



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410-7000

OFFICE OF THE ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

Dear Chief Executive:

The purpose of this letter is to advise entitlement grantees of the transition policy for implementing new data collection requirements, as required by the Office of Management and Budget (OMB). The enclosed memorandum from Deputy Secretary Alphonso Jackson more thoroughly describes the new requirements.

In October 1997, OMB significantly revised standards for Federal agencies that collect, maintain or report Federal data on race and ethnicity for statistical purposes, program administrative reporting or civil rights compliance reporting. Under the revised policy, HUD must offer respondents the option of selecting one or more of five racial categories. As previously, HUD must also treat ethnicity as a category separate from race. Finally, terminology for certain racial groups and ethnic groups has been changed.

The changes will have two significant impacts on grantee data collection and reporting: (1) Hispanic will now be considered an ethnicity category rather than a race category; and (2) Asian/Pacific Islander will be split into the two categories of Asian and Native Hawaiian/Other Pacific Islander.

Due to what was learned from conducting the 2000 Census, OMB recommends that when collecting this data, grantees ask respondents to identify their ethnicity prior to asking them to identify their race. The five single-race categories will be White, Black/African American, Asian, American Indian/Alaskan Native, and Native Hawaiian/Other Pacific Islander. When reporting to HUD, grantees will also be asked to classify responses using five new multi-race categories: American Indian/Alaskan Native & White; Asian & White; Black/African American & White; American Indian/Alaskan Native & Black/African American; and Other Multi-racial.

OMB has required implementation by December 31, 2002. This requirement has been a topic of informal discussions and information sharing among HUD and grantee staff responsible for computerized reporting in the Integrated Disbursement and Information System (IDIS). The most significant impact on entitlement communities will be the need to revise contract documents with subrecipients and any forms that include data collection such as applications for direct assistance. HUD staff stand ready to help local staff in this effort.

The new screens will be available on IDIS in December 2002. Inputting this data will be mandatory for all grantees. Our transition policy will be as follows:

For activities entered into IDIS following the addition of the new race/ethnicity

categories, the requirement will start immediately. Grantees will only see the new race/ethnicity categories when they come to those screens in IDIS.

*Grantees should transition to collecting race/ethnicity using the new categories as soon as possible. For activities **already entered into IDIS at the time of the IDIS release**, grantees will be given until April 1, 2004, to transition to the new categories. This transition policy takes into account that grantees often have agreements with non-profits on how to collect this data, and that grantees may not be able to change that process for a few months. The last grantees that would be allowed to enter data into the current "Asian/Pacific Islander" or "Hispanic" race categories, which are not included in the new classification, will be March 31, 2004. Beginning April 1, 2004, these two race fields will be locked.*

Grantees will not be required to convert any racial data they have already saved to IDIS for the existing five race categories. That data will continue to display in IDIS and appear on IDIS reports for the current race categories.

Thank you for your ongoing efforts and achievements to make our nation's cities viable communities. I look forward to continuing to serve with you in this endeavor.

Sincerely,

Roy A. Bernardi
Assistant Secretary

Enclosure

MEMORANDUM FOR: SEE LIST ATTACHED

FROM: Alphonso Jackson, Deputy Secretary, SD

SUBJECT: New OMB Standards for Federal Data on Race and Ethnicity: HUD Policy Statement and Implementing Guidelines.

On October 30, 1997, the Office of Management and Budget (OMB) significantly revised standards for Federal agencies, including HUD and its program offices and partners, that collect, maintain, and report Federal data on race and ethnicity for statistical purposes, program administrative reporting, and civil rights compliance reporting. The new standards give Federal agencies enhanced ability to collect information that reflects, with immigration and interracial marriages on the rise, the growing diversity of the U.S. population.

The new provisions changed OMB standards that had been operative for the Federal government for two decades (since 1977). OMB's most recent provisional guidance on these changes, which continues to evolve, was issued on December 15, 2000. Based upon OMB's December 2000 provisional guidance and appendices, this memorandum establishes HUD policy and guidelines for implementing the new data collection procedures.

Under this new policy, HUD must offer individuals, who are responding to agency data requests for race, the option of selecting *one or more* of five racial categories. HUD must also treat ethnicity as a category separate from race, and change the terminology for certain racial and ethnic groups.

1. Definitions

The five racial categories as revised by OMB are defined as follows:

- a) **American Indian or Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- b) **Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- c) **Black or African American.** A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black or

African American.”

