



PREPARED STATEMENT OF
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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.