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***The Pros and Cons of Making the Census Bureau's  
American Community Survey Voluntary***

**Before the Subcommittee on Health Care, District of Columbia,  
Census and the National Archives  
Committee on Oversight and Government Reform  
United States House of Representatives**

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Chairman Gowdy, Ranking Member Davis, members of the Subcommittee, I appreciate this opportunity to testify before you about the American Community Survey (ACS).

As part of my presentation today, I will be talking about the ACS' provision to the country of key statistical information and a top-to-bottom program review we have launched for the ACS. First, though I would like to set the stage by describing a broader range of efforts we have undertaken to modernize, streamline, and improve the U.S. Census Bureau.

Over the past two years, the Census Bureau has initiated organizational changes designed to improve its ability to supply the country credible and cost-efficient economic and social statistics. The rationale for this is simple:

1. The difficulties of measuring the busy, diverse, and independent American society and economy are increasing every year (that is, it costs more money to do the same things the Census Bureau has done for years).
2. The demands by American business, state, local, and community leaders for statistics on their populations are continually increasing.

3. New technologies are being invented almost daily that can be used to make it more convenient for the American public to participate in surveys.
4. New digital data resources are being created from Federal-state-local government programs, private sector transactions, and internet-related activities. Combining these data with our traditional measures is the key to the future.
5. Near-term Federal government budgets are likely to be flat or declining.

Combining these five observations leads to a profound conclusion: the current Census Bureau survey and census methods are unsustainable over the long run. Changes must occur in the acquisition of data and construction of statistical information for the Census Bureau to succeed.

We have concluded that the only way we can continue to serve the American public, their businesses, and state and local governments is to find cost efficiencies in our current processes in order to invest in innovations to prepare for existing and anticipated challenges. To achieve that end we have:

1. Cut in half the number of Census Bureau regional offices throughout the country.
2. Squeezed cost savings from the administrative side of the organization.
3. Streamlined the headquarters' management of demographic surveys conducted for other Federal agencies on a cost-reimbursable basis.
4. With the assent of Congress, reorganized the Census Bureau to create an office of risk management and program management, and established a directorate of research and methodology to spur our innovation efforts.
5. Launched a successful program of staff-generated ideas to save money; invested the savings in ways to produce new statistical information that businesses and others need to make critical decisions during a period of fiscal budget constraints.
6. Closed a data center and consolidated hardware and software contracts.
7. Established a new way to plan for the next decennial census, one that we are designing to be more efficiently conducted than that of 2010.

A central focus of the 2020 Census planning will be efforts to reduce the cost of the next census. Too few of the systems of the 2010 Census were designed to have residual benefits for other Census Bureau data collections. The large investment of the 2010 Census benefited only the decennial program, not the bulk of the Census Bureau. However, the ACS uses operations similar to those of the decennial census. Thus, we seek to develop systems within similar survey production environments of the Census

Bureau, test and enhance them repeatedly over the decade, ramp them up for use in the 2020 Census, and then continue to use and enhance them in our ongoing surveys. We plan to use the ACS as the chief test-bed for 2020 Census systems development.

For that reason alone, it is important for Congress to know as much as possible about the ACS. But there are many other reasons that this oversight body should be knowledgeable about ACS.

### **What is the ACS?**

As the largest survey in the United States, the ACS is the only source of small-area statistics on a wide range of important housing, social and economic characteristics for all communities in the country.

As the successor to the decennial census long form, it is the only sample household survey for which participation among sample units is mandatory by law. For that reason, it attains high rates of participation, giving users confidence in the accuracy of the results. Since 2005, the combination of mail, telephone, and personal visits has produced annual overall survey response rates between 97 percent and 98 percent. The vast majority of Americans choose to participate in the survey when asked.

Like the decennial census, the ACS provides a broad set of statistics for many geographical areas (both large areas such as states and congressional districts, and small areas such as counties and census tracts) and many population groups (even small groups such as disabled veterans and children in poverty). Because the ACS collects data from all of these communities over the same period of time, it allows important comparisons to be made across them.

The ACS provides relevant and unbiased data products, available to everyone. It is how the American people and our elected officials can best measure how our nation and their community is progressing on a year-by-year basis. The ACS data products give businesses the statistical information they need to create jobs, plan for the future, establish new business and improve our economy.

Because it is a sample survey, the ACS minimizes the burden on the American people. Only about 2.5 percent of our nation's addresses are sampled each year.

