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THE ECONOMIC IMPACTS OF THE 2020 CENSUS AND BUSINESS USES OF FEDERAL DATA

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WEDNESDAY, MAY 22, 2019

UNITED STATES CONGESS,
JOINT ECONOMIC COMMITTEE,
Washington, DC.

The Committee met, pursuant to call, at 2:07 p.m., in Room 210, Cannon House Office Building, the Honorable Carolyn B. Maloney, Vice Chair, presiding.

Representatives present: Maloney, Heck, Beyer, Marchant, Beatty, Schweikert, LaHood, and Trone.

Senators present: Lee.

Staff present: Melanie Ackerman, Dan Burns, Sol Espinoza, Natalie George, Harry Gural, Colleen Healy, Christina King, Wells King, Vijay Menon, Michael Pearson, Hope Sheils, Kyle Treasure, Jim Whitney, Scott Winship, and Randy Woods.

OPENING STATEMENT OF HON. CAROLYN B. MALONEY, VICE CHAIR, A U.S. REPRESENTATIVE FROM NEW YORK

Vice Chair Maloney. I am going to call the meeting to order because I think meetings should start on time, and everybody's time is so very valuable. When the Senator gets here, his opening statement will be read into the record and we can continue, but I can start with my opening statement. And I am very pleased to hold this hearing, examining the many economic uses of the 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. 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, 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.

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 businesses.

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 childcare, 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.

The decennial Census is used to apportion representation in the United States House of Representatives, and to determine allocation of Federal funds. Hundreds of billions of Federal dollars and fair political representation are on the table, and depend on the Census.

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.

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 that 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 that 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 proposals 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.

Now, 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 on 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. We should all work to make it as accurate as possible. I look forward to the witnesses' testimony, and I am so pleased to welcome the chair of the committee for his opening statement.

[The prepared statement of Vice Chair Maloney appears in the Submissions for the Record on page 28.]

OPENING STATEMENT OF HON. MIKE LEE, CHAIRMAN, A U.S. SENATOR FROM UTAH

Chairman Lee. Thank you very much. It is a pleasure to be here, and I appreciate you, Vice Chair Maloney, for putting together this hearing on this important topic.

Today, Federal data and surveys provide the American people with a lot of information, including some invaluable information about our society and our economy. But there are two key categories of information that are currently absent from our Federal surveys, categories that I would like to highlight a little bit during today's hearing.

First, our Federal surveys, and in particular, the American Community Survey, or ACS, and Current Population Survey, or CPS, fail to include information about past involvement with the criminal justice system. In other words, they do not tell us whether someone has been convicted of a crime, or has been put on probation, or on parole, or whether they have been incarcerated at some point during their lives.

Such data would, I believe, be invaluable for understanding how much these experiences might serve as a barrier to employment. For example, it would help us answer questions like how many people are out of the labor force, because they have criminal records? And how does this vary in terms of geography and in terms of the geographic makeup—the demographic makeup of any particular community?

In our own research on prime-age men who are out of the workforce, the JEC's Social Capital Project has found that one-third of these men have been incarcerated. And there is further evidence to suggest that men who are not employed are much more likely to have a criminal record than men who are. Indeed, we ought to have a fuller picture of this often-forgotten segment of our population, and figure out what we might do to help them, or what we might be doing to hinder them, what impacts our laws might be having on them, that we are not aware of, or that we didn't intend.

Our goal should be to make sure that our criminal justice system is, in fact, just that the punishment fits the crime and the criminal, being neither too lenient, nor too harsh, and to help these men and women reenter society and become productive members of their families and of their communities.

That is precisely why I have worked with many of my colleagues on legislation to this end, legislation like the First Step Act, which was signed into law by the President after being passed by both Houses of Congress in December, and which included some much-needed sentencing and prison reforms.

Having complete data on these topics in our Federal surveys would only further assist us in accomplishing these goals, these same goals as set out and identified and passed into law in the First Step Act.

Second, our surveys include limited information on social capital, and on what we call associational life, which is arguably the most important factor in understanding our Nation's health and happiness. The Current Population Survey includes a few questions on social capital and associational life since 2002. But there is still a whole lot of information that is lacking, that we don't even seek.

For instance, it provides little information on trust or confidence in our institutions, especially local ones. It does not track loneliness, happiness, or the availability of emotional support. It does not include information on the availability of public amenities, like libraries, parks, and playgrounds, which have been shown to have a high correlation with things like community involvement.

The CPS could—and I believe should—provide more information on the social integration that takes place between families, among friends, neighbors, congregants, and coworkers, and it could provide important details on the ways that technology hinders and helps social integration and interaction.

Furthermore, having more social capital information in these surveys would help all of us, simply because, as research shows, strong social capital is conducive to finding and getting work. Learning this information would provide some missing pieces to a puzzle, giving us a clear picture of ways we can strengthen our economy, and help our citizens be happy and productive members of their communities.

So, I look forward to hearing our testimony from these witnesses today, and grateful that you would be willing to join us. Thank you, Vice Chair.

[The prepared statement of Chairman Lee appears in the Submissions for the Record on page 29.]

Vice Chair Maloney. Thank you so much, and welcome to all of our panelists, and I would like to introduce our distinguished panel of witnesses. Dr. Andrew Reamer is a Research Professor at the George Washington Institute of Public Policy and George Washington University. He was formerly at the Brookings Institution. He provided an expert report in the *New York* v. *Department of Commerce* lawsuit, and has previously testified before this committee. Dr. Reamer has 20 years of experience as a Consultant in U.S. regional economic development. He received a Ph.D. in Economic Development and Public Policy, and a master of city planning from MIT, and a bachelor of science in economics at the Wharton School, University of Pennsylvania. He is a member of several Federal advisory committees, including the National Advisory Committee on Innovation and Entrepreneurship, and the Workforce Information Advisory Council.

Mr. Howard Fienberg is Vice President of Advocacy at the Insights Association. In this role, he lobbies for the marketing research and data analytics industry, focusing primarily on consumer privacy and data security, the Telephone Consumer Protection Act, tort reform, and the funding and integrity of the decennial Census and the American Community Survey. He is the Co-director of The Census Project, a 500-plus member coalition in support of a fair and accurate Census, which advocated for uninterrupted funding for the Census during the government shutdown. He has led other business groups to support funding for the decennial Census. He has an MA in international relations from the University of Essex in England, and a BA in political science from Trent University in Canada.

Ms. Mallory Bateman is the State Data Center Coordinator and a Research Analyst at the Kem C. Gardner Policy Institute at the University of Utah. The State Data Center is a partnership program between the states and the Census Bureau. As Coordinator, Ms. Bateman utilizes her background in research, analysis, and public involvement to produce training and technical assistance based on data from the Census Bureau for the government, researchers, and community members. Prior to her time at the institute, she worked as a Research Analyst at the Utah Foundation and researched a diverse range of topics, including demographics, voting policy, and local roads. She earned her BA in urban planning from the University of Utah and a master of science in social policy planning from the London School of Economics.

Dr. Nicholas Eberstadt holds the Henry Wendt Chair in Political Economy at the American Enterprise Institute, where he researches and writes extensively on demographics and economic development, and, more specifically, on international security in the Korean peninsula and Asia. Domestically, he focuses on poverty and social well-being. He is also a Senior Advisor to the National Bureau of Asian Research. He has a Ph.D. in political economy and government, an MPA from the Kennedy School of Government, an AB from Harvard University. In addition, he holds a master of science from the London School of Economics.

So I would like to welcome all of you, and I thank you all for your testimony, and I look forward to your testimony today before us. And let's start with Dr. Reamer and go down the line.

STATEMENT OF ANDREW REAMER, RESEARCH PROFESSOR, GEORGE WASHINGTON INSTITUTE OF PUBLIC POLICY, GEORGE WASHINGTON UNIVERSITY

Dr. Reamer. Chairman Lee, Vice Chairman Maloney, and distinguished members of the Joint Economic Committee, I appreciate your invitation to speak today about the economic impacts of the 2020 Census and the business uses of Federal data. The widespread use of data derived from the decennial Census by businesses and nonprofit organizations, workers, and students, and Federal, State, and local governments, has a substantial positive effect on the vitality of the U.S. economy and the Nation's 6 million private firms.

Data sets from the decennial Census are rarely used themselves in economic decisions. They are only gathered once a decade, and

they only collect a few variables like age, sex, and race, but they are essential for economic decision making, because the decennial Census provides the foundation for the development of three groups of Federal data sets that guide public and private economic decision making.

The first group is the annual population estimates and the housing estimates which are essentially updates of the data collected in the decennial Census.

The second group are household surveys, including, as Mr. Lee noted, the American Community Survey, the Current Population Survey, and the Consumer Expenditure Survey that collect data on variables that are not in the decennial Census.

