

Terry K. Adams
PO Box 7373
Ann Arbor MI 48107-7373

September 1, 2011

Mark Freedman
Senior Assistant General Counsel
Legal Services Corporation
3333 K St NW
Washington DC 20007
mfreedman@lsc.gov

Re: Request for Comments on Poverty
Data and LSC Funding Distribution

Mr. Freedman:

I write to comment on the Request for Comments on Poverty Data and LSC Funding Distribution, dated August 3, 2011. I am a former legal services attorney (in the 1970s) who since has for the last 30 years studied on poverty in the United States, and the social science applications of Census and similar data, at the Institute for Social Research at the University of Michigan. I have in the last few months consulted with members of the legal services community about the relative merits of various sources of data on poverty in the United States.

The basic motivation of the Request for Comments is sound. The Decennial Census, specified in statute as the source of poverty rates and counts to be used for Legal Services Corporation funding to local legal services agencies, no longer includes income or poverty information for most geographic areas, and therefore must be replaced, in statute and practice, with other sources of poverty data for all but a few geographic areas.. And I certainly agree that the best (but not only) alternative sources of poverty data will come from the Census Bureau. The two year phase-in period for the use of new data sources seems reasonable, as does the use of a three-year period for re-adjustment. However, I believe the proposed solution, as stated in the Request for Comments, is flawed in several respects.

First, the proposal seems to give carte blanche to the Census Bureau to adopt whatever data source the Bureau deems most appropriate – “the determination of the number of individuals in poverty in each geographic area be made by the Census Bureau” – without any recognition of the specific needs of LSC to make appropriate determinations, or that non-Census sources may be required. There are at least two sets of sample survey data collected by the Census Bureau that can be used to make estimates of income, family size and composition, and family and individual poverty in small areas such as legal services program areas: 1) the American Community Survey (ACS) and 2) the Annual Social and Economic Supplement of the Current Population Survey (CPS-ASES); and one statistical transformation of ACS data (the Small Area Income and Poverty Estimates, or SAIPE). (The Decennial Census may also be an

essential source of data for most of the Territories). Each of these data sources has advantages and disadvantages for LSC purposes, on the following relevant criteria:

- a) accuracy/precision of the estimates, which vary considerably depending on sample size;
- b) geographic comprehensiveness, particularly as to outlying Territories;
- c) geographic specificity or local detail, particularly for programs that have sub-county boundaries;
- d) timeliness, or the length of time after measurement that data becomes available to users; and
- e) stability, the extent to which estimates vary from one time period to the next, which can have important effects on planning and continuity for local programs.

My belief is that the LSC board and staff, in consultation with the legal services community, should determine the relative importance of these criteria for program purposes, and then after consultation with the Census Bureau which of the available Census data sources has the best fit to the desired mix of criteria. I would therefore recommend that the proposal to the President and Congress recommend suggested appropriations statute language such as:

“The determination of the number of individuals in poverty in each geographic area shall be based on the best data available for this purpose from the Census Bureau and other reliable sources.”

A second concern about the proposed language is that the typical Census bureau datasets (ACS, CPS-ASES, SAIPE) measure only income and poverty for persons living in households. While this is about 97% of the US population, the extent of persons not living in households varies considerably between local areas. Persons not living in households are counted by the Decennial Census and some other Census surveys, but there is typically no determination of income and no attempt to define household composition and size, both of which would be necessary to determine poverty rates. Persons not living in households can include those living with no residential structure (e.g. in a park) but most counted by the Census are considered to be living in **group quarters**. These include institutions (correctional facilities, group and residential facilities for juveniles which are not correctional, nursing homes, residential hospitals and hospices) and non-institutional settings (college dorms, military barracks and ships, homeless shelters, adult group homes, residential treatment facilities, religious group quarters, worker group quarters, and YMCAs/hostels). Clearly, there will be considerable differences in the group quarters population proportions between areas with large low-income populations living inwith military bases, prisons,, adult group homes, and those areas which have few such quarters. The conventional Census counts do not take these poverty populations into account.

In addition, there are populations which are poorly counted by the Census bureau, including the homeless and those living in temporary quarters, such as persons displaced by natural disasters and migrant farm workers. Census has a hard time counting such persons because their residential structures, if any, are occupied only occasionally and may move frequently; thus they do not tend to appear on the Census Master Address File, which is derived

mainly from US Postal Service address data and local building permit and tax records. It is quite possible that better data on these populations can be obtained from other reliable sources, such as HUD and the Department of Agriculture.

Because persons not in conventional households are a non-trivial part of the populations of some geographic areas but not others, LSC should consider with the Census Bureau and other agencies effective means of estimating non-household poverty populations separately from the household-based poverty population, and either adding those non-household estimates to the household estimates, or making some broader area (e.g., state-wide) allocations to cover the identifiable non-household poor. I believe the language I recommend above is sufficiently flexible to permit either solution to the problem of non-household poverty populations.

I will be happy to further address any of the issues with you if I have been unclear above.

Sincerely,

Terry K. Adams