help Hallandale Beach get a head start on documenting these changes and adapting their priorities to meet the needs of their changing population.

Other characteristics of the population such as the language capability of the residents, their levels of educational attainment and income are required to plan for adult educational services, language remediation, health and human service delivery. Another issue of increasing importance in South Florida is the availability and distribution of affordable housing in the region, which has an important cross-linkage to the efforts to develop a regional transportation system that can get people to and from work around the region. All of these issues will be better understood with the help of American Community Survey data, leading to more timely program responses by local governments and community organizations.

While these highlight some rather dramatic examples in South Florida, the pace of change is accelerating throughout most of the country. Aging Baby Boomers will affect the age composition of the population in every corner of the nation, and creating services to meet their needs will be a concern in every community. Continued growth of the Hispanic or Latino population, combined with the mobility of the US population, will contribute to changes in other parts of the country that, if different in magnitude from those in South Florida, will have similar impacts. Whether an area is subject to hurricanes or floods or earthquakes, natural disasters will continue to occur around the country. Measuring the effect of population and job losses requires an ongoing, current source of household and housing unit characteristics. As affected areas recover, knowledge of the rate at which the local population rebounds, if and how their characteristics have changed, and the effects of the rebound, can help policymakers gauge the new needs and resources, as well as any lasting impact of the event on the local economy.

HOW WILL ANNUAL SOCIO-ECONOMIC DATA ENHANCE OUR EFFORTS?

"Planning in a fast-growing region like South Florida with decennial socio-economic profiles is like trying to aim underwater without goggles."

Following are some specific examples of ongoing activities where the availability of annual socio-economic data will make a significant difference.

- Population estimates - The Bureau of Economic and Business Research at the University of Florida (www.bebr.ufl.edu), in coordination with the Florida Legislature's Office of Economic and Demographic Research (www.state.fl.us/edr), annually prepares the official estimates of population for the State of Florida. The estimates are derived by a methodology that tracks the number of housing units in each jurisdiction and multiplies that by the average number of persons per household. Prior to the 2000 Census, official population estimates used to distribute revenue-sharing dollars in the state underestimated the 2000 population of South Florida by 185,996 residents (64% of the statewide underestimate). Annual ACS data will make it possible to adjust the average number of persons per household for each jurisdiction as it changes during the decade. In addition, month-by-month surveys should help clarify the impact of seasonal occupancy on the estimates.

- Population projections - Generally, population projections are built on some combination of natural growth and net migration. Today, the largest component of growth in South Florida is net domestic and international migration. This, in turn, affects both the age distribution of the population and its race/ethnic distribution in the base year, which are key parameters for cohort survival models of natural growth. Annual ACS data will enable periodic adjustments to each of the components of these population projection methodologies.
- Better intergovernmental coordination on population estimates and projections - Greater detail in the data will make it easier to reconcile state, county and local population estimation and projection methodologies, including those developed by Metropolitan Planning Organizations for transportation planning and by school boards for student and teacher planning. Current differences exist because of differing needs, and the lack of detail and appropriate frequency in available data, which has lead to very different methodologies. This can lead to a lack of coordination between land use planning and school facility planning, for example.
- Affordable Housing Needs Assessments – The Shimberg Center for Affordable Housing at the University of Florida (www.shimberg.ufl.edu), in partnership with the Florida Department of Community Affairs, has developed a methodology for projecting the need for affordable housing in each county and municipality in the state, in support of the affordable housing elements in comprehensive plans. In their words, "the ACS combines in a single resource the sufficient scale, precision and frequency to track changes in population growth, age, and race/ethnicity, and the housing consumption patterns tied to these compositional changes. This will, in turn, infuse the [needs assessment] household estimates and projections with the necessary precision at the appropriate scale that has only been approximated using the decennial census."
- Broward County Department of Planning and Environmental Protection (www.broward.org/dpep.htm) - The County's population estimates and forecasts prepared by this department will be improved with the availability of annual data on the age and race/ethnic distribution of the population, as well as the occupancy characteristics of seasonal units and the estimates of domestic and international migration into the County.
- Broward County Department of Human Services (www.broward.org/wecare.htm) - This department both directly provides and contracts for the provision of services to Broward County residents. Needs assessments, strategic plans and outcome indicators all rely on the rapidly changing demographic and socio-economic characteristics of the population. While countywide ACS statistics have been helpful, most planning today targets smaller areas within the County.
- Broward Sheriff's Office (www.sheriff.org) - The BSO uses a sophisticated geographic information system (PowerTrac) to track arrests and other crime data. Once annual small-area data from the ACS is available, they expect to use it in place of decennial census data to develop demographic and socio-economic profiles of the areas served.