## **What is the origin of the ACS?**

Detailed information on the demographic, social, economic and housing characteristics of the nation have been collected since the first census. For many decades, these questions were asked of every person and household. Starting in 1940, the development of statistical sampling theory at the Census Bureau allowed the collection of these detailed data for only a sample of the population. From the 1940 Census through Census 2000 most households were asked to provide responses to a short set of questions (the so-called “short form”), while a small sample were asked a longer set of questions (the so-called “long form”). In Census 2000 about 15 percent of the addresses were given the long form.

After the 1990 Census, Congress raised concerns about falling census participation and rising costs. Congress and Government Accountability Office supported the Census Bureau's efforts to explore alternatives to the long form, with the goals of simplifying the census, containing costs, and producing more timely information to inform policy decisions and legislative actions; were kept informed of the research results and detailed plans; and ultimately appropriated funds to fully implement the survey beginning in 2005. When the ACS was developed, the Census Bureau was challenged to give the nation more timely information that was cheaper to produce and less burdensome on potential respondents.

Demands for current, nationally consistent statistics from a wide variety of users led federal government policymakers to consider the feasibility of collecting social, economic, and housing data continuously throughout the decade. The benefits of providing current statistics, along with the possible reduced costs to the census, led the Census Bureau to plan the implementation of continuous measurement, what is now known as the ACS.

The ACS began nationwide implementation in 2005. One direct benefit of the ACS was that the 2010 Census questionnaire was one of the shortest in history. There were other side benefits of moving the once-a-decade long form to the continuous ACS. For example:

- Printing of questionnaires, training guides, operational manuals, and many other aspects of the 2010 Census were much simpler and less costly without a long form component. A short-form-only census also allowed us to implement a rapid second mailing of questionnaires to selected households in order to increase the overall mail response rate, and thus reduce costly personal visit followup. Overall, a short-form-only census allowed data collection to focus almost exclusively on ensuring an accurate accounting of all living quarters and people.

- The Census Bureau used the concise marketing slogan of “10 Questions, 10 Minutes” to encourage all households to complete and return their census forms by mail. That slogan, and the response achieved by mail in the 2010 Census (66.5 percent) and a 78.4 percent return rate (includes only occupied units), was possible because there was no long form. Outreach and promotion stressed how easy it was to respond to the census, and assisted in addressing the complex issues of why the government was asking “all these intrusive questions.”
- The creation and distribution of a combination English/Spanish questionnaire was possible due to the small number of questions on the 2010 Census form. The 2010 Census was the first census that mailed out bilingual (English/Spanish) questionnaires, to approximately 12.1 million housing units. The Census Bureau produced and made available upon request other language materials such as language guides in 60 languages (plus Braille).
- In short, in addition to providing more timely long-form statistics, the ACS made the decennial census a simpler task.

### **How does the ACS work?**

The ACS collects information continuously throughout the year by interviewing a sample of housing unit addresses every month. To reduce costs and maintain high levels of participation, the survey uses three different methods of data collection—mail, telephone, and personal visits.

- Mail: addresses selected for the ACS sample first receive a questionnaire by mail. Residents are asked to complete the form and mail it back. This is the least expensive method for collecting data.
- Telephone: about 6 weeks after the ACS paper forms are mailed, the Census Bureau attempts to telephone all addresses that did not mail back a questionnaire, using telephone numbers from publicly available directories.
- Personal visits: after a month of the telephone phase, the Census Bureau selects a subsample of addresses from which information still has not been collected. Census Bureau field representatives visit these addresses and conduct interviews in person. Field representatives also visit all group quarters selected for ACS and interview a sample of their residents.

Beginning next year, we plan to offer an internet response option for the ACS. The internet response option could offer additional savings in survey costs depending on the

extent is used (thus reducing printing, postage, and data capture of paper forms) it improves self-response participation.

Every year all ACS interviews collected during the previous calendar year are used to produce over 1,000 tables of information for the largest geographic areas. Each year, 3- and 5-year accumulations of interviews also are used to produce tables for increasingly smaller geographic areas such as census tracts and block groups. Indeed, from each year of data collection, eleven billion separate pieces of statistical information are released. All of this statistical information is freely disseminated to the public on the Census Bureau's website.

