

**STATEMENT  
OF  
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**BEFORE THE**

**INFORMATION POLICY, CENSUS, AND NATIONAL ARCHIVES SUBCOMMITTEE  
OVERSIGHT AND GOVERNMENT REFORM COMMITTEE  
AND**

**SUB-COMMITTEE ON INSULAR AFFAIRS  
HOUSE COMMITTEE ON NATURAL RESOURCES**

**“CENSUS DATA: SPECIAL ISSUES RELATED TO U. S. TERRITORIES”**

**WEDNESDAY, MAY 21, 2008  
2154 RAYBURN HOB  
10:00 A.M.**

Madam Chair and Mr. Chairman and members of the Subcommittees, thank you for the opportunity to testify on the important issue of lack of current and complete information on population, labor force and economic and social characteristics in the four United States territories where the Department of the Interior has general responsibilities: American Samoa, Commonwealth of the Northern Mariana Islands (CNMI), Guam and the United States Virgin Islands (USVI).

The Office of Insular Affairs (OIA) is often asked for statistics on the United States territories. Unfortunately, instead of providing it or pointing to a source that would have the requested information, OIA often has to explain that the information does not exist.

The four United States territories are included in the decennial United States census. They are also included in the Economic Census which the Bureau of the Census conducts every five years where the year ends in 2 and 7. American Samoa was included in the Economic Census for the first time in 2002. The territories are also included in the Census of Agriculture, which the United States Department of Agriculture conducts every five years. The decennial census generates the most complete demographic information on the 50 states, the District of Columbia as well as all U.S. territories. The Economic Census generates useful information on business activity, business establishment characteristics, employment and other aspects of business. The Agriculture Census produces useful data on agriculture and land use. All three censuses produce valuable data once they are concluded.

Knowing the value of current information, the Federal Government continuously generates a wide array of information. Best known of the Federal Government agencies that generate critical information on labor force, population, and the economy are, respectively, the Bureau of Labor Statistics (BLS) in the Department of Labor, the Bureau of the Census in the Department of Commerce, and the Bureau of Economic Analysis (BEA) also in the Department of Commerce. These bureaus generate information monthly, quarterly and annually that take into consideration a wide variety of variables in their subject areas. This information is available on the Internet.

Unfortunately, the four United States territories OIA works with are not included in some of the most useful work these agencies do. This was recently highlighted in the United States Department of Labor report on the impact of minimum wage increases in American Samoa and the CNMI. The law that raised the Federal minimum wage rate last spring also raised minimum wage rates in American Samoa and the CNMI. Since American Samoa and the CNMI were associated with the national minimum wage for the first time, the Congress asked the Department of Labor to produce a study, within eight months of enactment of the law, on the impact of enacted and future increases in the minimum wage rates on living standards and employment. The Department of Labor duly complied and produced a report.

In its report, Labor noted many holes in current data on the territories that prevented the Department from making a full determination on the impact of an increased minimum wage. Specifically, the Department of Labor noted, “The Bureau of Labor Statistics (BLS) does not collect monthly (or other period) data describing labor market conditions in either American Samoa or the CNMI.”<sup>1</sup> Employers in the 50 states, Washington, D.C., Puerto Rico, and the U.S. Virgin Islands are surveyed monthly in the BLS Current Employment Statistics (CES) program; the CES provides detailed monthly information on payroll employment, hours worked, and the hourly and weekly earnings of production and non-supervisory workers. Another important source of current data, according to the report, is the monthly survey of households conducted jointly by the BLS and Bureau of the Census in their Current Population Survey (CPS). The survey provides detailed national estimates of labor force participation, employment and unemployment. The CPS also collects data on wage and salary workers’ weekly earnings and publishes quarterly earnings estimates. The report notes that “Both surveys have been important sources of data for research regarding the impact of minimum wage increases in the United States over the past fifty years. The lack of such data for American Samoa and the CNMI significantly impairs efforts to measure or to project the impacts of scheduled minimum wage increases for these territories.”<sup>2</sup> It should be noted that the lack of data cited in the report cannot be remedied simply, quickly or cheaply.

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<sup>1</sup> U.S. Department of Labor (Office of the Assistant Secretary for Policy), *Impact of Increased Minimum Wages on the Economies of American Samoa and the Commonwealth of the Northern Mariana Islands*, January 2008, p. 3.

<sup>2</sup> Ibid.

Apart from conducting the decennial census, the Bureau of the Census conducts other surveys; one of the best known and most useful is the American Community Survey (ACS). The ACS is a nationwide survey designed to provide communities a way to see how those communities are changing. The ACS will replace the decennial long form in future censuses and is a critical element in the Census Bureau's reengineered 2010 census.<sup>3</sup>

The ACS asks essentially the same questions as the decennial census's long form, but the data are collected each year, which provides information continuously. It generates estimates each year for states, populous counties, and other governmental units or population groups with a population of 65,000 or more within 6-8 months of the end of data collection for the previous year. For smaller governmental units or population groups (those with a population of less than 65,000), it will take 3-5 years to produce estimates, which will be refreshed each year thereafter. The four territories we work with are not included in the ACS. However, they have received the long form questions during past decennial censuses. The ACS replaces the long form.

The four territories are also not included in the BEA system of national income and product accounts (NIPA), which generates complete information on total national output. The accounts are based on a multi-agency system of collecting economic data centered largely on the economic surveys conducted by the Census and BLS, but also includes administrative or survey information gathered by many other government agencies. According to information on the BEA website, the economic output of the United States territories is not treated as domestic output, but rather as belonging to the rest of the world.<sup>4</sup>

Since the four territories are not included in practically any of the current Federal information gathering exercises between the major censuses, there is very little in the way of consolidated, current information on social, economic and demographic characteristics in the territories. As a result of this dearth of information, policy decisions often lack the level of data and analysis that underpin decisions in many other areas of the U.S.

An additional problem with the lack of territorial involvement in these data gathering activities is the resulting inability of local statistics offices and staffs to draw on the knowledge and skill pools found in the statistics community. The Bureau of the Census, BLS, and BEA employ highly trained experts. Working with these highly trained professionals could prove advantageous to the territories and territorial statistic staffs.

As a stop-gap measure, OIA has provided technical assistance funding for the territories over the last several years to secure both expertise and data, especially from the Bureau of the Census. Over the last decade, OIA has given over \$5 million to the Bureau of the Census and the territories in technical assistance grants to fill some of the information gaps, especially in population updates and GDP accounting. We have funded sample surveys of population, household income and expenditures, and training of local staff in

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<sup>3</sup> <http://www.census.gov/acs/www/SBasics/What/What1.htm>

<sup>4</sup> [http://www.bea.gov/national/ppt/territorial\\_adjustments.ppt](http://www.bea.gov/national/ppt/territorial_adjustments.ppt)

GDP accounting. To date, this technical assistance has been insufficient to bring the territories up to national standards.

Current and complete information is essential for good decision-making, whether in business, government, or households. For this reason, we believe that there is a significant need to flexibly work with the territories to integrate them into the national data gathering framework. We stand ready to work with the territories and agencies responsible for data collection to find alternative ways to gather necessary information.