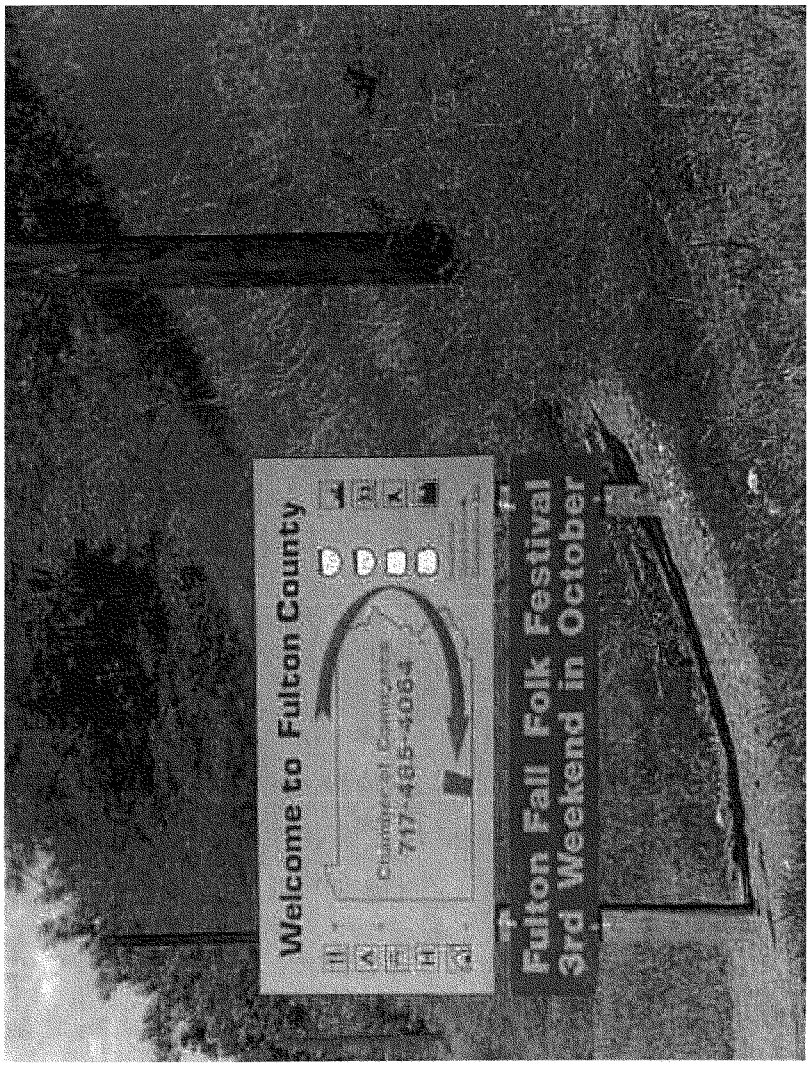
- Children's Services Council of Broward County (www.cscbroward.org) - This recently created agency has developed the Children's Strategic Plan in coordination with all of the funders and providers of services to children in Broward County. Outcome and performance indicators included in the plan draw from ACS data both for specific indicators (number of children in poverty) and for a more accurate age distribution of the population to calculate rates for other children's indicators.
- North Broward Hospital District (www.nbhd.org) - This tax-assisted healthcare district with four hospitals and a network of primary care clinics serving the northern two-thirds of Broward County plans to use American Community Survey data to guide decisions about expansion of its facilities as the County's population continues to grow. In addition, the availability of annual demographic data about the population in their service areas will enable them to provide services that are tailored to the changing characteristics of the communities served.
- City of Coral Springs (www.ci.coral-springs.fl.us) - The City produces an "environmental scan" that is used in its bi-annual Strategic Plan, its annual Business Plan and its Annual Budget. These documents are used both to guide city decision-making and to market the City. The American Community Survey is a primary source for the socio-economic characteristics of this fast-growing municipality.
- City of Pembroke Pines (www.ppines.com) - The City will complete the Evaluation and Appraisal Report of its comprehensive plan in 2006. The State of Florida's growth management legislation requires local governments to update their plans every 7 years. When the cycle coincides with the recent release of decennial census data, profiles of demographic and socio-economic characteristics of the jurisdiction's population help to guide facilities and service planning for the 5-year and 10-year horizons required. When it does not coincide, local governments have few tools to support this planning, especially for smaller communities within their jurisdictions. Annual data from the ACS will fill that void.
- Palm Beach County Planning, Zoning and Building Department (www.co.palm-beach.fl.us/pzb/) - This county to the north of Broward County has accompanied development of the pilot project and has begun evaluating the American Community Survey as a future source for the development of its own population projections. As the first County to finalize a public school concurrency plan, coordination with the public school system will be a high priority. Annual small-area data will be critical to this effort.
- Demographic Data for Decision-Making, Inc. - This demographic consulting firm provides geo-demographic data and analysis to both public and private sector clients in South Florida. At present, according to the President of the company, too much of their time and too many of their client's dollars are wasted producing "best guess inter-censal demographics." The availability of reliable American Community Survey data at the tract level, or even better, at the block group level, would significantly improve the timeliness and the quality of project outputs, thereby greatly improving client decision-making.