### **Who receives the ACS survey?**

Each year about 3.5 million addresses are sampled for the ACS (about 2.5 percent of all residential addresses) from all states and Puerto Rico. The sample represents all housing units and group quarters (places such as college dormitories, prisons, military barracks, and nursing homes). The addresses are selected from the Census Bureau's Master Address File (MAF), which also serves the decennial census. The ACS sample covers all counties in the country, including a larger proportion of addresses in sparsely populated rural communities and American Indian reservations and a lower proportion in densely populated areas. These allocations of the sample permit more stable estimates in sparsely populated areas.

### **What products does the ACS provide?**

Each year, the ACS produces updated, single-year and multi-year estimates of demographic, housing, social, and economic characteristics for all states, as well as for larger counties, cities, metropolitan and urban areas, and congressional districts. For one-year estimates, geographic areas must have a minimum population of 65,000. For areas with populations of at least 20,000, the Census Bureau produces estimates using data collected over three years. For areas with fewer than 20,000 people, the Census Bureau produces estimates using data collected over a five-year period and updates these multiyear estimates every year providing all communities with current information. This includes all "block groups" in the full United States, permitting very granular analysis of neighborhoods.

ACS estimates are released about eight months after the end of each calendar year of data collection. The table below shows how the population size of an area defines when an area receives ACS estimates and the types of estimates those areas receive.

Table 2. Availability of ACS Estimates				
Year data available	Type of estimates	Population of geographic area		
		65,000 or more (receive 1-year, 3-year, and 5-year estimates)	20,000–65,000 (receive only 3-year and 5-year estimates)	Less than 20,000 (receive only 5-year estimates)
2006	1 year only	✓		
2007	1 year only	✓		
2008	1 year and 3 year	✓	✓	
2009	1 year and 3 year	✓	✓	
2010 & beyond	1 year, 3 year, and 5 year	✓	✓	✓

\*Five-year estimates will be available for areas as small as census tracts and block groups.  
 Source: U.S. Census Bureau.

The next table summarizes the major types of geographic areas and the ACS estimates that are published for these areas. The following table shows that the many small geographic areas receive only five-year estimates. For example, there are more than 25,000 identified places (e.g., cities, towns, and census designated places), but almost 92 percent of these places have populations smaller than 20,000 and are only eligible for five-year estimates.

**Table 3. Major Geographic Areas and Type of ACS Estimates Received**

Type of geographic area	Total number of areas	Percent of total areas receiving . . .		
		1-year, 3-year, & 5-year estimates	3-year & 5-year estimates only	5-year estimates only
States and District of Columbia	51	100.0	0.0	0.0
Congressional districts	435	100.0	0.0	0.0
Public Use Microdata Areas*	2,071	99.9	0.1	0.0
Metropolitan statistical areas	363	99.4	0.6	0.0
Micropolitan statistical areas	576	24.3	71.2	4.5
Counties and county equivalents	3,141	25.0	32.8	42.2
Urban areas	3,607	10.4	12.9	76.7
School districts (elementary, secondary, and unified)	14,120	6.6	17.0	76.4
American Indian areas, Alaska Native areas, and Hawaiian homelands	607	2.5	3.5	94.1
Places (cities, towns, and census designated places)	25,081	2.0	6.2	91.8
Townships and villages (minor civil divisions)	21,171	0.9	3.8	95.3
ZIP Code tabulation areas	32,154	0.0	0.0	100.0
Census tracts	65,442	0.0	0.0	100.0
Census block groups	208,801	0.0	0.0	100.0

\* When originally designed, each PUMA contained a population of about 100,000. Over time, some of these PUMAs have gained or lost population. However, due to the population displacement in the greater New Orleans areas caused by Hurricane Katrina in 2005, Louisiana PUMAs 1801, 1802, and 1805 no longer meet the 65,000-population threshold for 1-year estimates. With reference to Public Use Microdata Sample (PUMS) data, records for these PUMAs were combined to ensure ACS PUMS data for Louisiana remain complete and additive.

Source: U.S. Census Bureau, 2008. This tabulation is restricted to geographic areas in the United States. It was based on the population sizes of geographic areas from the July 1, 2007, Census Bureau Population Estimates and geographic boundaries as of January 1, 2007. Because of the potential for changes in population size and geographic boundaries, the actual number of areas receiving 1-year, 3-year, and 5-year estimates may differ from the numbers in this table.

### Who are the users of the ACS data products?

The users of ACS estimates include policymakers, researchers, businesses and nongovernmental organizations, journalists, teachers, students, and the public. The federal government uses ACS information to evaluate the need for federal programs and to assess the performance of those programs. Nongovernmental organizations use the ACS to monitor trends among important subgroups of the population, often at the state level. Journalists use ACS statistics to report on new or emerging social trends, or to put a piece of anecdotal evidence into a broader context.