And the third group are data-derived data sets that are geographic classifications, urban and rural classifications, and core-based statistical areas, all based on the decennial Census.

The vitality of the Nation's economy and the 6 million businesses inside it are greatly affected by decisions made by using Census-derived data—by the businesses themselves, by the Federal Government, State and local governments, workers, and students.

Businesses depend on Census-derived data to determine whether to open a business establishment in a particular community, based on market demand and the availability of qualified labor, where to site that establishment based on transportation and journey-to-work patterns; how large to make that establishment in terms of employment and capital investment; what goods and services to provide, based on population size and characteristics; and once they are in business, to measure their market share and market penetration.

The Federal Government uses Census-derived data that affect the U.S. economy and businesses through four avenues: one is, as Vice Chair mentioned, the Census and Census-derived data determine apportionment and redistricting.

Secondly, they determine Federal economic indicators such as CPI, gross domestic product, unemployment, and poverty rates.

Third, again, as the Vice Chair mentioned, the Federal Government uses Census-derived data to annually allocate over $900 billion geographically to cities and states across the country through 325 Federal spending programs.

And fourth, multiple agencies like FEMA and government-sponsored enterprises, like Fannie Mae, use Census-derived data to shape policies, programs, and plans that affect businesses.

State and local governments also use Census-derived data in multiple ways that affect businesses. They use data to draw legislative boundaries. They rely on these data to determine how best to deliver services, where to place schools, highways, and health clinics, how to design police patrols, and how to respond to natural disasters and other emergencies.

State governments rely on Census-derived data to project revenues and expenditures so they may balance their annual budgets. Half of State governments use Census-derived data to implement tax and expenditure limitations.

Also, State agencies use Census-derived data to direct federally funded sub grants to local governments, sub grants such as Title 1, WIOA, CDBG, and WIC.

Finally, students and workers use Census-derived data to make decisions that affect labor availability to businesses. Students choose careers and career pathways based on Census-derived data, and workers use the data to determine where to look for a job, and in which neighborhood to live.

In sum, economic policy and business decisions depend on the accuracy of the 2020 Census. If full accurate responses to the Census are not forthcoming, the American economy and its businesses will suffer.

Mr. Chairman, Madam Vice Chair, and committee members, thanks for the opportunity to speak, and I am pleased to answer any questions you might have.

[The prepared statement of Dr. Reamer appears in the Submissions for the Record on page 31.]

Vice Chair Maloney. Thank you so much.

Mr. Fienberg.

STATEMENT OF HOWARD FIENBERG, VICE PRESIDENT, ADVOCACY, INSIGHTS ASSOCIATION

Mr. Fienberg. Chairman Lee, Vice Chair Maloney, and committee members, thank you very much for the opportunity to testify today about the importance of the 2020 Census to American businesses.

Census data don't just underpin American democracy or guide Federal spending, although those are important, but for us, they form the backbone of data-driven decision making in the private sector. This data helps U.S. businesses promote economic development, identify and serve customers, and create jobs.

I am wearing two hats today at this hearing. The first is for the Insights Association, nonprofit association representing the marketing research and data analytics industry. Our members are the world's leading producers of intelligence analytics and insights, defining the needs, attitudes, and behaviors of consumers, organizations, and their employees, students, and citizens.

And with that essential understanding, a leader can make intelligent decisions, and deploy strategies and tactics to build trust, inspire innovation, realize the full potential of individuals and teams, and successfully create and promote products, services and ideas.

Now, research studies in the U.S. require the most accurate decennial data in order to produce statistically representative samples of the U.S. population or segments thereof. Even the most essential Federal Government surveys like the American Community Survey, or ACS, formerly known as the Census Long Form, are built on decennial Census data. Without accurate Census data, American businesses can't know what America needs.

My second hat is co-director of The Census Project, a broad-based coalition of national, State, and local organizations and companies that support an inclusive and accurate 2020 Census and ACS, including hundreds of State and local government groups, business trade associations, labor unions, academia, and civil rights activists.

While the Census Bureau aims for 100 percent accounting of the U.S. population every 10 years, it rarely achieves that goal. Hard-to-count populations in areas, such as remote and rural areas, ra-

cial and ethnic minorities, young children, and low-income households, are normally undercounted. But small inaccuracies in Census data can have a big impact, especially in the business world, which is why Congress must fully fund the 2020 Census as soon as possible.

Now, the Census data explains more than just how many people live where. Although that is an important aspect. Many companies, whether large multinationals or fledgling small businesses, we use the intricacies of Census data to decide where, when, or if to site a business, find the right consumer base, discover and satisfy consumers' unmet needs and wants, identify and locate the best workforce to run their business or where the best workforce of the future may be coming from, take risks on up-and-coming neighborhoods, and discover locations with the right infrastructure and funding behind them.

On the other side of the coin, economic development agencies, like the Greater Houston Partnership, utilize good, transparent Census data at the neighborhood level to attract and retain business investment from around the world to those cities, based on labor data, education levels, and traffic patterns.

Data-driven decisions are even more reliant on accurate Census data when they involve smaller, hard-to-count demographic groups or areas. Starbucks can easily open another coffee shop in Manhattan's financial district, but it takes the most accurate, Census-based insights to justify one in rural Arkansas.

Census data cover all American communities down to the neighborhood, and Census track levels so that we can accurately compare an East Asian immigrant neighborhood in downtown New Orleans to a low-income Hispanic suburb of Austin and a mostly white, middle-class small town in rural Washington.

The trickle-down impact of an inaccurate 2020 Census would restrain or ruin American businesses for a whole decade. For example, Utah-based Qualtrics, an Insights Association member providing software to measure and improve the customer experience for thousands of brands around the world, would struggle to provide those insights with the data—and provide the data necessary for those that experience, absent Census benchmarks, statistical sampling.

A utility company would not know where to site new cell towers, electric transmission lines, or water lines. So certain communities would go without enough coverage, while others might end up unnecessarily oversaturated.

An obstetrics practice might not be opened in an area growing dense with young family households if Census data can't accurately reflect the neighborhood's demographic trends, costing the medical practice profits and the local community the benefits of care.

A business might not invest in a certain neighborhood without special tax treatment for requisite concentrations of lower, moderate-income households, incentives that would be unavailable without accurate Census data to qualify them.

An Insights Association member conducting public opinion polling would not know how representative a survey's results of contentious political issues would be of the total population, let alone

important demographic segments, leaving policymakers and stakeholders guessing.

Insights Association members measuring the U.S. media audience and thus setting the rates for advertising, publication, and programming across the country would not be able to represent the whole audience without accurate Census data, leading ad spending and media programming to target the wrong areas and demographic segments, miss others entirely, or not be produced and delivered at all.

Finally, retail companies would be unable to conduct extensive market analysis needed to accurately determine where, what, and when to build, nor be able to accurately forecast their sales, delineate trade areas, or manage their supply chain.

The dependence on accurate Census data of American businesses, especially the marketing research and data analytics industry, drives our advocacy for adequate resources for the Census Bureau. We are extremely concerned about cancellation of essential 2020 Census field testing in remote and rural areas, potential drop in response rate due to the addition of a citizenship question, but also the general growing distrust in government, and the administration's plan to not spend all their available resources appropriated in fiscal year 2019, in fiscal year 2019.

We are also worried about severe impact of a CR or shutdown heading into fiscal year 2020, without a funding anomaly for the Census Bureau, since playing decennial Census catch-up can be very challenging and extremely expensive.

The Insights Association and Census Project also warned against sacrificing the ACS in any scramble for those decennial funds. A funding diversion would reduce the sample size, preventing the survey from delivering accurate data on more than 40 percent of U.S. counties and small towns, mostly rural.

For now, we are grateful House Appropriations today approved $7.5 billion for the 2020 Census, and $8.45 billion for the Census Bureau overall, in line with Census stakeholders' requests. The Insights Association and Census Project urge you to support the maximum amount of Census funding to ensure an inclusive and accurate accounting of our Nation's population, and to help to determine the fate of American business for the next decade and beyond.

Thank you for inviting my testimony this afternoon. I encourage you to peruse my written entertainment for a lot more examples, and I look forward to answering questions.

[The prepared statement of Mr. Fienberg appears in the Submissions for the Record on page 37.]

Vice Chair Maloney. Thank you very much.

Ms. Bateman.

STATEMENT OF MALLORY BATEMAN, COORDINATOR, STATE DATA CENTER, SENIOR RESEARCH ANALYST, THE KEM C. GARDNER POLICY INSTITUTE, THE UNIVERSITY OF UTAH

Ms. Bateman. Chairman Lee, Vice Chair Maloney, and members of the committee, thank you for the opportunity to testify today. As mentioned, I work at the Kem C. Gardner Policy Institute at the University of Utah, and the Gardner Institute develops and shares economic, demographic, and public policy research that

helps the public and decision makers make informed decisions in Utah.