CONCLUSIONS

As local responsibilities grow, not having annual community-level data to guide program design, implementation and evaluation, as well as business decisions, is no longer an option. We use the data to provide technical assistance to our constituents (member local governments, state and federal partners, businesses, community organizations), and they use the information to inform decisions that affect all of us.

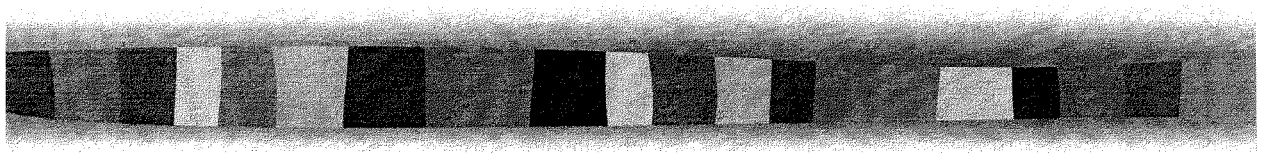
Without annual data from an independent, reliable source, we will be obliged to divert program resources to developing alternative data sources, at a cost that could not produce the economies of scale that the Census Bureau can bring to continuous measurement.

The American Community Survey offers the best option because (1) it builds on the gold standard for socio-economic analysis (the decennial census); (2) it will make it possible to monitor and evaluate targeted program implementation; and (3) it ensures trustworthy data for all with the least expenditure of scarce resources.


Welcome to Fulton County
Chamber of Commerce
717-485-4064
Fulton Fall Folk Festival
3rd Weekend in October

