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“The Economic Impacts of the 2020 Census and Business Uses of Federal Data”

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I am pleased to hold this hearing examining the many economic uses of census and other federal data, particularly by U.S. businesses.

Census data is the only source of objective and comprehensive data about the nation’s demographic characteristics down to the neighborhood-level.

The decennial census provides the foundation for other federal surveys, including the American Community Survey. The ACS tracks social, demographic, economic and housing data, including educational attainment, income and earnings, employment status and housing value.

Census data are an essential building block or benchmark for most nationally representative surveys—public and private, helping us to understand the economy, our workforce and opportunities for growth.

General business use of Census data

Businesses use census data to make economic and strategic decisions that determine the flow of almost \$4 trillion in annual private investment.

They use it to decide where to locate or expand operations and where to open new stores and distribution centers. Even what products to sell in which stores. It affects where and how advertisers spend their dollars.

When businesses plot their strategies, they look at census data to understand the skills of the workforce and the characteristics of potential customers.

Business examples – large corporations

Let's take a few examples.

David Kenny, the CEO of Nielsen, in a recent New York Times op-ed, described how businesses rely on census data to make a broad range of strategic decisions.

The census is used to identify where, for example, to put power lines, cell towers and hospitals.

Target told us that the U.S. census is one of many resources that it uses to better understand the communities where they do business.

Business examples – regional planning

In the 7 Rivers region, which includes southwest Wisconsin, southeast Minnesota and northeast Iowa, hundreds of businesses and community leaders are using census-based data to craft strategies to fill jobs and boost labor force participation.

It starts with using data to understand who is unemployed, who has left the labor force, how much education have they attained. How do local workers compare to others nationwide? Are they younger, older, more likely to be male or female?

The strategies that emerged from a careful analysis of the data are varied. One approach is to expand child care to make it more attractive for women with young children to enter the labor market.

The 7 Rivers Alliance is just one example. Every day, companies across the country make decisions based on census data to chart their future.

Federal policy

The decennial census is used to apportion representation in the U.S. House of Representatives and to determine allocation of federal funds. Hundreds of billions in federal dollars and fair political representation are on the table.

Where we build roads, bridges, schools and other core infrastructure is based on federal data.

How we target funds to address cancer, obesity and other health challenges depends on the Census.

It has been politicized

Unfortunately, the 2020 census has been politicized through the citizenship question. Immigrant communities, already skeptical of the federal government, are reluctant to take part in a survey they believe could be used against them, jeopardizing their status.

A recent study at Harvard found that the citizenship question could lead to 6 million Hispanics missing from the count.

That means Hispanics would be underrepresented in Congress and would receive less in federal dollars.

It means businesses would not get accurate data about the role Latinos play in the U.S. economy.

It means the 2020 census would not provide a fair and accurate count.

The point of the census is to get a full count of the population. Any proposal that would limit or discourage participation would run counter to this very objective.

This would undermine the integrity of the census data, inflicting substantial harm on businesses and others that depend on accurate data. And it would undermine the right of every American to be represented.

Conclusion

Getting the count wrong would be costly with far-reaching effects on nearly every segment of the population and on nearly every industry in our economy.

We would be misallocating resources through misguided business investments and poorly targeted government expenditures.

We would be using flawed data as the basis for making and evaluating decisions.

And we would be doing this for a decade.

Accurately counting all of our people should not be a partisan issue.

Businesses, researchers, policymakers, state and local governments all count on the data that flows from the Census.

I look forward to our witnesses' testimony.

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