The ACS offers members of Congress, planners, decision-makers at all levels of government, and the public more timely insight into the impact of transformational events during the decade.



For example, the impact of Hurricanes Katrina and Rita on the population, economy, and infrastructure of affected areas was without precedent. A large challenge existed in developing statistics to describe the changes affecting the local population and economies. Without such statistical information, emerging recovery needs of affected areas could not have been identified. More recently, ACS estimates were used as part of the Census Bureau's emergency preparedness activities that included providing population and housing characteristics for areas impacted by the 2011 tornadoes and the 2007 Southern California wildfires. In addition, ACS statistics regarding the number of U.S. residents of Haitian ancestry were used as an information source in conjunction with the devastating earthquake of 2010.

Business uses of ACS statistics fall into two major categories—market/site evaluation and consumer segmentation. These applications often require statistics for very small areas, and the ACS is the most authoritative source of the characteristics of small areas available. Indeed, many of the commercial site-selection data products are built largely on statistical and geographic foundation provided by the census and the ACS.

The U.S. Chamber of Commerce has expressed support of the ACS. In a letter dated February 24, 2012, Executive Vice President for Government Affairs, R. Bruce Josten wrote the following: “the ACS data points are vital for monitoring trends in the economic, social, and demographic landscape at the local level. Understanding these trends allows users of the ACS data to make informed decisions regarding strategic development opportunities that strengthen our communities, provide for the efficient and effective delivery of goods and services, create jobs, and ultimately drive economic growth.”

In May of 2011, the International Council of Shopping Centers, Inc. sent a letter supporting continued enhancements to the ACS. In her letter, Betsy Laird, Senior Staff Vice President, said, “while the business sector has some impressive information resources of its own, we cannot come close to replacing the quality of the short form census counts or the rich neighborhood-level detail that the ACS is now providing. ... Census data are available to all, and thus play a key role in the establishment and growth of small business.”

A widely used ACS data product for the private sector (and others) are the Zip Code Tabulation Area (ZCTA) statistics. For example, the Asian American Federation in New York City reports they used these and other statistics to help create a Business Improvement District in Chinatown.<sup>1</sup>

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<sup>1</sup> <http://www.aafederation.org/doc/RevitalizingChinatownBusinesses.pdf>

The California Community Colleges Chancellor's Office (CCCCO) has used ZCTA level estimates since 2005 in the legislative mandated accountability reporting, referred to as the Accountability Reporting for the California Community Colleges, or ARCC (AB 1417, Chapter 581, Statutes of 2004).

The Empire State Development uses the ZCTA estimates in many ways as part of its work with New York State's business community, especially their small business and minority- and women-owned businesses.

The ACS also is a key input to planning for many public entities and not-for-profit organizations. The U.S. Department of Veterans Affairs (VA) needs statistics about the nation's veterans in order to serve their health needs. Using the information about veterans and where they live, the VA can be ready to provide health services through its network of medical centers when and where they are needed.

School enrollment estimates combined with the social and economic data collected through the ACS are used to assess the socioeconomic condition of school-age children throughout the United States. State, local, and, tribal government agencies require this information for funding allocations and program planning and implementation. School enrollment statistics and counts of children living in poverty (by school district), counts of adults who are out of school but have not completed high school, and other data from the American Community Survey are used by the US Department of Education in calculating formula allocations under such major authorities as Title I of the Elementary and Secondary Education Act (which provides grants to local educational agencies to improve the education of children from low-income families), the Individuals with Disabilities Education Act, Title III of the Elementary and Secondary Education Act (which provides grants for the education of English learners and immigrant students), and the Adult Education and Family Literacy Act. ACS data are also used in implementing the Indian Health Care Improvement Act (Health and Human Services (HHS)), Public Health Service Act (HHS), and the Civil Rights Act of 1964 (Rights to Public Education and Equal Education Entitlement)(Department of Justice).