- d) **Native Hawaiian or Other Pacific Islander.** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
- e) **White.** A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

The two ethnic categories as revised by OMB are defined as follows:

- a) **Hispanic or Latino.** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term, “Spanish origin,” can be used in addition to “Hispanic or Latino.”
- b) **Not Hispanic or Latino.** A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

Under the old OMB guidelines, four racial categories (American Indian or Alaskan Native, Asian or Pacific Islander, Black, and White) and a single race response were in effect. The new standards provide for *five* racial categories and allow an optional multiple race response. The new standards, however, do not *require* a multiple race response. “Asian” replaces the former “Asian or Pacific Islander” category. The “Native Hawaiian or Other Pacific Islander” category is added.

In the past, some program offices and HUD partners classified “Hispanic” as a racial instead of an ethnic category, contrary to OMB guidelines. HUD must now designate “Hispanic or Latino” and “Not Hispanic or Latino” as separate ethnic categories. Unlike the new standards for race, the OMB provisions for ethnicity *do not* permit a multiple response. A respondent claims either “Hispanic or Latino” or reports “Not Hispanic or Latino.”

Program offices and HUD partners must also comply with some important terminology changes with respect to race and ethnicity. “Alaska Native” replaces “Alaskan Native.” The term “Black” is now referenced as “Black or African American.” “Hispanic or Latino” replaces “Hispanic.” “Not Hispanic or Latino” replaces “Not Hispanic.”

Prior Ethnic Categories:

- Hispanic Origin
- Not of Hispanic Origin

Prior Racial Categories:

- American Indian or Alaskan Native
- Asian or Pacific Islander
- Black
- (NA)
- White

Revised Ethnic Categories:

- Hispanic *or Latino*
- Not Hispanic *or Latino*

Revised Racial Categories:

- American Indian or *Alaska* Native
- Asian (“*or Pacific Islander*” dropped)
- Black *or African American*
- *Native Hawaiian or Other Pacific Islander*
- White

2. Data Collection Format

Program offices and HUD partners should use a two-question format, meaning that separate questions for race and ethnicity should be used. *Both* questions must be answered. The ethnicity question should *precede* the race question. OMB recommended this sequence because pre-tests conducted by the U.S. Census Bureau found that placing ethnicity before race significantly reduced the non-response rate to the ethnicity question.

Ethnicity: (select *only one*)

- Hispanic or Latino
- Not Hispanic or Latino

Race: (select *one or more*)

- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or Other Pacific Islander
- White

Self-reporting or self-identification, rather than observer identification, is the preferred method for collecting race and ethnicity data. Self-identification for race and ethnicity means that responses are based on self-perception.

During data collection some respondents may find some of these revised racial and ethnic categories confusing. HUD will explore ways to assist in fully explaining these revised categories to respondents who have questions.

OMB’s new standards for race and ethnicity *do not* include an “other race” category. Therefore, program offices and HUD partners *must make every effort* to collect data for the aforementioned racial and ethnic categories. OMB does not provide guidance as to how to collect and report responses that do not easily fit into one or more of the revised racial categories. For example, some respondents may not identify with any of the categories for race. These are responses that might have been assigned to an “other race” category had one been available.

Program offices and HUD partners that collect race and ethnicity data should maintain a narrative record of such problematic responses. Program offices and HUD partners may choose to report these responses in the “balance” category in the tabulation and reporting template described below. However, some program offices and HUD partners may find it more appropriate to include these responses in a separate narrative paragraph following the reporting template.

3. Data Tabulation and Reporting

The policy change in Federal data collection for race and ethnicity affects the reporting categories for presenting the data. For tabulation and reporting purposes, program offices and HUD partners should include *at a minimum* these 22 items:

	<i>Total</i>	<i>Hispanic or Latino</i>
1. American Indian or Alaska Native	X	X
2. Asian	X	X
3. Black or African American	X	X
4. Native Hawaiian or Other Pacific Islander	X	X
5. White	X	X
6. American Indian or Alaska Native <i>and</i> White	X	X
7. Asian <i>and</i> White	X	X
8. Black or African American <i>and</i> White	X	X
9. American Indian or Alaska Native <i>and</i> Black or African American	X	X
10. Balance of individuals reporting more than one race	X	X
11. Total	X	X

This reporting template provides *at a minimum* five single race and the four most frequent multiple race categories, and a “balance” category for reporting individual responses that are not included in any of the nine categories listed above. Any aggregate count of a multiple race combination not included in the reporting template that exceeds one percent of the population should be included in narrative form. The narrative should report both the count and its population percentage.