Also, I am a member of the Census Bureau's State Data Center Steering Committee, a member of the Utah Complete Count Committee, and chair of the Gardner Institute 2020 Census Technical Advisory Committee.

Utah's unique demographics and thriving economy provide insight into how important the 2020 Census and other Federal data are to the economic success of the State. In states with shifting demographics, decision makers cannot make wise and timely decisions to support and build flourishing communities without the decennial Census and other Federal data.

Utah's 3.16 million residents have distinct demographics. We are the youngest State with the largest average household size, but we are following national trends of aging and diversifying racially, ethnically, and culturally.

Utah's growth has been the fastest in the Nation since 2010. Our strong job growth and broad industry growth attract new people to our State each year. Throughout the decade, migration has become a more significant component of our population growth, and in the past 5 years, we have added over 100,000 new residents because of net in-migration.

Additionally, new communities have emerged since 2010. In some areas, this means completely new investments in infrastructure, public safety, education, housing, and businesses. These areas have no baseline. So the 2020 Census is the first opportunity to learn about the population.

Some of Utah's rural areas have experienced population losses since 2010. While data from the American Community Survey provides us some insight to these changes, we need the 100 percent coverage provided by the 2020 Census to more fully understand the changing demographics of these communities.

The 2020 Census and other Federal data are paramount to our State, so we can understand the characteristics of new growth. Without it, we lack information about these new Utahns.

The Utah State Data Center regularly handles requests for demographic information from the public sector, private industry, and citizens seeking to learn more about their communities or regions. The data provided help with decisions about programming, investments, business location, and future planning.

I have been surprised to meet decision makers who believe that decennial data are only used by and for government. I work closely with our statewide Complete Count Committee co-chairs to maintain a constant narrative that decennial Census data provides the baseline for myriad data sets and funding calculations across all industries and government.

If funding calculations utilize a per capita measure or a sampling window based on a total population, it is highly likely decennial Census data is the denominator. Our director of demographic research, Dr. Pamela Perlich, likes to call our team the denominator people. Decennial Census data is the baseline for the State and county-level estimates and projections we produce, and those projections are a direct input for education, healthcare, transportation,

and infrastructure planning efforts, which then turn into a significant investment at the State and local level.

Utahns are recognizing the importance of a complete count from the 2020 Census. And community leaders from non-profits, community organizations, private industry, banking, and municipal government have partnered to urge State decision makers to support local outreach efforts this year. They emphasize the importance to a diverse array of interests, from economic development, to health and safety of Utah residents. The State, cities, counties, and the State library are discussing various allocations to support a complete count in 2020.

The work by Professor Reamer indicates that in fiscal year 2016, Utah received about $5.7 billion from Census-guided funding programs. Calculations by our Utah Governor's Office of Management and Budget indicate that this was around 27 percent of the State budget in that time frame. These investments will pay for themselves quickly.

We are reliant on a complete count of everyone in our State once, only once, and in the right place, to provide us with an updated framework once a decade. We want to inform decision makers across agencies, organizations, and industries on who their constituents and customers are, and plan appropriately in regions that may need additional assistance.

Thank you for holding this hearing, and I look forward to a successful 2020 Census.

[The prepared statement of Ms. Bateman appears in the Submissions for the Record on page 44.]

Vice Chair Maloney. Thank you.

And Dr. Eberstadt.

STATEMENT OF NICHOLAS EBERSTADT, HENRY WENDT CHAIR IN POLITICAL ECONOMY, AMERICAN ENTERPRISE INSTITUTE

Dr. Eberstadt. Mr. Chairman, Madam Vice Chair, members of the committee, distinguished co-panelists and guests, America's statistical agencies are the eyes and ears of our democracy. Whether you are a progressive, or a conservative, in favor of more government or less, you need good data to inform your efforts to make our country better.

For most of our history, the U.S. statistical system has been well ahead of the curve, if not a virtual wonder of the world. Recently, though, our Federal information systems have not fully kept up with the social and economic changes they should be helping us monitor. They are currently incapable of providing key facts and figures we need for confronting some of our new and pressing domestic social troubles. In my book, "Men Without Work: America's Invisible Crisis," I tried to highlight the collapse of work for grown men in our country, in recent decades.

Although the employment situation for working-age U.S. men has been slowly improving, the latest BLS figures indicate that their employment rates are still just on par with the levels of 1939, as reported in 1940 Census, which is to say, we still have a Depression-scale problem on our hands.

Our failure to cope more expeditiously with this problem may be partly related to the inadequacies of our statistical services to illu-

minate important dimensions of it. I highlighted a number of shortcomings and gaps in official information in that book I mentioned.

Today, I wish to speak about just one of those gaps, but it is an enormous blind spot, and given the realities of life in our country today, a critical and inexplicable one. I refer to the virtual absence in our Nation's statistical compendia of facts and figures about America's arrested and sentenced populations. These are large and growing populations, yet our government statistical systems can tell us almost nothing about them.

The explosive surge in both arrests and felony sentencing in modern America is a fact of life. In 2016, 91 million Americans were included in the Interstate Identification Index, the database the FBI uses to determine whether someone has a criminal record. That is two-fifths of the adult population.

What do we know about this huge contingent of people? Almost nothing. Age, sex, ethnicity, living arrangements, family situation, income, educational profile, health status, and all the rest of the data the Federal Government collects on our population are not cross-referenced here.

And the situation is even worse concerning the American felon population. It is not just that the government provides no information on the social, economic, or health conditions of these men and women. Astonishing as this may sound, the statistical system does not even offer an estimate for the total size of the population of Americans who have a felony conviction in their background.

Academic researchers have attempted a demographic reconstruction, though. According to their estimates, this convicted population shot up from under 2 million persons in 1948, to nearly 20 million in 2010. By those numbers, roughly one in 12 American adults had a felony conviction in 2010, one in eight adult men. That was 2010. Rough calculations suggest the total population with a felony conviction in America today might equal or exceed 24 million.

We hear a lot about mass incarceration. Over 2 million persons in America are in correctional facilities today. Usually missing from the conversation about mass incarceration, however, is any recognition that these imprisoned Americans may represent less than one-tenth of the total population of felony convicts.

Today, 20 million or more Americans not behind bars may have a felony conviction in their past. This immense population is effectively, statistically invisible. The Census Bureau, the Bureau of Labor Statistics, the Centers for Disease Control, none can tell us practically anything about conditions of life for these tens of millions of Americans in our society.

Needless to say, evidence-based policies to help reintegrate ex-cons and ex-felons back into the labor force and into families and into societies require evidence in the first place.

We have a chance to end this statistical darkness. Including just one or two questions on criminal justice system history in the ACS could end this statistical darkness, and linked administrative data offer another avenue for redressing this darkness, with much greater speed and at far lower cost.

For obvious reasons, approaches to reentry and rehabilitation today remain largely anecdotal. It is past time to take the steps

necessary to begin wresting our approaches to public policy in this realm on facts.

Thank you, Madam Vice Chair and Chairman. I would like also, if I could, to add some additional materials to the record with your permission.

Vice Chair Maloney. Absolutely.

[The prepared statement of Dr. Eberstadt appears in the Submissions for the Record on page 48.]

Thank you all for your testimony, and we appreciate your research and all your work in the area.

I would like to ask Mr. Fienberg about the addition of the citizenship question to the Census, and the effect that this will have on the accuracy of the data. We heard from all of you the importance of having accurate data, but we had a case recently that went all the way to the Supreme Court. Judge Furman in New York ruled that the addition was frivolous, and a tremendous mistake, and would lead to an undercount. Six former heads of the Census Bureau, both Republican and Democratic, signed letters and spoke out that adding the citizenship question would result in an undercount.

And we know how much businesses depend on this. The professionals at the Census Bureau also came out and spoke out against adding this question and said that it would result in an inaccurate count, inaccurate data, for the Census—for the 2020 Census. And in preparing for this, we spoke to Maurine Haver, a constituent of mine, who is President and CEO of Haver Analytics. Haver is the premier provider of time series data for the global strategy and research community and maintains over 200-plus databases from over 1,000 government and private sources that rely on Census data. She is concerned the citizenship question may reduce the quality of the Census data. Reams of professionals have joined her in this decision. And, Mr. Fienberg, do you and the businesses you have worked with share her concerns about the data accuracy of the 2020 Census?

Mr. Fienberg. I do. I should say, I am commenting in the capacity with the Insights Association hat on, rather than—the Census Project doesn't have a position on the citizenship question. The Insights Association does. We joined an amicus brief with a lot of other businesses to the Supreme Court case on this issue. And we do have a great concern.