American Community Survey

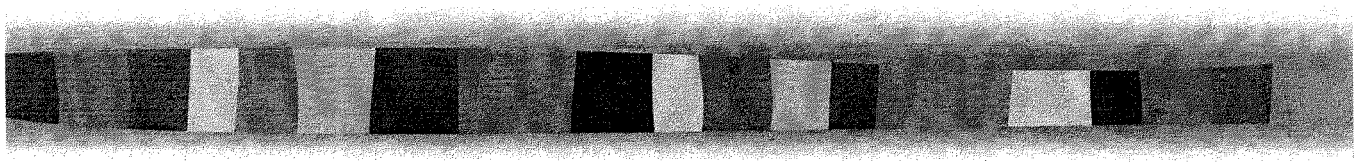
in Fulton County, PA



Telling A Story

American Community Survey

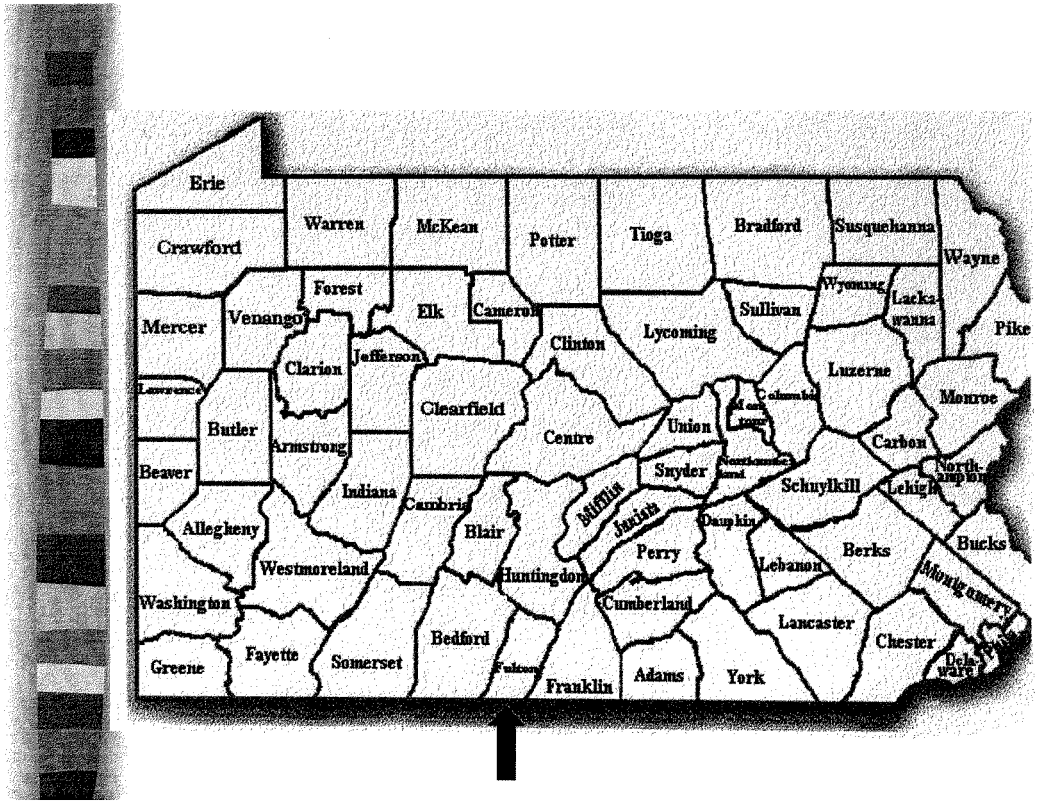
A Human Story



About *People*

in Fulton County, PA

American Community Survey


Erie
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Pike
Mercer
Venango
Clinton
Lycoming
Clarion
Jefferson
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Beaver
Snyder
Schuylkill
Lehigh
Indiana
Cambria
Juniata
Dauphin
Allegheny
Blair
Perry
Berks
Bucks
Westmoreland
Huntingdon
Lebanon
Montgomery
Washington
Cumberland
Lancaster
Chester
Bedford
Greene
Fayette
Somerset
Franklin
Adams
York
Dela-
ware

Fulton County, PA

- Small, 100% rural county
- South – Central Pennsylvania
- Population of 14,261 (per 2000 Census)
- Class 8 on a scale of 1 to 8
- Geographically isolated

FULTON COUNTY

- As per 1996-97 Combined ACS Data:

  Population – 14,373

  Ages 0-17 - 3,827 or 27%

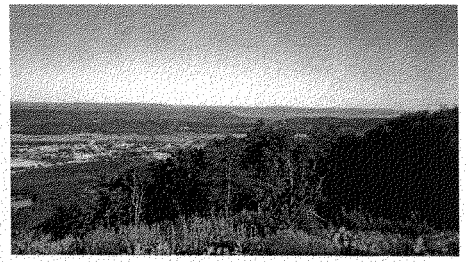
  Ages 18-64 - 8,674 or 60%

  Ages 65+ - 1,872 or 13%

  Median Age - 36.5

  Age 65+ As percent of population – 13.0%

The Tuscarora Mountains



A view of McConnellsburg from the Tuscarora summit

- This mountain range forms a natural barrier to the east, west, and north of the county and isolates us from the more densely populated areas in many ways.

An agrarian community

- Fulton County has typically always been an agrarian community composed largely of family dairy farms.

•With the failure of so many family farming operations, the county is beginning to move more toward a manufacturing and industrialized economy.

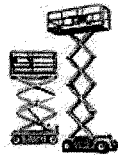
ACS in Fulton County, PA

- Flu Vaccination Clinic
  - Used ACS data to determine number of vaccinations to purchase.
  - Used ACS data to divide doses among senior centers. (Very accurate results)
  - 1990 Census data was off by 5% in just 6 years.