Program offices and HUD partners must provide as much detail as possible on the multiple race responses. When confidentiality and data quality criteria do not allow a complete tabulation of the multiple race categories, the total number of persons identifying more than one race should be reported. When confidentiality does not permit a complete tabulation of race *by ethnicity*, then ethnicity by the single race categories and ethnicity for those identifying more than one race should be reported.

4. Bridging Data

Some program offices will often need to compare across time racial data collected under both the old and new standards. For some period of time (the “bridge period”), program offices

may opt to use two sets of numbers: (1) a tabulation of respondent data collected under the new standards, and (2) a “bridging estimate,” which predicts how those respondents would have answered under the old race standards. This sets the stage for longitudinal data comparisons.

However, program offices should carefully consider whether “bridging” is useful or necessary. Some offices may find that a “break” in their data sets can be tolerated. Offices that do not use bridging estimates should footnote the first occurrence of the data collected under the 1997 standards.

OMB outlines various methodologies for bridging, but offers no consensus on the best way to allocate responses under the new categories to the old categories. Further HUD guidance on such bridging methodologies is attached (Attachment 1).

5. Civil Rights Monitoring and Enforcement

On March 9, 2000, OMB issued rules for allocating multiple race responses for Federal agencies to use specifically in civil rights monitoring and enforcement. At HUD, these allocation rules are particularly relevant to the Office of Fair Housing and Equal Opportunity (FHEO). According to OMB guidelines, responses that combine *one minority race and white* are assigned to the minority race. When the responses involve *two or more minority races*, there are two possible scenarios. If the enforcement action was prompted by an individual complaint, allocate to the race upon which the discrimination was allegedly based. For example, in analyzing an enforcement action involving complaints of discrimination because one is Black or African American, responses from individuals reporting themselves as Black or African American *and* American Indian or Alaska Native will be allocated into the Black or African American category. If the enforcement action involved a claim of disparate impact or discriminatory patterns, analyze the patterns based on the alternative allocations to each minority group. Responses in the five single race categories are not reassigned.

Allocation for civil rights enforcement purposes *should not* be confused with the aforementioned allocation methodologies for bridging back to past data. Allocation for bridging may serve a very different purpose, such as for trend or time series analysis.

6. Effective Date

HUD program offices that collect, maintain, and report racial and ethnic information should adopt these new standards for *existing* record keeping or reporting requirements as soon as possible, but not later than *January 1, 2003*. For all *new* and *revised* record keeping or reporting requirements that include racial and ethnic information, the new standards take effect *immediately*.

Attachment 1: Bridging Data Under the New OMB Race Standards

Overview

This memo explains the various methods for “bridging” data and related research results that were issued by OMB on December 15, 2000, and offers recommendations to HUD offices about these methods. Some HUD offices may need to compare across time racial data collected under both the old and new standards. Under the new 1997 standards race is collected and reported for five racial categories, allowing respondents to choose more than one race. The old standards identified four racial categories and allowed the respondents to choose only one race. When a respondent under the new 1997 standards selects more than one racial group, some “bridging method” will be necessary to translate those multiple responses into a single response that this person, hypothetically, would most likely have reported under the old standards. Many individuals are likely to identify as they had before, under the old standards, and a bridging method is not needed for these responses. Responses in the new category of “Native Hawaiian or Pacific Islander” are assigned to the old category of “Asian or Pacific Islander.” So for some period of time (the “bridge period”), some offices may opt to use two sets of numbers: (1) a tabulation of respondent race data collected under the new standards, and (2) a “bridging estimate,” which predicts how those respondents would have answered under the old race standards. This sets the stage for longitudinal data comparisons.

Although the methods discussed here are primarily designed to address bridging issues relating to multiple race responses, *HUD may want to consider their appropriateness in bridging not only racial but ethnic data.* In the past, some HUD offices have treated Hispanic origin as a *racial*, not *ethnic*, category. Under the new OMB standards, that must change. Ethnicity must now be considered a separate category. For some period of time, some HUD offices may need to report two sets of numbers: (1) respondent data collected under the new ethnicity standards, which treat Hispanic origin as a separate ethnic category, and (2) a “bridging estimate” that estimates how those respondents would have answered under the old standards in which some HUD offices regarded Hispanic origin as a separate racial category.