I can't tell you with any great certainty what the impact will be on a numbers basis. I don't think we have good enough data to be able to say, and that is part of the problem that we have going into this. But there is enough data to be able to, you know, justify that—expect there will be a significant drop in the self-response rate for the decennial, which is the people actually responding without us spending a significant amount of time and money to get them to respond.

So even that alone, you can expect a significant increase in, you know, the amount of money that is going to have to go towards nonresponse follow-up, which is the going door to door to get people to respond. And even if we are able to get the 100 percent accuracy at that point, you know, that would still cost us an absolute fortune in nonresponse follow-up.

But I don't think we are going to be able to achieve that, because there will be some people that will still be deterred from responding, based on the concerns about the citizenship question. That will trickle down into the data. Just as an example, I cited for the media measurement among my members to be able to accurately measure the audience for advertising and programming among the Asian immigrants, or the Hispanic population, is going to drive advertising rates all over the map, and it is going to make everyone's spending in this area much less accurate, and there will be a lot of wasted resources.

Vice Chair Maloney. There are also—people feel that there will be an undercount based on the political climate of fear, and that possibly that has increased the likelihood of an undercount. Dr. Reamer, I would like to ask you about that. In fact, there was a hearing yesterday with the Secretary of HUD, and he said that their policy would be to deport anyone in public housing and remove them from public housing if they were undocumented. Yet their children are citizens. As you know, if you have a child in America, they are considered an American citizen.

So we could be facing a situation where parents could be leaving the country, but the children are staying here, and how are we going to take care of these children, with the separation of the families? So when you read about this type of crackdown, it might have the effect on people of not wanting to answer the citizenship question, therefore, not responding to the Census.

Do you think the climate for the 2020 decennial Census, which many have characterized as a climate of fear and uncertainty, presents a greater risk that we may see an undercount in 2020, and how do you think that would affect American businesses? And from all of your testimony, you cited the extent to which American businesses and the private sector rely on the Census data.

Dr. Reamer. The Census Bureau's own research shows that there is a climate of fear. They have held focus groups where people run out of the room when they are asked the citizenship question. The heart of the Census research that was used in the citizenship case, that both the plaintiffs and the defendants used, was the Census Bureau's estimate that the nonresponse rate for households with noncitizens would be 5.8 percent less than the response for households with citizens. The implications of that are that a lot of people would be missed. As Howard says, there is nonresponse follow-up. Maybe in 2010, 65 percent of the people mailed back their form. This time they will have——

Vice Chair Maloney. So that would be around 6 million people, the 5.8?

Dr. Reamer. Yes.

Vice Chair Maloney. That is a lot.

Dr. Reamer. And the Census Bureau then has to find these people, and it doesn't always succeed. It either finds them and get the information, or it doesn't find them. If it knows they are there, it imputes what it thinks the characteristics are, which may be wrong. So Howard's members may be—say, well, there is this many Hispanics in this community, but, in fact, it is 10 percent less or 10 percent more.

And also, the Census Bureau misses people that they don't even know they miss. So——

Vice Chair Maloney. Regretfully, my time is up.

And so I now recognize the Chairman, Mr. Lee, for his 5 minutes or 6 minutes because I went over.

Chairman Lee. Thank you very much, Vice Chair Maloney.

Ms. Bateman, I would like to start with you, if we could. As I mentioned in my opening statement, the Census Bureau is really good at collecting a lot of information, but none of the Census Bureau surveys that I am aware of has any measures for things like loneliness, happiness, the availability of sources of emotional support, nor do they, to my knowledge, have any information on the availability of public amenities, access to public parks, playgrounds, libraries, and so forth. And those are things that are often at least associated with high levels of community involvement.

First, do you believe that the addition of survey questions addressing some of these topics could help researchers better understand the health of civil society?

Ms. Bateman. They could provide insight, as long as people understand the concepts. I think there would have to be some explanation of what you are looking for. And I know that this is a topic that is coming up all over the globe. So you could probably find existing formats and surveys that could help provide guidance, but it would be an interesting thing to look into.

Chairman Lee. It certainly—even though it is difficult to measure, it is certainly not impossible to measure, right? There are ways you could devise questions that could at least allow us to get access to some of this information?

Ms. Bateman. Other countries are definitely looking into this.

Chairman Lee. Are there any other topics that you would suggest trying to address in order to assess the health of our civil institutions or the health of civil society?

Ms. Bateman. That is a big question. I think if you could have a survey that people felt safe—and they trusted the institution in the first place—to respond, you could extrapolate and add more questions, touching on that type of topic, but it would require trust——

Chairman Lee. Sure.

Ms. Bateman [continuing]. In the institution.

Chairman Lee. Yeah, sure. They have got to have trust in the institution. If they don't trust, then you are not going to get as much of a response. But high response rates alone, if you are not asking the right data, won't give you that.

It gives me some comfort to know that in other parts of the world, they track such information. So we know it is not impossible. We also know that it is desirable, and that there are good things that could come from it. Sometimes we fail adequately to appreciate the impact our laws might have on relationships, on the—what brings people together as families, as neighborhoods, as communities, as fellow congregants and so forth.

Mr. Eberstadt, I would like to ask you a couple questions if I could. We found a limited number of relevant survey questions that deal with social capital. As we have undertaken the Social Capital Project through the Joint Economic Committee, we have looked

high and low for this. We haven't found a whole lot of it. And I think much of your work touches on things that are related to this—the web of relationships that connect people together. We have, at the family level, at the community level, represent really, I think, what are people's best chances of succeeding in life, especially their best chances of thriving.

What, if anything, would you recommend to be added to the Census Bureau surveys in order to give us a more accurate and fulsome view of associational life in America?

Dr. Eberstadt. Senator, first and foremost, a salute to you and your committee for investigating this important question of social capital. I think your team has done great work, very promising work so far. I can mention one item in particular, which I believe you are currently prohibited from inquiring about, and this is the religious adherence, or religious devotion of American citizens. Since 1976, the Census Bureau has been prohibited from asking such questions. And that has been taken, I think, broadly, as best practice, by all other statistical organizations.

Since secular approaches and religiosity seem to have some bearing on social capital, this would, I think, be a reasonable, and maybe a very interesting question to include.

Chairman Lee. Thank you. Along with that, what do you think we ought to be asking about in terms of people's criminal records? The fact that, as much of your research indicates, there is a high connection between someone's criminal background, whether they have been on probation, parole, supervised release, or served time in prison, or all of the above, should we be asking more about that, and what could that tell us?

Dr. Eberstadt. Sir, I think the most expeditious and inexpensive way of casting light in this area would be to link up existing administrative data with something like the Current Population Survey, the monthly job report data. This could be done by the Census Bureau and other statistical U.S. authorities, paying attention to confidentiality and privacy of the individuals in question.

This would be able to show, at least for a start, what sorts of patterns we see in the sentenced population currently on probation or on parole, with respect to employment, income, family situation, and the CPS questions. It would probably take about 3 weeks to get information on those 5- or 6 million persons.

Questions for the ACS, I think, would have to be tested very carefully and prepared very carefully, since this is such a sensitive and personal area of life, but if they could be adequately tested and rolled out, I think this would help to illuminate this darkness I was describing.

Chairman Lee. Thank you. That is very helpful.

Thank you, Vice Chair Maloney.

Vice Chair Maloney. Thank you so much.

And Representative Heck.

Representative Heck. Thank you, Madam Vice Chair.

Dr. Reamer, listening with interest to a lot of the provocative dialogue here about adding additional questions for deeper information, but I want to step back and make sure I have this thing in correct perspective. As I read the Constitution, as I understand

it, is not the first and foremost objective of the Census to get an accurate count on the number of noses in America?

Dr. Reamer. Yes.

Representative Heck. Thank you. I have been doing a—well, and anything that would detract from that would, therefore——

Dr. Reamer. Yes. And if I could insert—and I am happy to talk to members and staff afterwards—I have a bunch of ideas for how to collect social capital and the population characteristics that would not involve adding questions to the Census.

Representative Heck. So I have been doing a fairly deep dive in the last few years on the issue of the crisis of soaring housing prices and the shortage of houses, housing units available in America. We have compiled, through our task force, a report called "Missing Millions of Homes." And for our conclusion that we are missing millions of homes, we utilized a lot of Census data, housing vacancy survey, rental vacancy rate, home ownership rate, a joint HUD/Census effort on American Housing Survey, a building permit survey done by Census, and I could go on and on.

I think, Mr. Fienberg, I want to direct this to you. We know that we are millions of homes short based on this data. But here is what we also know, which is that over the course of the last decade, there has been fairly flat funding for our efforts to collect this kind of data. I am asking you this because you made such a point of the importance to have robust funding for a totally accurate count.