Private sector organizations also use the information to advocate for efforts to meet the educational needs of school-age children and for research on those needs. The Annie E. Casey Foundation, along with the Population Reference Bureau, use ACS school enrollment estimates to inform the Kids Count initiative, and The College Board uses ACS estimates in their advocacy and policy work to increase the number of students who graduate from college. They recently released a report that provides a snapshot of high poverty communities based on tract-level ACS statistics.<sup>2</sup>

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<sup>2</sup> <http://www.aecf.org/KnowledgeCenter/Publications.aspx?pubguid={DF6A3A0E-9AA3-405E-9FB9-E1D9C80C5E5C}>

At a local level, many school boards also use school enrollment statistics to understand the demographic characteristics of children as well as their potential future outcomes. In November 2011, the Chicago Alternative Schools Network commissioned a study using ACS estimates from the Center for Labor Market Studies at Northeastern University to examine the long-term consequences for drop-outs in the Chicago area.<sup>3</sup>

Transportation planners at all levels of government use ACS commuting statistics to guide transportation improvement strategies, predict future travel demand, and gauge the amount of pressure placed on transportation infrastructure. Transportation policy issues often operate at small geographic levels, in some cases involving a single neighborhood, or the interconnection of several non-adjacent neighborhoods. While standard ACS data products provide basic information on means of travel to work, travel time to work, place of work, and departure time at relatively large geographic summary levels, transportation planners require demographic and commuting information for smaller areas. Further, information that captures the “two-sided” nature of the residence-to-workplace commute is crucial for making transportation investment decisions. That is, a more complex and useful story about commuting patterns emerges when residence location is coupled with workplace location generating a commuting “flow.”

Flow tables are not included among the Census Bureau’s standard ACS products, but through a special tabulation called the Census Transportation Planning Products (CTPP), information on commute flows and other travel behavior is tabulated and made publicly available for transportation planning purposes. The CTPP is sponsored by The American Association of State Highway and Transportation Officials (AASHTO), a non-governmental entity that represents the state departments of transportation as well as several metropolitan planning organizations across the US. AASHTO works closely with the U.S. Department of Transportation, the Census Bureau, and other agencies to develop the Census Transportation Planning Package (CTPP) and other data products related to the work commute. The utility of standard ACS commuting tables and the CTPP go beyond transportation planning applications. ACS commuting statistics are routinely employed within multiple domains of private enterprise. Real estate developers use workplace information to gauge housing demand, and Starbucks benefits from an understanding of the amount of foot traffic in a neighborhood throughout a given workday. ACS commuting statistics also contribute to private transportation initiatives. In Washington, DC, the ACS played an important role in the development of the Capital Bikeshare program, a public-private partnership that has resulted in one of the nation’s largest bikeshare programs.

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<sup>3</sup> <http://www.northeastern.edu/clms/wp-content/uploads/High-School-Dropouts-in-Chicago-and-Illinois.pdf>

Commuting statistics also are crucial for the identification of vulnerable populations with few affordable transportation choices and compromised access to crucial resources and amenities that tend to be spatially clustered throughout metropolitan landscapes, often far from those who most need them. Across the nation's automobile-oriented suburbs, an aging baby boom generation increasingly finds itself with few transportation options other than the private automobile, confronting the realities of declining physical faculties and reduced driving ability. Addressing such a varied set of policy concerns related to mobility depends on neighborhood scale commuting statistics that only the ACS currently provides.

In this period of increased austerity, planners and policy-makers must make difficult decisions about where transportation investments will occur and which transportation modes are most effective. Private enterprise also depends on free and easily accessible commuting statistics to make smart investment decisions. For these aims, ACS commuting data products serve as a valuable resource.

### **Why does the ACS ask the questions it does?**

Federal law (Title 13, U.S. Code, § 141(f)) requires the Census Bureau to submit to Congress the proposed subjects to be covered in the decennial census three years before Census Day. The law also requires the Census Bureau to submit to Congress the actual questions it plans to include in the decennial census two years before Census Day. The ACS was part of the 2010 Decennial Census Program. Thus, the ACS subjects and questions were included in the 2007 and 2008 submissions to the Congress.

Broadly, the questions on the ACS, like those for the decennial census, provide summary statistics needed by Federal agencies to effectively and efficiently carry out authorized, legislated, or regulatory activities. We estimate that over \$450 billion of Federal funding is allocated each year to programs, states, tribal, and local governments on the basis of decennial census and ACS data products.

Some people wonder or complain about some of the questions on the ACS. For example, some of the questions that measure disability include "does this person have difficulty concentrating, remembering, or making decisions," and "does this person have difficulty dressing or bathing." Why do we ask such questions?