For racial data and, in some cases, ethnic data, HUD offices should carefully consider whether “bridging” is useful or necessary. Some offices may find that a “break” in their data sets can be tolerated. Offices that do not use bridging estimates should footnote the first occurrence of the data collected under the 1997 standards.

The Methods

OMB outlines various methodologies for bridging, but offers no consensus on the best way to allocate responses under the new categories to the old categories. In fact, *OMB encourages agencies to plan and execute their own research that will inform their decisions regarding bridging methods and their uses.*

Nevertheless, OMB has provided information on the bridging methods that have been considered so far, as well as criteria for evaluating the various bridging methods. They have also reported the results of research conducted on several bridge-creating methods. All of the methods and the research related to them use individual-level records. Analyses were conducted on data using separate questions for race and Hispanic origin.

There are two major distinctions among methods for assigning multiple race responses. A multiple race response can be assigned to a single race category, known as *whole assignment*, or it can be assigned to multiple racial categories, known as *fractional assignment*. In whole assignment, a person is allocated completely to one racial category. In a fractional assignment, a person is partially assigned to each category previously selected in that person's multiple race response.

Whole assignment can be based on either a set of *deterministic* rules or some *probabilistic* distribution. A deterministic rule assigns a person to a category according to a set of predetermined rules, while a probabilistic rule allocates a person to a category based on a probability distribution. For example, a deterministic rule might assign *all* White and American Indian responses to the American Indian category. On the other hand, a probabilistic rule might randomly allot *60 percent* of the White and American Indian responses to the American Indian category, and *40 percent* to the White category.

In fractional assignment, multiple race responses are allocated to *more than one* racial category where each category receives a fraction of the count, whereby the sum of the fractions adds up to one. This assignment is based upon a deterministic rule. For example, a multiple race response of White and American Indian might count as *one-half* in the American Indian category and *one-half* in the White category. Such fractions, like the probabilities in the earlier example, could be varied for different combinations of multiple races to reflect how often people might identify with one group as compared to another.

Thus, the major methodological categories for bridging are: Deterministic Whole Assignment, Probabilistic Whole Assignment, and Deterministic Fractional Assignment. Within this framework are various ways to allocate multiple race responses for bridging purposes (Table 1).

Table 1. Bridging Methodologies Outlined by OMB

	<u>Whole Assignment</u>	<u>Fractional Assignment</u>
<u>Deterministic</u>	Smallest Group Largest Group Other Than White Largest Group	Equal Fractions NHIS Fractions* Plurality
<u>Probabilistic</u>	Equal Selection NHIS Fractions	Not Applicable**

*NHIS – National Health Interview Survey.

**OMB did not consider Probabilistic Fractional Assignment methods because they were unnecessarily complex and did not improve upon the other methods.

Deterministic Whole Assignment

Under this category there are four bridging methodologies:

- *Smallest Group* – This rule assigns responses that include White and another racial group to the other group. Responses including two or more racial groups other than White are assigned to the group with the *lowest* single race count.
- *Largest Group Other Than White* – This rule allocates responses that include White and another racial group to the other group. Responses including two or more racial groups other than White are assigned to the group with the *highest* single race count.
- *Largest Group* – This rule assigns responses including two or more racial groups to the group with the *highest* single race count. This means that any combination with White is allocated to the White category, while combinations that do not include White are assigned to the group with the *highest* single race count.
- *Plurality* – In this method, all responses in a multiple race category are assigned to the group with the *highest* proportion of responses on the follow-up question about “Main Race” in the National Health Interview Survey (NHIS). For years, the NHIS has permitted respondents to select more than one race. Respondents reporting more than one race were given a follow-up question about the one race with which they most closely identify (Main Race).

Probabilistic Whole Assignment

There are two bridging methodologies under this category:

- *Equal Selection* – This method assigns each of the multiple responses in *equal* fractions back to only one of the previous racial categories. The fractions specify the probabilities used to select a particular category. In this case they are equal selection probabilities.
- *NHIS Fractions* – This alternative assigns multiple race responses in *equal* fractions back to only one of the previous racial categories, based on the fractions drawn from empirical results from the NHIS. Equal fractions are used where no information is available from NHIS.

Deterministic Fractional Assignment

There are two bridging methodologies under this category:

- *Equal Fractions* – This method assigns each of the multiple responses in *equal* fractions to each racial group identified. These fractions must sum to 1.
- *NHIS Fractions* – This alternative also assigns multiple race responses in *equal* fractions to each racial group identified. These fractions must sum to 1. However, this alternative is based on the fractions drawn from empirical results from the NHIS.