And I guess I want to ask you, as it relates to certain public policy challenges and social problems, like the lack of housing units available, to what degree, even if you could describe this qualitatively, is our ability to understand these challenges, hampered by a shortage of funding and complete accuracy?

Mr. Fienberg. I don't know how much funding is necessary for 100 percent accuracy. I wish I did. That would be great to be able to tell you exactly——

Representative Heck. Are we there?

Mr. Fienberg. No. I think we are—part of the problem is that Congress has to deal with a 10-year budget window for the decennial Census, and it is very difficult for Congress to deal with that 10-year window when you are going year to year, and the Census Bureau starts out at the beginning of a decennial cycle at very little money, and then suddenly the last couple of years is spending in many billions of dollars and required to pull it off.

Representative Heck. Well, would you—Mr. Fienberg, would you say that our ability to deal with these problems is, in some fashion, affected, if not curtailed, by an absence of having as accurate data as is reasonably possible?

Mr. Fienberg. Absolutely.

Representative Heck. And this would include housing?

Mr. Fienberg. Oh, definitely, yes. In fact, I would guide you towards a letter—a letter I referenced from the National Association of Realtors on how they use housing data to try to keep on top of the need for housing and the housing markets. And there is also extensive work done by the National Association of Home Builders using Census data in trying to, again, impute into where housing is and where it should be.

Representative Heck. Ergo, the need to provide adequate funding.

Mr. Fienberg. Absolutely.

Representative Heck. So I want to shift to another—kind of parallel subject. One of the most fundamental and essential mandates that we have set for ourselves, I think, would be to maintain an economy and a state of maximum employment. And as a matter of fact, that is a statutory mandate of the Federal Reserve, price stability and full employment. Yet we can't seem to define "full employment" in statistical terms, or if we can, we can't measure it. I know this because we are currently at 3.6 percent unemployment, and the Fed has said full employment is 4.3 percent unemployment.

And, obviously, we are well past their definition of full employment, and yet—unless somebody informs me otherwise—the Phillips curve has been repealed, we still are seeing modest wage growth, and we are still adding 150- to 250,000 jobs a month. So we are clearly not at full employment.

I am trying to sort out, is that because we are so far past the beginning of the decade that our data is fading, the accuracy of it? Is it because we haven't had adequate funding? But clearly, there is a disconnect here. You are looking at one another, like, not me, not me. Ms. Bateman, you, what accounts for this? Why is it that we are so far past the full employment data, or target that they have set, and yet we are adding jobs—Dr. Reamer has an answer. Thank you, sir.

Dr. Reamer. I don't know if it is an answer. I don't think it is a problem with the data. I think labor force participation rates are low historically. So what is happening is that additional people are joining the labor force. I think it is a question about, why is it that unemployment is so low, and yet inflation has not taken off. And jobs are added——

Representative Heck. You are saying the Philips curve has been repealed?

Dr. Reamer. Well, it may have been amended in——

Representative Heck. God wrote the Phillips curve, Dr. Reamer.

Dr. Reamer. So I think it is—it is a research question that it is—it is not an issue with the age of the data. It is an issue with the dynamics of the workforce, and back to adequate funding, the Bureau of Labor Statistics is dying for adequate funding. They have been flatlined by Congress for the last 10 years. So their budget is 15 to 20 percent below what it was in 2010.

Representative Heck. I think you have made my point.

I am out of time. I yield back.

Vice Chair Maloney. Thank you.

Representative Schweikert.

Representative Schweikert. Thank you, Madam Vice Chair.

Actually, to Mr. Heck, my understanding, is there an entire group—of Ph.D. economists—and demographers over at the Fed actually working on Phillips curve? Do you have to actually add in a conceptual shock absorber for potential labor force participation that we had sort of written out? You know, companies now being willing to hire felons, others, but also impacts of technology, chang-

ing productivity and other things. So there is always noise in the data.

I have a dozen things here, and I want to disclose in a previous life, I lived in TIGER files.

For those of us from Utah, Texas, Arizona, where we have quickly growing, substantial population movements and shifts, I understand the 10-year Census with as many questions as possible for businesses and economic decision making. But for communities like mine, we look dramatically different than we did 10 years ago, if every day I am getting 3, 400 new residents in my State. If we do the 10-year Census, is there an elegant way to start doing what a lot of my businesses, my universities, even my State government is trying to look at, and that is ways to almost crowd-source much more living data?

And if that makes sense, you know, how do we look at every day, how many building permits, birth rates, deaths, everything else? But you also actually even start to look into how many gallons of fuel sold, how many this, how many that. Are we basically still living in a data-design model that is decades out of date? And you think about all—everything from social indicators, of how many people signed up for SNAP this week, to how many people we believe, you know, picked up a job, or this and that. There has got to be a way that, when I am looking at, you know, my community, I am not looking at data that is 10 years old.

And, I mean, we are living in a time where we are walking around with super computers. I am frustrated, and somewhere in here, there may actually be—and forgive my heresy—a data-modeling opportunity between government, university, Census, business, to build us a model.

And why this is so important is, what I want to know is what I am seeing in the TIGER files—excuse me—in the U6 data real? Am I really seeing those with personal issues moving into the labor force? Am I really seeing millennial women moving in, but not millennial males? And is that living data the type of thing we could also be, as we are doing policy every day, be reacting to? In some ways—I know I don't have a classic demographer on the panel, but let's do a little bouncing. Being from sort of the university mechanism, is what I am speaking heresy?

Ms. Bateman. I don't know that it is heresy, but our team would advocate to look to your research universities. Our team produces an annual update to estimates and population projections and also looks at housing units in the State. We have a database where all the local cities report their building permits to our database. So we have these ongoing partnerships with the community to keep an up-to-date data set.

Representative Schweikert. Okay. Dr. Eberstadt.

Dr. Eberstadt. Sir, what you say is music to my ears. I love to hear that.

Representative Schweikert. I am the least musical person you are ever going to meet.

Dr. Eberstadt. Well, let me give it a try.

Representative Schweikert. And I actually have read your books.

Dr. Eberstadt. Big data, linked administrative data, and other Census data which are indispensable, all wonderful opportunities. With respect to U6 and to the Phillips curve, the Humphrey-Hawkins Act was written at a time when working age men were either——

Representative Schweikert. I think of us not going there. I know exactly where you are going, and actually, I am not a big data person. I am more of a—I have now moved to crowd source data. I actually believe big data gets old very fast. Living data is more useful.

Dr. Reamer.

Dr. Reamer. Right. Three points. One is the Census Bureau produces annual population estimates that are very good. If the Census is accurate, the bulk of the update annual is based on records, births, deaths and tax forms where people move from one year to another. So in terms of the actual head count, it is pretty good.

I think what would be helpful is, one, getting a contingent work supplement on the CPS so you understand that aspect of the workforce.

And secondly, Vice Chair Maloney mentioned Maurine Haver. She and I are working to create the third annual conference that brings together statistical agencies with Amazon and Uber.

Representative Schweikert. Something like that I would love for—please forgive me, Vice Chair Maloney. Just one quick.

Being someone who also spent a bunch of time bathing in the community survey, I actually have to disagree with you on just something. I think I actually distrust the government. There is some academic research out there that that was a bigger fragility in return rates than citizenship or all the other things that were being sort of discussed and tested.

So we may actually—I know one is a political hot potato and fits the, you know, us against them. We may actually have a whole cultural thing we have to work through because that was one of the real problems on the community survey, research.

So with that, I yield back.

Vice Chair Maloney. Thank you. And we have been joined by Representative Beyer from Virginia.

Thank you for being here.

Representative Beyer. This is my first time in this room finding the button. Thank you very much for being here.

First, Dr. Reamer, my daughter just graduated with her MPA from G.W. Friday morning.

Dr. Reamer. Congratulations.

Representative Beyer. Thank you. Thank you. She seems thrilled to have it. Now all she needs is a job, and things will be good.

Dr. Reamer. My mother graduated from the University of Washington.

Representative Beyer. Wow. The one degree of separation.

And I really want to thank you all for talking to us about the business uses of the Census data. When I opened a Land Rover dealership 22 years ago, we went months without selling a Range Rover until I turned to the Census data and figured out where our customers lived, where our potential customers lived, and all of a

sudden, it worked out really well. And the biggest concern that we have in my district right now, throughout Northern Virginia, is the fear of undercounting.

And so we obviously have a sadly divisive political climate. The meeting at the White House this morning is the latest example. Has that dampened business' willingness to advocate for the Census and participate in Census research and all the controversy over, you know, for example, the citizenship question? Or just the——

Vice Chair Maloney. Will the gentleman yield for 2 seconds?

Representative Beyer. Yes.

Vice Chair Maloney. You are raising a really important point. We had difficulty getting business representatives to come which we have never had before. We had the Chamber of Commerce in prior years.

