

POLICY BRIEF

The 2020 Census:

The Importance of an Accurate and Robust Accounting of our Nation's Population





About the Committee for Economic Development

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Since its inception in 1942, CED has addressed national priorities that promote sustained economic growth and development to benefit all Americans. CED's work in our early years led to significant policy accomplishments, including the Marshall Plan, the economic development program which helped rebuild Europe and maintain the peace; and the Bretton Woods Agreement, which established the new global financial system and both the World Bank and International Monetary Fund.

Today, CED continues to play an important role in shaping the intersection of business, government and society. Comprised of leading business executives from across the country, we lend our voice and expertise on pressing policy

issues. Areas in which CED has made substantial contributions include U.S. fiscal health, education – including investments in pre-K, K-12 academic standards and increased STEM education, money in politics, women in leadership, and global competitiveness, to name just a few.

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The decennial census is the primary source of data on the nation's population and economy. Census data are used to determine our system of political representation, inform business development and investment, and allocate government funds to where they are most needed. The census and the Census Bureau's American Community Survey (ACS) inform decision-making in both the public and private sectors, and stand as the benchmark against which public and private surveys and database work are measured. Given the importance of the census to many public and private stakeholders, ensuring an accurate count and the collection of high-quality data is a national policy priority.

With little more than a year remaining before the population count begins, the Census Bureau faces significant challenges that pose a risk to the fairness and accuracy of the 2020 survey. Congress and government officials need to monitor the agency closely and take all appropriate actions to ensure that it has the funding and infrastructure needed to carry out a credible and robust accounting of the population and demographic trends.

The Value of the Census

The census is an essential tool in our system of government and private enterprise. Many of the most important decisions made by government and business leaders are based on the information that is provided by the decennial census and its interim community surveys.

The census is an invaluable tool for the business community. It stands as the single best source of information about the demographics and growth potential of the American market.¹ Almost all commercial databases require benchmarking to the reliable population parameters provided by the census. While businesses collect their own data or make use of data generated by other private sources, these data are often

complementary to the public data gathered by the Census Bureau, which provides business leaders with information about demographic and economic changes that facilitates more informed and forward-looking business decision-making.² Entrepreneurs both large and small rely on census information to make decisions about a wide variety of investments, including new real estate developments and office or store locations, the construction of hospitals and urgent care facilities, and expansions of distribution services and warehouse facilities. The ACS offers detailed information that help businesses better understand community needs, measure potential markets, and assess local labor environments. ACS data also help businesses identify

prospective customer locations, better assess customer demand, and gauge the comparative performance of diverse business geographies.³ In addition, manufacturers, retailers, and financial analysts use census data to assess a company's health, determine returns on investment, optimize consumer prices and strategies, and identify new investment opportunities.⁴ Business leaders and entrepreneurs rely on information derived from the census every day to make material decisions that create jobs and grow our national economy.

The census is the foundation of fair political representation since the population count serves as the basis for apportioning seats in the House of Representatives and drawing district boundaries to conform to the constitutional requisite of equal population. Similarly, it is used to draw district lines for state legislative seats and other elected positions, including city councils, school boards, and some municipal offices. As the fundamental component of the districting process, it is the means by which the people are linked to representatives in government. We cannot realize our nation's promise of equal representation without it.

The census is also a foundation of responsible allocation and stewardship of tax dollars. Congress uses census data and data from the ACS, which provides detailed annual data on key social and economic characteristics for every community in the United States, to allocate funds for dozens of federal grant programs, including grants for highway and transportation projects, rural electrification, business and industry development loans, homeland security, natural disaster recovery, education, public health services, and Medicaid and supplemental nutrition programs. According to a recent Census Bureau analysis, 132 federal programs use census data to allocate more than \$675 billion each year to households, towns, cities and states throughout the nation.⁵ The Census Project, a nonprofit advocacy organization, reports that



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decennial census data are used to direct the allocation of federal grants that constitute nearly a third of all federal assistance to state and local governments.⁶

Beyond awarding or allocating federal funds, census data are used by government agencies to ensure that programs function as designed, to monitor program performance, and encourage effective administration of federal monies. State and local governments rely on census and ACS data to plan services and direct resources to communities, provide state and local emergency services, and develop evacuation and response plans for use in the event of a natural disaster.