Public policy concerning disability is often focused on ensuring the people with disabilities have the same opportunities to participate in society as people without disabilities. To accomplish this, laws and regulations focus on reducing barriers and promoting accessibility. For example, the New Freedom Initiative (Community-Based

Alternatives for Individuals with Disabilities, Executive Order No. 13217, June 18, 2001) renewed the government's commitment to the Americans with Disabilities Act of 1990, which afforded people with disabilities legal protections and provided for public accommodations.

Here are a few other federal laws that impact people with disabilities: the Rehabilitation Act of 1973, the Individuals with Disabilities Education Act, the Fair Housing Act of 1988, and the Telecommunications Act of 1996. The ACS provides the information necessary to monitor the efficacy of these statutes as well as the programs and policies put in place to implement them.

Questions about disability have been included in decennial censuses as early as 1830, which asked whether persons were blind, deaf, or mute. While the term "disability" was first used in the 1880 census, its definition was not the same as ones used today. Early concepts of disability focused mainly on health conditions like sensory conditions, mental conditions, and deformities of limbs. Following the conceptual frameworks of disability in Institute of Medicine (IOM) model of disability and the International Classification of Functioning, Disability, and Health (ICF) model of disability, the ACS definition of disability is a restriction in participating in societal activities or in fulfilling appropriate societal roles that results from a lack of fit between the individual's functional limitations and the characteristics of the physical and social environment. Disability is not a characteristic intrinsic to the individual. Hence, a survey cannot simply ask whether a person has one. To measure disability on a survey requires us to ask about components that form the basis of their function in key domains.

In order to determine which questions effectively identify the population of people with disabilities in the ACS, an interagency group under the auspices of the Office of Management and Budget was formed to advise the Census Bureau regarding the most appropriate survey questions.

Another example of questions asked on the ACS that might seem intrusive concern the characteristics and quality of the Nation's housing stock. The ACS questions address various legislative and programmatic needs. The questions on availability of hot and cold running water, a flush toilet, and a bathtub or shower provide a measure of housing quality that address the following needs/uses:

- Statistics about complete plumbing facilities aid in the allocation of Section 8 and other federal housing subsidies to local governments. These programs help American families afford decent, safe, and sanitary housing.
- The Department of Housing and Urban Development uses the statistics to assess the quality of the housing stock.

- State and local agencies, along with the U.S. Department of Agriculture, identify poor quality of housing by measuring the lack of plumbing facilities.
- Under the Older Americans Act, the statistics help to determine the number of older people who live in inadequate housing and who may be candidates for home repair or other assistance.
- The Indian Health Service uses these statistics to identify specific reservations that are in greatest need of housing assistance. This information is included in its annual report to the Congress

### **Why is ACS response mandatory?**

We designed the ACS as a new way to collect detailed characteristics data within the decennial census program. The U.S. Constitution (Article I, Section 2) requires a census every ten years. The census is authorized under Title 13, U.S. Code (the Census Act). Numerous federal laws also require information about the nation's population and housing to allocate formula grants and to establish eligibility for programs. The census is the primary source of summary statistics for many of these programmatic requirements.

In a 2002 legal opinion, the Government Accountability Office (GAO) found that Sections 141 and 193 of the Census Act authorized the Census Bureau to develop and administer the ACS and that no additional legal authority for the survey was required. (Legal Authority for American Community Survey, B-289852, April 4, 2002.) Therefore, there was not a specific vote authorizing the ACS separately from the rest of the decennial census authorization.

The U.S. Constitution empowers the Congress to carry out the census in "such manner as they shall by Law direct" (Article I, Section 2). Congress codified earlier census acts and all other statutes authorizing the decennial census as Title 13, U.S. Code. While Title 13, does not specify which subjects or questions are to be included in the decennial census, it does require the Census Bureau to notify Congress of the actual questions to be asked two years before the decennial census.

In the House debate on the first Census bill in 1790, James Madison "observed that they had now an opportunity of obtaining the most useful information for those who should hereafter be called upon to legislate for their country if this bill was extended so as to embrace some other objects besides the bare enumeration of the inhabitants; it would enable them to adapt the public measures to the particular circumstances of the community. In order to know the various interests of the United States, it was

necessary that the description of the several classes into which the community was divided, should be accurately known; on this knowledge the legislature might proceed to make a proper provision for the agricultural, commercial and manufacturing interests, but without it they could never make their provisions in due proportion." (*The Founders' Constitution*, 1987, University of Chicago, Volume 2, Article 1, Section 2, Clause 3, Document 19).