All Inclusive Assignment

There is another method that does not fit neatly into the above-referenced framework. In this alternative, all responses are used. They are assigned to every racial category that a person selects. As a result, the sum of all the racial categories, which includes both single and multiple race reporting, will exceed 100 percent.

Criteria for Evaluating Bridging Methods

OMB has outlined criteria for assessing the technical adequacy of the various bridging methods:

Measure Change Over Time – The ideal method accurately recreates the population distribution under the old standards to the extent that differences reflect true change over time. The procedure also assigns an individual's response to the category that would have been chosen if the old standards had been in effect.

Congruence with Respondent's Choice – This concerns how well the full range of a respondent's choices is displayed in the racial distribution.

Range of Applicability – This relates to how well the method can be applied in different contexts.

Meet Confidentiality and Reliability Standards – The statistical organization’s confidentiality standards must be maintained even as reliable estimates are produced.

Minimize Disruptions to the Single Race Distributions – This criteria’s purpose is to discern how different the resulting bridge distribution is from the detailed single race distribution under the old standards.

Statistically Defensible – This means that the method must conform to recognized statistical standards.

Ease of Use – This refers to how complicated it is to produce the bridge distributions. The bridge tabulation procedures must be easy to replicate by others. From an operational standpoint, they should also be easy to implement.

Skill Required – This relates to the skills required to carry out the bridge operations. Persons with relatively little statistical knowledge should be able to implement the tabulation procedures.

Understandability and Communicability – This criterion concerns how easily the method can be explained to and understood by the average user.

As the bridging procedures are likely to be used and presented in a wide variety of situations by many different people, the last three criteria have a particular resonance.

Research Results

OMB’s analyses of the various bridging methods relied on three data sets: (1) the National Health Interview Survey (NHIS), specifically for the years 1993, 1994 and 1995; (2) the May 1995 Supplement of Race and Ethnicity to the Current Population Survey (CPS); and (3) the 1998 Washington State Population Survey (WSPS). The NHIS and the CPS were nationally representative. However, only the WSPS data most closely resembled how the race question would be posed under the new standards.

Certain bridging methods were scrutinized. They were: (1) the Deterministic Whole Assignment (Smallest Group, Largest Group Other Than White, Largest Group, and Plurality); (2) the Deterministic Fractional Assignment (Equal Fractions and NHIS Fractions), and (3) the All Inclusive Assignment. Probabilistic Whole Assignment methods were not addressed.

In addition to measuring these bridging methods against the aforementioned criteria, the analyses fell into three broad areas: (1) descriptions of racial distributions under various

bridging methods; (2) rate of racial “misclassification” for these methods; and (3) sensitivity of outcome measures to the bridging methods.

Distribution of Race

Racial distributions under the above-referenced bridging methods were calculated. These new distributions were compared to the reference distribution in each of the three data sets. Using these data, the proportion of multiple race responses were increased two-, four-, six-, and eight-fold. This was done to test how, with increasing levels of multiple race reporting, each bridging method affected the tabulations.

Misclassification of Race

For all three data sets, misclassification rates were calculated by comparing a person’s answer to the race question under the old standards to that person’s responses under the new standards using each of the bridging alternatives. This produced a misclassification rate and its standard error for each race by tabulation method.

Preliminary Outcomes Assessment

OMB assessed the impact of multiple race reporting on outcome measures from the NHIS, CPS, and WSPS data sets. This procedure was done to demonstrate how multiple race reporting and using various bridging methods may impact these and similar estimates. This assessment is important because Federal agencies typically are not analyzing racial distributions. Instead, they tend to examine national trends and indicators.

Informed by the evaluation criteria, OMB also released findings on the strengths and weaknesses of the bridging methods based on the statistical analyses. OMB warned that these results should be viewed with caution, considering that most of this work relied on small samples of data.

Measure Change Over Time – OMB found that the numerically smaller racial categories, particularly the “American Indian and Alaska Native” category, are the most sensitive to the bridging method that is chosen. The methods that produced distributions closest to the reference distributions were two from the Deterministic Whole Assignment category (Largest Group and Plurality), and the two Deterministic Fractional Assignment methods (Equal Fractions and NHIS Fractions). The remaining Deterministic Whole Assignment (Smallest Group, and Largest Group Other Than White) and All Inclusive methods were not as useful. With respect to misclassification rates, some contradictory results emerged. All the bridging methods produced relatively close matches for the outcomes derived from the three data sets. OMB suggested that the actual outcome being examined may determine which method is best at matching a reference distribution for outcome measures.