Nielsen wrote a big report, and yet they said they didn't want to come because of the divisions and the fight over the citizenship question and the divisions between Congress. So that is a very important point that you raise.

Thank you for raising it.

Representative Beyer. From the positions that you have, have you seen any reluctance on the part of businesses to be part of this?

Mr. Fienberg. I have. Sorry. Certainly we are used to a lot greater participation from the business community and advocacy for the Census. In the case that I am not—things I am not directly involved in, but in the preparation for the decennial, businesses play a huge role in helping to get out the count, getting people involved, making sure that both people, companies' employees and their customers are going to be getting out know that the decennial Census is coming, making sure that they are going to self respond.

It is hugely important. A lot of them are not getting involved this time around. A lot of them have a little bit hesitancy, showing hesitancy in getting involved in presentation and advocacy, you know, on all sides because of the citizenship question. And that is not a specific thing saying that they are opposed to the citizenship question. I think the average business—and most businesses don't have a position on it one way or the other. They are risk averse and don't want to be involved in a political controversy, period.

So yeah. There are some companies that will care deeply about it because of the impact on the data that they are going to rely on, but most are more concerned about being involved in the political controversy and being seen as taking a side on a political issue.

Representative Beyer. So, I don't know if this is Ms. Bateman or Mr. Fienberg, I know you have been pressing for full funding of the Census, but one of the things that has concerned me is the dramatic reduction in the number of people that are intended to be hired from the 2010 Census, and I know that what I read is that supposedly the technology is so much better that we don't need to have all those people working the streets.

But do you have concerns that there aren't going to be enough human beings knocking on doors for the people that didn't mail it in or go online?

Ms. Bateman.

Ms. Bateman. Yes. I know, especially in Utah, we do have very low unemployment, and that wasn't the case in 2010. And so specifically in our case, I know that our partnership specialists and partnership team is trying to start very early to try to get people on board and trying to reach out to different groups than they had in the past, trying to figure out jobs where people might have more flexible hours that they could find—the opportunity for a second job would be appealing. But I know that our low unemployment in Utah is definitely a concern.

Mr. Fienberg. And if I recall correctly, there was supposed to be—according to the Census bureau, they were going to be aiming for 1,500 partnerships staff that they are going to be sending out in the field. According to the GAO, they are not likely to hit that this year in terms of their hiring. You need to hire them now.

And admittedly, in 2010, I believe they were closer to 4,000 partnership staff, and it is a huge deal in a very large country, especially as you move west in the country when going door to door and making contact with people in remote areas is extremely complicated.

And again, in a condition where the government is not trusted, you need to have people out in the field setting up relationships with the local church, with local community groups, with local trusted entities to make sure that there is someone other than just the government knocking on the door saying they are there to help.

Representative Beyer. Dr. Reamer, I only have a couple of seconds left, but I am fascinated by not just big data but by the progress we made on machine learning and deep analytics. Will this Census be able to be used in very different, more important ways because of that evolution?

Dr. Reamer. I think so. Both coming in and going out, right, that kind of machine learning and high tech computing will be used to produce a more accurate Census. And then going out, the capacity to match for the Census Bureau, to get administrative records, to get private sector records, match them up with Census records and do modeling, I think, is a new frontier for us.

Representative Beyer. Thank you very much.

Madam Chair, I yield back.

Vice Chair Maloney. Thank you very much.

Representative Marchant. Thank you.

Representative Marchant. Thank you, Madam Chair.

I am from a very high growth district and State and from a background of being a mayor and in the State legislature, so we have depended on the Census Bureau giving us more frequent updates than every 10 years. So that data we rely on much more than we do the every 10-year data except for the reproportionment of our Congressional seats and then the funding issue.

My question to you is after all of the public policy is taken into consideration and the Census is actually done, and you go through this very delicate process at the end of the Census where you have this undercount adjustment that takes place, and I would like to know your opinion of how much the undercount adjustment actually erodes some of the information that is in the report itself.

And if you have a citizenship question which we are concerned about in Texas as well because we want every nose counted, period,

because so much of our funding for our cities and counties, school districts depends on it, and of course, the number of seats we have in Congress depends on it.

Will there be an adjustment to the Census, in your opinion, based on a question that they think or the general opinion is that there is a possibility that this question could suppress the number. Will there been an adjustment for the undercount for the undercount, or will there just be a general readjustment of the definition of undercount?

And I know that is a really—a question that doesn't get asked very often, but I think that this may be the first time in many, many decades that the undercount may be one of the most political things that happens as a result of this Census. You can take a stab at it.

Dr. Reamer. Congressman, my understanding is that there is no adjustment. So whatever the count is, that is the count, and that was a Supreme Court ruling of 20 years ago. Because in the 1990s, the Clinton administration proposed to adjust because in 1990, 5 out of 100 African Americans and 5 out of 100 Hispanics were missed, so that was the proposal. And the Supreme Court ruled no, you have to use the actual count, so there is no adjustment of the count. The count is the count.

Representative Marchant. Yes.

Dr. Reamer. But after the count is what is called a post enumeration survey——

Representative Marchant. Yeah.

Dr. Reamer [continuing]. Which tries to measure Census coverage. In other words, Census goes back the year after it went into the field and said how well did we do? And so you can go online. I am happy to you give you the web address. For the Nation, for every State, for every county above 100,000 or 200,000 people, there is an estimate of Census coverage measurement.

How many people were accurately counted? There are a lot of duplications, 3 out of 100 people are counted twice. Three out of 100 people are missed. So they cancel each other out. There is a one-page CCM chart for the counties in the Dallas area, or wherever, for that.

And the same thing will happen in 2020, so people can look and see how well did the Census Bureau do? There is a breakout for the Nation by race, ethnicity, age. So they do a retrospective analysis, but the count itself is not adjusted.

Representative Marchant. But in the State legislatures and their process of redistricting those States that have that process, they wait for that information to come out many times to seriously get down to the actual drawing.

And so my question is, to reiterate, Texas, the fast growing States, want the most accurate Census. They want every nose counted. I know that Utah does and Texas does. So I am interested in that policy question.

I am also interested in Mr. Eberstadt's point about felons. Now, your definition is not felon. Your definition is someone that has experience with the criminal justice system.

Dr. Eberstadt. Yes, sir. I referred to two separate populations. One was in the III, people who have a criminal record that can be

accessed through the FBI or through police authorities. That is one group.

The second group is people who at some point in their life history have been convicted of a felony, of a serious crime, punishable by a year or more in prison.

Representative Marchant. I am over my time, but do you think there is a possibility that if a question is put on there that is not asked properly, it could actually have an effect on who is willing to respond?

Dr. Eberstadt. Yes, sir. Absolutely. It has to be.

Representative Marchant. Yeah. Thank you.

Vice Chair Maloney. Congresswoman Beatty.

Representative Beatty. Thank you, Ranking Member, and thank my colleague over there. It was a perfect segue for me to not just ask you, Dr. Eberstadt, but the rest of the panel. I want to take special note to—I would be very interested in your testimony and to emphasize for the record that some of the information presented in your written testimony, especially the chart we have, indicated that black men who are out of the labor workforce at a higher rate than their counterparts, even though maybe they had a lower interaction with the criminal justice center may be where my colleague was going, but you were very specific here. I suggest that this might also be an economic issue worthy of a fuller examination beyond the Census for this body to take a look at since we are talking about economic development.

But I would like to focus more on your position that we need more information about persons with a criminal history. So I would like to pose the question to the entire panel. Do you have concerns that the inclusion of a question about a person's possible criminal history might affect, one, participation of the Census, or the accuracy of the data?

Dr. Eberstadt. Ma'am, it is a critical question, and it is a very sensitive question that one would be asking people. It would have to be tested very carefully. It would have to be rolled out in a very careful way so as to ensure that this did not adversely affect participation in the ACS or in other surveys where it might be asked.

We have a way of test piloting this investigation that wouldn't have any effect on nonresponse rates, and that would be by linking up existing administrative data on probation and parole, with proper privacy and confidentiality controls, to the existing data coming out of our monthly jobs report, out of our current population survey.

That way all of the data would come from administrative sources already, and it would be possible to get a sense of how much of an impact sentencing has.

Representative Beatty. Would anybody else like to make a comment, and maybe while you are thinking, I want to go to you, Mr.—is it Finberg?

Mr. Fienberg. Fienberg.

Representative Beatty. Fienberg. Research shows us that asking stigmatizing and sensitive questions such as citizenship status might lead us to reduced rates of some community wanting to fully and fairly and accurately be counted in a Census. So I am concerned about the unprecedented politicizing of the 2020 citizen

Census if such citizenship questions are the first step down a very troubling path.