ACS in Fulton County, PA

- Dental Clinic
  - Used ACS data to justify need based on low income population.
  - Received $200,000 Challenge grant to expand clinic.
  - More than 450 low income patients served.

ACS in Fulton County, PA



- Employment Transportation Assistance Program
  - One major employer in Fulton County – JLG Industries.
  - Industrial lifts – relates to construction industry.
  - Causes large rapid shifts in employment
  - ACS data justified increase in funding from $6,000 to $60,000 that was denied previously based on 1990 census data.

How do we plan to use ACS data in the future?

- Up to-date statistical information = more accurate use of money and effort.
- Better planning from more accurate identification of trends.
- Prevention. By identifying trends we can act to prevent negatives from fully developing.

Mr. PUTNAM. And as has been the custom, our ranking member will lead off with the questions.

Thank all of you for your testimony.

Mr. CLAY. Thank you, Mr. Chairman.

And thank all of you here.

Let's start with Ms. Naymark. At our last hearing, Don Hernandez, representing the Population Association of America, and Linda Gage from California raised the issue of the quality of the population instruments produced by the Census Bureau.

Can you explain to this nontechnical audience, why is it that these estimates are important to the American Community Survey?

Ms. NAYMARK. Thank you, Mr. Clay.

Accuracy is highly important to the business community as we use the information. I am not a statistician. I listen to the dialog and conversation between the Census Bureau and the stakeholder community about sampling frames and lots of statistical terms which I couldn't possibly explain to you. I do know there is a strong dialog.

There is a strong concern with quality. Lots of issues were raised even at the end of last week in the Decennial Advisory Committee meetings about small data accuracy and the technical issues, coverage, and all the different measurements of quality. We have to have consistent quality across the country. We need to understand what the issues are, understand there are some which are more measurable than others, but quality is a key concern as we move forward.

It's something that perhaps is unanswerable at this point. I would have to refer to people who are more knowledgeable technically. But quality is one of our primary concerns and issues. But I'm very comfortable with the process that I've been observing, about how the Bureau is addressing issues of accuracy and how they expect to continue to test, develop, listen, partner, etc.

Mr. CLAY. Thank you for that answer.

Mr. Hodges, it's my understanding that the residency rules for the American Community Survey require a person to be living at an address for 2 months to be counted. Migrant laborers often are not at a single address for 2 consecutive months. Do you believe that the procedures in the ACS are adequate to capture the migrant labor population in States like Missouri or California?

Mr. HODGES. Certainly the residency rules and the differences between the ACS and the census are among those technical challenges that I described. I'm not prepared to comment specifically on the migrant population, but I would note that the core objective of the ACS is to identify population characteristics rather than counts, but that with the seasonal populations, there is an opportunity actually in the ACS to generally do a better job of capturing seasonal populations, whereas the census counts, according to usual residents, according to April 1st, you would collect data through the year and in some seasonal areas get a better sense of the size and characteristics of the population than you would with a snapshot long form.

Mr. CLAY. I see. Thank you for that answer.

Mr. Chairman, I will have to cut my questions short. But I appreciate the opportunity to talk with the panel. Thank you.

Mr. PUTNAM. Thank you, sir, for your interest.

All of you are in agreement that the ACS is a superior tool to the long form; is that correct? Is there anyone who disagrees with that statement?

So, that being the case—and of course you heard the first panel with the Census Bureau and the Department; obviously they believe the same—is there anyone out there that you are aware of that thinks that it's a bad idea to get rid of the long form and go to the ACS? Is there any group in the private sector? Is there some group of scientists somewhere, or demographers or sociologists who think that we are making a big mistake and we just didn't invite them to the panel? Are you aware of anyone out there?

Dr. Salvo.

Mr. SALVO. There are concerns within the community of transportation data users that the estimates produced by the ACS be based on sufficient sample size, and that the issues involving residents and the lack of a single time point—the fact that estimates are created over a series of years, there is concern within that community about the quality of these numbers—and they have called for the Census Bureau to continue to pursue their research on how best to refine numbers on journey to work, on commuting.

That is a concern that I am aware of that the Census Bureau is attempting to address.

Mr. PUTNAM. Anyone else? Have the rest of you heard that?