Congruence with Respondent's Choice – Of the methods under study, all, except for the four Deterministic Whole Assignment methods, in some way took into account the full range of the respondent's selections.

Range of Applicability – While the All Inclusive method can be used in a wide variety of applications, it will not be suitable for those who require a distribution that adds up to 100 percent. The Equal Fractional Assignment method is also generalizable, but not as easy to use as the All Inclusive method. Of the Deterministic Whole Assignment methods, the Largest Group method gets the highest marks. The remaining methods are more sensitive to context, particularly to the level of geography.

Meet Confidentiality and Reliability Standards – Confidentiality problems will continue to exist for all the bridging methods, but they vary on reliability. The All Inclusive method did not have reliability issues. Of the Deterministic Whole Assignment methods, the Largest Group method had the fewest reliability problems, while the Small Group tabulation had the most. Both Fractional Assignment methods had problems.

Minimize Disruptions to the Single Race Distributions – Conclusions here depended on the data set that was used. For the CPS Supplement, the Plurality method was somewhat closer when compared to the Largest Group Whole Assignment and Fractional Assignment methods. In the NHIS and WSPS data sets, the NHIS Fractional method came closest to minimizing disruptions.

Statistically Defensible – OMB noted that while some of these methods were based upon acceptable statistical conventions, the ones that did not follow a statistical practice (such as the Smallest Group Whole Assignment method) assigned categories based on an observed distribution.

Ease of Use – While some methods were easier to use than others, none of the methods appeared exceptionally difficult to use.

Skill Required – According to OMB, a minimal amount of computer expertise was required to perform the operations related to these methods. Statistical knowledge would be useful in understanding the Deterministic Fractional Assignment methods, but the Deterministic Whole Assignment procedures required no such knowledge. Since percentages added up to more than 100 percent in the All Inclusive method, one might want to know the statistical technique of raking in order to address that issue.

Understandability and Communicability – The Deterministic Whole Assignment methods can be easily explained to and understood by the average user. While the Deterministic Fractional Assignment methods might be easy to explain, an average user might find such an idea difficult to accept. Finally, the All Inclusive method may be easy to convey, but because the results add up to over 100 percent (unless a raking procedure is used), one may not understand how to use the results.

Recommendations

Since the 1997 OMB revision to racial data collection standards, bridging has become a methodology required for virtually anyone performing, reviewing, or using trend or time series analyses involving current demographic data and data collected under the prior standards. As previously discussed, the 1997 standards revise the terminology and increase the number of racial categories from four to five, and permit a respondent of mixed racial heritage to identify with more than one racial group.

According to the Census Bureau, only 2.4 percent of the U.S. population reported two or more races in the 2000 Decennial Census. Thus, when collecting racial and ethnic data under the new OMB standards HUD, as a Department and some offices within the Department, may find that their respondents or customers of mixed race heritage constitute a relatively small share of their total population pool.

This possibility provides some perspective when considering the bridging issues at HUD. Some bridging exercises will likely apply to relatively small multiple race populations here. Given such small numbers (or possibly for different reasons) an office may feel justified in tolerating a “break” in its data and in foregoing any bridging activities.

Thus, some HUD offices may at first glance believe that they are not obligated to bridge their data. But they should recall that demographic statistics are of crucial importance to many researchers, policy analysts, decision-makers, and other data users. Only in cases where applying bridging to truly small populations would yield statistically questionable results may a HUD office justify dismissing the need to perform bridging.

When HUD offices do perform bridging, this memo recommends that the Deterministic Whole Assignment should be employed and specifically the bridging methodology designated as “Largest Group Other Than White.” This methodology or rule allocates responses that include White and another racial group to the other group. Responses including two or more racial groups other than White are assigned to the group with the highest single race count--presumably one or another of the minority groups. This bridging methodology is advised by HUD’s FHEO office, for it better reflects the issues in which they are interested as well as HUD’s statutory obligation to affirmatively further fair housing.

HUD offices *are encouraged but not obligated* to adopt FHEO’s preferred bridging method that would allow for trend or time series analyses, or are free to select another method that is more appropriate. This recommendation is intended for guidance only.

For further information or discussion you may call Dianne T. Thompson in PD&R at (202) 708-5537, extension 5863.