Like, how would it affect the integrity of the Census and the Federal statistics based on the Census if we were to ask questions that residents might not want to answer fully or may be fearful that responding, for example, have you ever been a victim of domestic violence? Have you ever been incarcerated? How would that effect a business participation in the Census, and that is you and then anyone else quickly because we only have a minute.

Mr. Fienberg. I am not sure about business participation specifically. I know certainly a lot of different questions they do carry a stigma and concern for folks. I think the idea of putting, I think, those kind of questions on the decennial is questionable at best because are you trying to focus just on the head count. But certainly those questions are asked across a lot of Federal surveys. And to Dr. Eberstadt's point, administrative data is a very good way to start in trying to get a better picture on a lot of those topics.

Representative Beatty. Well, and let me tell you why I say not only businesses. You know the reasons that the Census are used. It was articulated before. It is for the reapportionment board in drawing the lines. It is for how Federal dollars come back into the community. There is a whole host of reasons, and so maybe I should do a little cultural thing here.

I can tell you coming up there were days when the person would come along and ask very personal questions. My father would not answer them because he felt that it was going to have some type of indication with the IRS, or somebody was going to come and start doing another investigation.

I don't really believe in this wonderful America that we live in that things have changed so much as we still have not been able to reform immigration reform. We still need to reform our criminal justice system.

So I know my time has run out, but I think we need to take a look at this. I think we are kidding ourselves if we think because there have been Federal studies that people are going to open their doors automatically to give the answers you want.

Thank you, Vice Chair.

Vice Chair Maloney. I want to thank all of my colleagues for participating today and our distinguished panel of expert testimony.

And as we have heard this afternoon, businesses, researchers, policymakers, and communities across the country count on a fair and accurate Census to make a broad range of economic and strategic decisions. We must do everything possible to ensure that the 2020 Census is accurate.

The record will remain open for 7 business days for any member who wishes to submit a statement or additional questions.

This hearing is adjourned.

Thank you all very much. Thank you.

[Whereupon, at 3:25 p.m., the committee was adjourned.]

SUBMISSIONS FOR THE RECORD

PREPARED STATEMENT OF HON. CAROLYN B. MALONEY, VICE CHAIR, JOINT ECONOMIC COMMITTEE

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.

PREPARED STATEMENT OF HON. MIKE LEE, CHAIRMAN, JOINT ECONOMIC COMMITTEE

Good afternoon, and thank you for joining us for this hearing of the Joint Economic Committee. I want to thank Vice Chair Maloney for organizing a discussion about this very important series of topics.

Today, Federal data and surveys provide the American people invaluable information about our Nation's society and our economy. But there are two key categories of information that are currently absent from our Federal surveys—categories that I'd like to highlight during today's hearing.

First, our Federal surveys—and in particular, the American Community Survey (ACS) and Current Population Survey (CPS)—fail to include information about past involvement with the criminal justice system. In other words, they do not tell us whether someone has been convicted of a crime, been on probation or parole, or been incarcerated.

Such data would be invaluable for understanding how much these experiences are a barrier to employment. For example, it would help us answer questions like:

How many people out of the labor force are there because they have criminal records? And how does this vary in terms of geography and demographics?

In our own research on prime-age men who are out of the labor force, the JEC's Social Capital Project has found that one-third of these men have been incarcerated. And there is further evidence to suggest that men who are not employed are more likely to have a criminal record than men who are.

Indeed, we ought to have a fuller picture of this often-forgotten segment of our population and figure out what is necessary to help them. Our goal should be to make sure that our justice system is, in fact, just—that the punishment fits both the crime and the criminal, being neither too lenient nor too harsh—and to help these men and women re-enter society and become productive members of our families and communities.

That's precisely why I've worked with many of my colleagues on legislation to this end, like the First Step Act, which was signed into law by the President this past December and included much-needed sentencing and prison reforms. Having more complete data on these topics in our Federal surveys would only further aid us in achieving these goals.

Second, our surveys include limited information on social capital, or our associational life—which is arguably the most important factor for understanding our Nation's health and happiness.

The Current Population Survey has included a few questions on social capital and associational life since 2002, but there is much that is lacking. For instance, it provides little information on trust or confidence in our institutions, especially local ones. It does not track loneliness, happiness, or the availability of emotional support; and it does not include information on the availability of public amenities like libraries, parks, and playgrounds, which have been shown to correlate with community involvement.

The CPS could—and I think should—provide more information on the social interaction that takes place between families, friends, neighbors, congregants, and coworkers. And it could provide important details on the ways that technology hinders and helps social interaction.

Furthermore, having more social capital information in these surveys would help all of us simply because, as research shows, strong social capital is conducive to finding and getting work.

Learning this information would provide us some missing pieces to the puzzle, giving us a clearer picture of ways we can strengthen our economy and help our citizens be happy and productive members of our communities.

I look forward to hearing our witnesses' insights on these topics today. Thank you.

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A Hearing of the Joint Economic Committee, U.S. Congress

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

Statement of Andrew Reamer, PhD
Research Professor, George Washington Institute of Public Policy
George Washington University

May 22, 2019

Introduction

Chairman Lee, Vice-Chair Maloney, and distinguished members of the Joint Economic Committee, I appreciate your invitation to speak today about the economic impacts of the 2020 Census and the business uses of federal data. My observations are based on my study of the uses of federal statistics as well as on 20 years' experience running a regional economic development consulting practice.

The widespread use of data derived from the decennial census by businesses and nonprofit organizations, workers and students, and federal, state and local governments has a substantial positive effect on the vitality of the U.S. economy and the nation's 6 million private firms. To put this number in perspective, 5.3 million U.S. firms (89 percent) have less than 20 employees. At the same time, the 20,000 firms with 500 or more employees account for nearly half of private employment. In other words, the availability of census-derived data has a substantial impact on the profitability of millions of very small firms and of the very large firms that collectively employ tens of millions of workers.

Census-derived Datasets

Datasets from the decennial census are rarely directly used in economic decisions—decennial data are only gathered once a decade and for a handful of variables, such as gender, age, race, and Hispanic origin. Rather, the decennial census is essential for effective economic decision-

making because it provides a strong foundation for the development of multiple federal datasets designed to guide public and private decision-making.

We can think of these census-derived datasets in three groups:

- The first includes annual Census Bureau *Population Estimates* (PE) and *Housing Estimates* of the same data variables collected in the decennial census (such as age, sex, race).
- The second group includes the household surveys carried out by the Census Bureau for itself and the Bureau of Labor Statistics (BLS), including the *American Community Survey* (ACS), the *Current Population Survey* (CPS), and the *Consumer Expenditure Survey* (CEX). The ACS, CPS, and CEX gathers data on non-decennial variables critical to economic decision-making, such income, occupation, education, commuting patterns, and housing conditions.[1]
- The third group of census-derived datasets are geographic classifications. After each census, the Census Bureau provides an *Urban-Rural Classification* (URC) of each census tract, as determined by decennial census population density. Using the URC, PE, and ACS, the Office of Management and Budget delineates the nation's *Core-Based Statistical Areas* (CBSAs), specifically metropolitan and micropolitan areas, that become the basis for regional economic analysis and planning.[2,3]

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[1] The ACS, CPS, and CEX rely on the decennial census as the frame from which to design and draw the sample and weight each household's response in relation to the overall number of people of similar age, sex, race, and Hispanic origin. See Andrew Reamer, Census-derived Datasets Used to Distribute Federal Funds, 2018, p. 7.

[2] Census-derived datasets in each grouping rely on datasets in the other groupings. So, for instance: Population Estimates uses the ACS to measure the international in-migration component of population change; CBSA delineations are determined on the basis of Population Estimates and intercounty commuting patterns from the ACS; and the household surveys use Population Estimates to calculate population totals by characteristic—such as the number of people in poverty or with a bachelor's degree—and to provide data by CBSAs.

[3] The ACS is the workhouse of this system—almost every census-derived dataset relies on it in some way. The ACS is the current incarnation of Representative James Madison's amendment to the Census Act of 1790 that the First Census should be expanded beyond "bare enumeration" for the purposes of apportionment to collect data on demographic characteristics so that Congress could "adapt the public measures to the particular circumstances of the community." (Article 1, Section 2, Clause 3: James Madison, Census Bill, House of Representatives, *The Founders Constitution*, University of Chicago.)

Business Uses and Economic Impacts of Census-derived Data

The vitality of the nation's economy and the 6 million businesses inside that economy are greatly affected by decisions made using census-derived data—by businesses themselves, of course, and as well as by the federal government, state and local governments, workers, and students.

Businesses. Firms depend on census-derived data to determine if and where to open a business establishment, how large to make that establishment, and what goods and services to provide.