South Florida Regional Planning Council transportation issues are huge for you. What have you heard from your road builders and TPOs and MPOs and everyone else involved?

Mr. OGBURN. What we hear is that, yes, there are some concerns about quality.

But I'd like to address the issue more broadly, I think, than just the transportation planners. And I believe that we all understand that this is a new methodology. It's a new way of collecting and making use of the data, and there will be a learning process for all of us. And I think it's really important to understand that the Census Bureau has a process in place, at least as we perceive, to attempt to develop answers to the questions as they come up, to anticipate many of those questions and to have the research done ahead of time.

You can't transition from a once-every–10-year survey focused on April 1st of each decade to a month-to-month survey without some very substantial methodological changes. And it will cause a great deal of disruption, it seems to me, among those of us who do planning on a regular basis, in the beginning, until we learn how to use the data. And I would suggest that's an important part of the rollout of the ACS on a national level, in making sure that there are opportunities for those of us who are engaged in planning activities at the local level to learn how to use the data appropriately.

But I frankly believe that those issues will be overcome as we move forward in the national implementation.

Mr. PUTNAM. Mr. Hodges.

Mr. HODGES. I will volunteer that I was once one of those who is very skeptical of the American Community Survey. And this dates back to the mid-1990's when it was first proposed. And I think it's fair to say that the early descriptions of this program

were not all that appealing to those of us with a major stake in small-area data.

But I would like to point out that through professional organizations—we worked extensively with the Census Bureau, and the Census Bureau's ACS staff has been very responsive to the concerns that we have expressed—and that over the years the ACS has evolved into a product that is much more appealing to those of us with a stake in small-area data, so that even though it's—there are some who have more concerns than others, it is a much more appealing product right now, thanks, I think, to the collaborative work with the Census Bureau. And we look forward to that continuing.

Mr. PUTNAM. Mr. Reardon, did you want to add anything to that, while I have you? Are you fully satisfied that the concerns of rural communities across America, that those concerns are met by the ACS?

Mr. REARDON. Absolutely. I don't know what we would do without the data anymore, the fluctuations in a rural community are so rapid and so vast. In a population of 14,000, the daily obituaries change the face of the county.

We need this. You know, is Joe working today? I don't know. And when we look at the census data in a rural community, were we having a good day when they did that? If we did, we don't qualify for a lot of grant funding.

So the American Community Survey data really shows us a clearer picture of where we are at today, and I believe it's perfect for a rural community. I couldn't see how we could get along without it anymore.

Mr. PUTNAM. Mr. Hodges raised the issue of the Census Bureau working with the professional associations and those of you who are on the front lines to improve upon the ACS model. Is there any area of concern that any of you have where they have not sought the appropriate input, or the outreach has been lacking in preparing for this transition to a new mode?

All right. Very good.

The information itself, the content of the questionnaire, is it up to date? Is it current? Are we asking the right questions? Are we sampling correctly and are we seeking the right data?

Ms. Naymark, from the private sector.

Ms. NAYMARK. The long form of the American Community Survey covers a lot of ground, and I know that there's an issue of respondent burden on the American public. But the questions included describe the very basics of the demographic, economic, social, housing structure which when compared, one against the other and with external information, I think are very basic.

I know all questions that are included have been thoroughly examined by the Bureau. They all have some legislative or program needs for being on the questionnaire. But from our perspective, when combined together, the information in the aggregate described communities and characteristics which are absolutely essential for understanding change over time and across small areas.

Mr. PUTNAM. Anyone else?

Dr. Salvo.

Mr. SALVO. Just in contrast to what was said earlier, I mean, the neighborhood I live in, broadly defined, would have 14,000 or 15,000 people in it, and everything that was just said applies to my neighborhood in an inner city area.

It's so appropriate to have the two of us comment on this because, in effect, I have the same issues that this gentleman has. I have the same problems I need to deal with in an effort to provide services to people, in an effort to get funding I wanted to bring an 8 X 10 picture in here of the look on my face when somebody comes to me and says, how are we doing, and I cannot tell them how we're doing.

I don't want to use the word "guess," but it gets pretty close to that sometimes. And sometimes decisions ride on things that I say, and that's—the ACS is a relief in some ways to those of us who are in this position of having to steer people to help people out, and despite the bumps in the road—and there are going to be bumps in the road—it is a path that we want to pursue.

Mr. PUTNAM. Anyone else?