An accurate and complete census is therefore essential to ensuring that government monies are distributed to areas where they are needed most and will have the greatest impact on local investments in schools, infrastructure, public health, and public institutions and services. Workers and businesses pay their fair share of taxes. They should receive their fair share of the benefits government offers in return. The fairness of this exchange between the government and local communities and their constituents depends on the accuracy of the census.

The Challenges of the 2020 Census

A decennial census is required by the Constitution, and unlike most government programs, it is carried out on a strict schedule. The next official count begins on April 1, 2020. The Census Bureau must be prepared to fulfill its responsibilities by this time, which typically requires two to three years of preparatory work to test management systems and data collection methods, plan outreach, hire and train the necessary workforce, and heighten public awareness of its efforts. Most of this early work had to be carried out without an established leader at the helm, since the Director's office was vacant for 18 months. The former Director announced his resignation in May 2017, but President Trump did not nominate a successor until July 2018.⁷ On January 2, 2019, the Senate confirmed Steven Dillingham for the position.⁸ He now faces a complicated and demanding managerial task.

For the past two years, the Census Bureau has struggled to obtain the funding needed to perform the tasks essential to the collection of robust and high-quality data. Congress initially directed the Bureau to spend no more on the 2020 census than it spent on the 2010 count (\$13 billion).⁹ To meet this directive and lower its costs, the Census Bureau has been investing in new information technology infrastructure and, for the first time, plans to instruct American residents on its first pass to respond to its questions online. The Bureau estimated that this approach would significantly reduce the number of people who need to be reached by its traditional door-to-door approach and save an estimated \$5 billion.¹⁰ However, the unexpectedly high costs of its infrastructure investments (which have risen from an estimated \$3.4 billion to \$4.8 billion¹¹), combined with appropriations that have failed to fulfill budget requests, have forced the Bureau to delay implementation and testing of their new survey methods. Two of

the three pilot programs designed to test the planned approach were cancelled due to a lack of funds, including a test in West Virginia, where many rural counties lack high-speed internet access. The opening of three field offices was also delayed.¹² In January 2018, the Bureau reported that only 24 of the 44 systems needed for a dry run of the census were ready for use.¹³ The tests that have been conducted revealed connectivity problems that the Bureau will need to address.¹⁴ Without extensive testing, including tests of the effectiveness of safeguards against cyber attacks, there is no certainty that planned systems will work or that an accurate and credible count will be achieved.

In addition to the challenge of implementing new technology, the Bureau faces the demanding task of recruiting and training a temporary workforce of hundreds of thousands of individuals over the course of the next year to count those who do not respond online or reside in harder-to-count communities, such as urban centers or rural counties. Given the strength of our economy and historically low unemployment, recruiting and training such a large workforce could very well prove to be especially difficult.¹⁵

The Census Bureau also faces multiple lawsuits focused on the decision to include a citizenship question on the 2020 survey, including *Department of Commerce v. New York*, which the Supreme Court has accepted for review.¹⁶ The Court needs to address this question expeditiously to avoid further disruption of census preparedness, and should do so with regard to the effects on the accuracy of the count.

Conclusion

CED believes that the data compiled by the census are a public good that serves as a vital information resource. We urge Congress to ensure that the Census Bureau has adequate levels of funding and staffing commensurate with its task. Funding allocated to the Bureau should provide the resources needed to develop and test the infrastructure necessary to capitalize on new technologies and the more efficient means of data collection they offer. In addition, Congress should take the actions it deems appropriate to ensure that the census produces accurate, credible, robust and secure data.

Many local communities are working to ensure broad participation in the census by initiating public-private partnerships or other projects involving some combination of state and local government, members of the business community, philanthropic organizations and other civic actors.¹⁷ For example, in San Jose, Calif., city officials are working with local employers to develop solutions for potential hiring problems and identify possibilities for future employment of temporary census workers once the census is completed. In Detroit, Mich., local officials are planning to conduct a "shadow census," a practice run, to gather information and



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experience that can be used to improve the accuracy and response rates of the census survey. These local initiatives can serve to improve public awareness and enhance the efficacy of data collection efforts. We encourage members of the business community to become involved in such efforts, if appropriate, as one means of working within their communities to achieve an accurate census count.

Census data are essential to fulfilling a wide range of public and private ends, the most important of which is to guarantee equal representation in the political process. Every effort should therefore be made to ensure that accurate data are available for the decade ahead of us.

Endnotes

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