On numerous occasions, the courts have judged that the Constitution gives Congress the authority to collect data on characteristics of the population in the census. As early as 1870, the Supreme Court characterized as unquestionable the power of Congress to require both an enumeration and the collection of statistics in the census. The *Legal Tender Cases*, Tex.1870; 12 Wall., U.S., 457, 536, 20 L.Ed. 287. In 1901, a District Court said the Constitution's census clause (Art. 1, Sec. 2, Clause 3) is not limited to a headcount of the population and "does not prohibit the gathering of other statistics, if 'necessary and proper,' for the intelligent exercise of other powers enumerated in the constitution, and in such case there could be no objection to acquiring this information through the same machinery by which the population is enumerated." *United States v. Moriarity*, 106 F. 886, 891 (S.D.N.Y.1901).

### **What would be the impact of making the ACS a voluntary survey?**

At the request of Congress, the Census Bureau conducted research in 2003 to assess conducting the ACS as a voluntary, rather than a mandatory, survey.

Working closely with staff of the then Technology, Information Policy, Intergovernmental Relations and Census Subcommittee and the House Government Reform Committee, Census Bureau staff designed a test to provide answers to key questions about the impact that a change to voluntary methods would have on mail response, survey quality, and costs.

In 2003, we briefed the subcommittee on the findings. The Census Bureau released several reports in 2003 and 2004 and recently supplemented some of those results. In addition, in 2011 Statistics Canada completed a voluntary survey that is similar to the ACS. Some of the things that we have learned from our test and Canada's experience lead us to believe that there would be major negative impacts if the ACS were a voluntary survey.

**Specifically, we found in the voluntary test that respondent participation declined in all three modes of ACS data collection.** The mail cooperation rate fell by over 20 percentage points, phone by 13 percentage points, and personal visit by 6 percentage points. These declines have important consequences. Personal visit follow-up

activities are significantly more expensive than mail and telephone methods (about ten times as great), so the costs of completing the data collection would increase. We estimate about a 50 percent increase in per household data collection costs. These projected cost increases would come at a time when the Census Bureau is looking to reduce costs of conducting critical surveys through innovation and technological changes.

**The drop in participation resulted in an increase in survey costs and reduced the total number of completed interviews, increasing survey error.** If the Census Bureau were to conduct a voluntary ACS within existing level of resources, the bureau would have to reduce the initial ACS sample size to support the more expensive in-person interviews associated with this change. We estimated a loss of nearly 600,000 interviews each year under this scenario. Without another source of funding to increase the initial sample size, the Census Bureau believes that the survey could not support the production of sufficiently reliable estimates for many small areas, including census tracts. The margins of error around the voluntary ACS estimates would rise markedly, making them about twice as large as those associated with estimates from the Census 2000 long form. This would be unacceptable to many data users who rely on these estimates. The loss in the number of measured households would have a critical impact on the quality of estimates produced for small governments and small population groups that currently must work with ACS estimates with high levels of sampling error. For some of these areas and groups the estimates from such a voluntary implementation would be impractical for use. In my personal judgment, a smaller number of cases to produce ACS estimates would threaten the central mission of the survey to provide small-area estimates to the nation.

**When we look at the impact of voluntary methods on who is included in the survey, it becomes much more critical to implement follow up activities to minimize bias in survey estimates.** Comparing ACS estimates after the mail mode to external benchmarks tells us that a voluntary ACS would represent less than 31 percent of the total population. The demographic distribution of the mail respondents is skewed by major shortcomings for minority groups such as Hispanics, Blacks, American Indians, Alaska Natives, and Native Hawaiians. Telephone and personal visit follow up can be successful in reducing this disparity, but at a cost.

**The estimated annual cost of implementing the ACS would increase if the survey were voluntary and we tried to measure the same number of households.** While we have not conducted a thorough analysis of the impact of a range of possible assumptions, the ACS would likely cost at least \$66 million more (in current dollars) if the survey were voluntary and we tried to measure the same number of households.



In Canada, the collection of detailed social, economic and housing characteristics similar to those in the ACS took place on a mandatory long form in the 2006 census. In 2011, the long form was eliminated, and these data were collected in a newly-designed, voluntary National Household Survey conducted after the Canadian Census. The response rate for this survey was only 69 percent, compared to the more than 90 percent in the 2006 census.