Mr. Hodges.

Mr. HODGES. I'll just note quickly that if the census and ACS were left to the private sector, the questionnaire might be much longer than it is already. There may be policy concerns that will have the content of the ACS evolving over the years, but we recognize that the census and ACS are Federal operations for Federal purposes. We derive tremendous benefit from them, just the same, and expect to continue to do so.

Mr. PUTNAM. Ms. Naymark.

Ms. NAYMARK. I would simply add, in the best of all possible worlds, from a business perspective, we would love to have the American Community Survey and a 2010 long form. As I'm using 2000 census—the long form census, I keep thinking, now, why is it going to be a good thing that I won't have this ever again, because it's incredibly powerful information.

But, in sum, the tradeoffs of having annual information, along with the bumps in the road, in trying to understand moving averages and the different characteristics—seasonality, etc.—will be a very rich source of information that they think will far outweigh another long form. So we understand we cannot have that, we can't have both, but long-form data are very powerful for us.

Mr. PUTNAM. All of you are familiar with the rising levels of concern about privacy and confidentiality and their impacts on response rates. What are you observing in the individual spheres of influence in terms of microlevel trends along that area that we should be aware of and the Census Bureau should be prepared to adjust to?

And, second, do you feel that the confidentiality provisions of Title 13 are adequate?

I'll let you start with the first half, Mr. Ogburn.

Mr. OGBURN. I certainly think the confidentiality requirements are adequate, and the history of the Census Bureau, I think, with regard to preserving confidentiality is a good example of how that has been done, and it has been a very good one. The efforts that were made during the 2000 census to conduct outreach to the many diverse populations that we find in south Florida included an effort

to reinforce the commitment of the Census Bureau to confidentiality, and I think it was largely that and the use of people who had been previously selected from within some of those communities that allowed the 2000 census to be much more successful at completing a count of the population in south Florida.

I think something that we don't bring into the conversation very often, but it occurs to me and has been the subject of some discussions among some of us in south Florida, is that under the circumstances an awful lot of administrative records data is being used today increasingly to attempt to answer the questions that we're unable to answer because we don't have year-to-year small-area data.

The power of geographic information systems is enabling local organizations to go out and establish partnerships with those who have individual people's data and their addresses; and we attempt to solve some of the questions that we address on a day-to-day basis in our planning activities by using that data, with guarantees that we must sign for confidentiality in the use of that data, to be able to understand these phenomena, to be able to better understand how to direct scarce resources into the communities that we serve.

And the possibility that we will have annual ACS data will make it much less necessary to delve into that terrain. It will make it less common that we will be pursuing individuals' data. The use of a sample which can be tabulated at a block group level is a much less intrusive approach than the use of the administrative records data that we're being forced to move toward in the absence of ACS data. I don't know if it's possible to present that to the public to garner additional support for voluntary participation in the census.

So I'm not sure what the answer to that is. But I personally believe that we run many more risks of invasion of our privacy if the use of administrative records data is allowed to advance in order to answer these questions in lieu of having the ability to have that data coming out of a sample that can be dealt with by a government entity that has a long, well-established record of protecting confidentiality.

Mr. PUTNAM. Thank you. Anyone else?

Dr. Salvo.

Mr. SALVO. It's an interesting observation that for the 2000 census, the Census Bureau, we think, in New York City did a fine job in counting. And that's what the census does best; it counts very, very well.

As I indicated earlier, it's almost ironic that by increasing the count and reaching out to people that you've probably never have found before, you, in effect, have exposed a problem, which is this problem in getting people to respond to the long form. The people who are very tough to reach are the people who are going to be most reluctant to tell you about their employment and income and so on.

What we've observed about the ACS is that the interviewers have this ability to educate people, to let them know about the survey, to talk to them, to relate to people in a way that the temporary work force that was used in 2000 could not. I, like my colleague here, was also very reluctant when I first heard about the

ACS plan. What won me over was exposure to the interviewing teams that go out in nonresponse followup to elicit responses, their capacity to get people to feel comfortable providing them with information and to educate them about the importance of that information, sometimes under very difficult circumstances.

And as we reach more and more of our population and as we go into those places and approach the hardest to enumerate, we need to have people like that asking the questions about employment and income, because otherwise, we're not going to get that information in any useful form.