## **ACS Program Review**

In December of 2010, the ACS program reached an important milestone with the release of its first set of five-year period estimates, providing detailed statistics for even the smallest communities. With this achievement, I concluded that it was prudent to conduct a comprehensive assessment of the ACS program to ensure that it is meeting the needs of customers as effectively and efficiently as possible. In April of 2011, I commissioned a team to plan and implement a comprehensive assessment of eight program components—four internally- and four externally-focused.

The four internally-focused assessments are 1) **Strategic** (i.e., assessing a shared vision for moving forward), 2) **Program Management Processes** (i.e., evaluating standard, repeatable management processes), 3) **Business Process Improvement** (i.e., examining existing operational production processes and identifying opportunities to increase efficiency), and 4) **Systems Engineering Improvement** (i.e., developing/strengthening key processes, such as requirements definitions).

The internally focused assessments include work to strengthen program management, business processes, and technical infrastructures to increase efficiency. For example, to reduce operating cost and respondent burden, my team has completed evaluation of an Internet data collection mode, scheduled to begin in January 2013. In addition, this team will review each question to identify the legal basis of its collection.

As for the four externally focused assessments, which include 1) **Communications with External Stakeholders**, 2) **Data Products**, 3) **Survey Methods**, and 4) **Research and Evaluation**. We have also launched a Stakeholder Engagement Campaign to obtain feedback on ways to improve the ACS program from a wide range of stakeholders.

I have also commissioned a National Academy of Sciences, National Research Council panel to conduct a separate independent assessment of ACS survey methods and data

products. This panel will evaluate methods to reduce the field data collection length to reduce both cost and respondent burden. Further, the panel will evaluate the utility of existing ACS data products. To inform the panel's work, we will be providing the results from our Stakeholder Engagement Campaign. The panel will provide preliminary results in late fall 2012, which will be integrated into my team's December 2012 final report.

In conclusion, my call for the review was to step back and conduct an objective and independent assessment. We would welcome providing you more detailed information on all or any aspect of the review. However, as shared with you today, there are currently quite a few moving parts that must be completed to analyze, integrate and document results. As such, I look forward to providing you with a thorough evaluation when it is completed.

## **Summary**

The ACS provides small area statistical information essential to the functioning of our economy and our society. Businesses make important, capital-intensive decisions based on ACS statistical information. Local governments use ACS statistics to make decisions about expenditures on schools, fire stations, and roads. Federal government programs are indexed to statistics produced by ACS. Modern societies rely on accurate statistics, and the ACS is a cornerstone of our country's statistical infrastructure. I thank the subcommittee for this opportunity to highlight the value of ACS to the country, and would be happy to answer your questions.



**Robert M. Groves**  
**Director, U.S. Census Bureau**

President Barack Obama nominated Robert M. Groves to be Director of the U.S. Census Bureau on April 2, 2009, and the Senate confirmed him on July 13, 2009. He began his tenure as Director on July 15, 2009.

At the time of his nomination, Groves was a professor at the University of Michigan and director of its Survey Research Center, as well as research professor at the Joint Program in Survey Methodology at the University of Maryland.

He was the Census Bureau's Associate Director for Statistical Design, Methodology and Standards from 1990 to 1992, on loan from the University of Michigan.

Groves has authored or co-authored seven books and scores of scientific articles. His 1989 book, *Survey Errors and Survey Costs*, was named one of the 50 most influential books in survey research by the American Association of Public Opinion Research (AAPOR). His book *Nonresponse in Household Interview Surveys*, written with Mick Couper when Groves was at the Census Bureau, received the 2008 AAPOR Book Award. Another book, *Survey Nonresponse*, edited with Don Dillman, John Eltinge, and Rod Little, won the 2011 AAPOR Book Award.

Groves is an elected fellow of the American Academy of Arts and Sciences, the American Statistical Association, and the Midwest Association for Public Opinion Research. He is an elected member of the International Statistical Institute. In 2011, he was elected a member of the U.S. National Academy of Sciences.

He is the recipient of the AAPOR Innovator Award and the Distinguished Achievement Award, the O'Neill Award of the New York Association for Public Opinion Research, the Helen Dinerman Award of the World Association for Public Opinion Research, and the Julius Shiskin Memorial Award of the National Association of Business Economics and the American Statistical Association, in recognition of contributions to the development of economic statistics.

Groves has a bachelor's degree from Dartmouth College and master's degrees in statistics and sociology, as well as a doctorate degree in sociology, from the University of Michigan.

He and his wife, Cynthia, have two sons – Christopher, a graduate of Purdue University, and Andrew, currently a student at Northwestern University.