Mr. PUTNAM. Mr. Reardon.

Mr. REARDON. Just in an experience that we had, one of the ladies who works in my office—she'll tell you she used to be a senior citizen, and she received one of the surveys. And she came into the office and she said, I know you are aware of this. What is this?

And I said, well, there's a number to call if you have any questions.

She came in the very next day, very excited. They handled her question so well, she was pleased and excited to fill out the survey.

So I commend the Census Bureau on the people that they have to answer those questions. She was very nervous about it, and after one phone call, she was not only at ease with it, she was excited, they explained it in such a good way.

So fortunately, living in a small county, I can talk to some of the people who have filled out these surveys, and we just run into them occasionally.

Mr. PUTNAM. Super.

Anyone else?

Ms. Naymark.

Ms. NAYMARK. There is nothing more important than protecting the confidentiality of the information. I feel very confident in the Census Bureau's record at protecting the private information that is collected. There's nothing more important over the long term.

The business community has similar issues. What we're hearing from our guests and throughout the business community is how important and increasingly important the issue of privacy is—education policies demonstrating, you know, your record, both for business and for the Census Bureau—working with partnerships for the Census Bureau to help the people who would be responding understand, highly trained interviewers, all of those things are highly critical to maintaining that trust, because once breached, you know, it is impossible to go backward.

Mr. PUTNAM. Mr. Hodges for a final word.

Mr. HODGES. Very briefly, a similar situation to what Mr. Ogburn described exists in the private sector where we are seeing two different types of applications, those that do involve the use of individual data, targeting individual consumers by name and address, and those which, by contrast, focus on neighborhood-level data.

In none of the individual consumer applications that I'm aware of has there been any interest at all in working through the census or the ACS, it is always through the private consumer data bases; so that I've always viewed that the census and the ACS would fit into this as well. The ACS and the census would always be the con-

trast, those applications involving neighborhood-level applications, preserving confidentiality of the individuals.

Mr. PUTNAM. Thank you very much. I want to thank all of you on the second panel and all of our witnesses for their testimony today. The subcommittee looks forward to working with all of you as we move toward a final determination on the ACS, which should be made very soon by the Congress.

I also want to thank Mr. Clay for his participation and his interest in these issues. In the event that there are additional questions we did not have time for today, the record shall remain open for 2 weeks for submitted questions and answers.

I want to thank you again for coming over here. We had a very balanced second panel, rural America, inner city America, very international flavor to it; and certainly the private sector's influence as well. So you added to the dialog greatly.

With that, the meeting is adjourned.

[Whereupon, at 12:12 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

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May 12, 2003

The Honorable Louis Kincannon
Director, U.S. Census Bureau
Washington, DC 20322

Dear Mr. Kincannon,

We were surprised to learn that the Census Bureau announced to the National Academy of Sciences that it had made the decision not to correct errors in the 2010 census for apportionment or redistricting. You said to do so for reapportionment would be illegal, and to do so for redistricting was not feasible within the time allowed. We were surprised first that such an announcement was made to an outside body rather than to Congress, and second because as near as we can determine, this is the only aspect of the 2010 design that has been finalized.

We would like to know the manner in which this determination was made with particular attention to how this decision was made for past censuses. For the 1990 census, the Census Bureau conducted several years of experimentation and design before making this decision. For the 2000 census, presentations to the public as late as 1998 left many of the critical aspects of this decision undetermined.

In addition, we would like to know what decisions have been made about measuring error in the 2010 census. If the determination has been made that there will be no effort to correct errors in the census, then surely there has been a determination of how those errors will be measured. Of course, the decision could be that there will be no effort to measure those errors at all. We are particularly interested to know what plans the Census Bureau has to correct the census should the 2010 census again show an over count, particularly if that over count is significantly larger than 2000.

Finally, we would like what plans the Census Bureau has to address the continued undercount of African-Americans in the census. The most recent estimates from the census show that there remains a differential under count of African-Americans of 3% compared to whites. This is only a modest improvement from the 3.9% differential measured by the Post-Enumeration Survey in 1990. In other words, there remains a serious inequity for African-Americans in the census.

Should you have any questions about this request, please contact David McMillen at 225-5420 or Ben Chevat at 225-7944.

Sincerely,

Wm. Lacy Clay
Ranking Minority Member

Carolyn B. Maloney
Member of Congress