- In choosing where to locate their operations, businesses use site selection consultants and software that rely on census-derived data.[4]
- To know the number and characteristics of prospective customers in a community, businesses retain census-guided data intermediaries such as Claritas, Esri, PlaceIQ, and Caliper.[5]
- To ensure they have good access to the right kinds of workers, businesses use census-derived data to understand the supply and characteristics of an economic area's workforce (such as educational attainment), housing conditions and costs, and where people live in relation to where a business might locate.[6]
- To understand what goods and services to provide, firms employ market research companies that analyze census-derived data.[7]
- To grasp the extent to which they are penetrating the marketplace, businesses hire polling firms (such as Nielsen) that produce estimates on the basis of census-derived data.[8]

Federal Government. Federal uses of census-derived data affect the U.S. economy and businesses in four major ways.

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[4] See Site Selection Group, for instance.
[5] See Claritas Prizm Premier, for instance.
[6] See the Census Bureau's OnTheMap, for instance.
[7] See Upfront Analytics Team, Why Census Data is Useful for Market Research, May 14, 2015.
[8] See Nielsen Topline Ratings for Subscribing Radio Stations, for instance.

- First, census and census-derived data determine congressional apportionment and redistricting.[9] The results strongly influence the nature of the federal laws that affect business operations.
- Second, census-derived economic indicators guide federal macroeconomic and other policies that determine the economic conditions in which businesses operate. Examples of such indicators include the Consumer Price Index (CPI), Gross Domestic Product (GDP), Personal Income, per capita income, labor force and unemployment measures, and poverty rates.[10]
- Third, by law and regulation, the federal government uses census-derived data to guide the fair geographic allocation of over $900 billion annually across 325 federal spending programs. Census-derived data are used to determine geographic eligibility (e.g., medically underserved areas, Opportunity Zones); see that each state and area gets its correct share of congressional appropriations (e.g., for CHIP, mass transit); and indicate which communities (e.g., those with high unemployment) receive preferences in those allocations. Census-guided allocations strongly influence the economic conditions under which businesses operate.[11]
- Fourth, multiple federal agencies (e.g., Federal Emergency Management Agency, Department of Homeland Security, and Treasury Department) and government-sponsored enterprises (e.g., Fannie Mae), depend on census-derived data to shape policies, programs, and plans that affect businesses directly (e.g., access to financial capital) and indirectly (e.g., employee access to home mortgages).[12]

State and Local Governments. State and local governments use census-derived data to determine how best to deliver services, for example, where to place schools, highways, and health clinics; how to design police patrols; and how to respond to natural disasters and other

[9] See Public Mapping Project and Azavea Redistricting, for instance.
[10] See Andrew Reamer, Census-derived Datasets Used to Distribute Federal Funds, 2018.
[11] See Counting for Dollars 2020, George Washington Institute of Public Policy, George Washington University.
[12] See Federal Financial Institutions Examination Council and the House Price Index, Federal Housing Finance Agency, for instance.

emergencies. These various decisions affect the economic conditions under which businesses operate—such as transportation infrastructure, labor markets, and housing markets.

State and local governments also use census-derived data to draw legislative boundaries, which in turn influence the nature of laws that affect businesses.[13]

As state governments are required to balance their budgets, they rely on census-derived data (largely from the Bureau of Economic Analysis [BEA]) to project revenues and expenditures.[14] In addition, about half of state governments use census-derived data to adhere to tax and expenditure limitations (TELs). Census-derived datasets used for TELs include population growth, per capita income growth, and inflation growth.[15] Also, state agencies use census-derived data to direct federally funded subgrants (e.g., Title I, WIC, WIOA training programs, CDBG non-entitlement) to counties, cities, school districts, and workforce investment areas.[16] Each of these decisions affect business operations.

Labor Force. Finally, students and workers use census-derived data to make personal decisions that greatly affect labor availability for businesses. Students choose majors and careers on the basis of census-derived data.[17] Labor force participants use the data to determine where to look for a job, in which neighborhood to live, and which type of postsecondary credential to pursue, such as an industry-recognized certification or community college certificate.[18]

Conclusion

Given the ubiquitous use of census-derived data for decision-making with economic consequences, it is clear that the qualities of those decisions very much depend on the accuracy of the 2020 Census. To the extent that full and accurate responses to the 2020 Census by every

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[13] See Esri Redistricting, for instance.
[14] See Andrew Reamer, 2020 Census: How the Count Affects State Budgets, presentation to National Association of State Budget Officers, July 23, 2018.
[15] See State Tax and Expenditure Limits—2010, National Council of State Legislatures, 2012.
[16] See Congressional Research Service reports R44461, R43520, and R44252.
[17] See Employment Projections Methodology, Bureau of Labor Statistics.
[18] See Postsecondary Employment Outcomes (PSEO), Census Bureau. PSEO data are now available for Texas, Colorado, Michigan, and Wisconsin. The Census Bureau indicates that in the coming year, it expects to post employment outcomes data for Ohio, Utah, New York, Arizona, Indiana, Pennsylvania, and Virginia.

household and group quarters in the nation are not forthcoming, and to the extent that the Census Bureau erroneously enumerates households and their demographic characteristics, the American economy and its businesses will suffer.

Mr. Chairman, Madame Vice-Chair, and members of this committee, I thank you for the opportunity to speak and would be pleased to answer any questions you might have.

A Hearing of the Joint Economic Committee of the U.S. Congress

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

May 22, 2019

Statement of Howard Fienberg

VP Advocacy, Insights Association

Codirector, The Census Project

Chairman Lee, Vice Chair Maloney and members of the Joint Economic Committee, thank you for the opportunity to testify today about the importance of the 2020 Census to American business. Data from the Census doesn't just underpin American democracy and guide Federal spending, they form the backbone of data-driven decision making in the private sector. This data helps U.S. businesses promote economic development, identify and serve customers and create jobs.

I'm wearing two hats at today's hearing. The first is representing the Insights Association,[1] the leading nonprofit association representing the marketing research and data analytics industry. Our industry delivers insights to drive good business decisions. Research studies in the U.S. require the most accurate decennial data in order to produce statistically representative samples of the U.S. population, or segments thereof. Even the most essential Federal government surveys, like the American Community Survey (ACS) (formerly known as the census "long form") and the Economic Census, are built on decennial census data. Without accurate census data, American businesses can't know what America needs (to paraphrase the 2000 Census tagline).

My second hat is codirector of the Census Project,[2] a broad-based coalition of national, state, and local organizations and companies that support an inclusive and accurate 2020 Census and ACS, including hundreds of state and local government groups, business trade associations, labor unions, academia, religious groups and civil rights activists.[3]

While the Census Bureau aims for a 100% accounting of the U.S. population every ten years, our nation rarely achieves that goal. Hard-to-count populations and areas (such as remote and

[1] https://www.insightsassociation.org/

[2] http://www.thecensusproject.org

[3] For example, the Census Project recently led a letter from more than 130 stakeholder groups requesting $8.45 billion for the Census Bureau in FY 2020 - https://thecensusproject.org/alarm-raised-with-congress-on-census-funding-shortfall-census-experts-say-administration-budget-is-short-more-than-2-billion/ - and helped to organize 28 business groups last year in support of FY19 census funding - https://censusproject.files.wordpress.com/2018/05/final-census-biz-groups-fy19.pdf .

rural areas, racial and ethnic minorities, young children, and low-income households) are normally undercounted in the decennial.[4] My testimony will illustrate some of the big impact from small inaccuracies in census data, to demonstrate the need to fully fund the 2020 Census.

Business uses of census data

Many companies, whether large multinationals or fledgling small businesses, use the intricacies of census population and demographic data[5] to:

- decide where, when or if to site a business;
- find the right consumer base;
- discover (and then satisfy) consumers' unmet needs and wants;
- identify and locate the best and most appropriate workforce (by education level, unemployment rate, or other factors) to run their business;
- find where the workforce of the future (or near-future) is being produced;
- take risks on up-and-coming neighborhoods that potentially may suit the business (in terms of customer, workforce, or infrastructure and other support systems);
- discover locations with the right infrastructure to support their business and workforce (or facilitate their consumers' access to and use of their business' services or products); and
- figure out which neighborhoods sport the right kind of government funding for infrastructure their specific businesses care about.[6]

Manufacturers, retailers, and financial analysts use the data to measure a company's health, compensate employees, quantify ROI, identify new opportunities, forecast performance, and optimize consumer price and strategies. Financial Institutions use Census data to identify lending and investment opportunities, set rates and terms, tailor financial programs to the local neighborhood level, and determine the best locations for branches.

Census data explains more than just how many people live where, it "describes their living arrangements, ages, income, educational attainment, commuting patterns and occupations...

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[4] "CENSUS ACCURACY AND THE UNDERCOUNT: Why It Matters; How It's Measured." The Funders Committee for Civic Participation. January 31, 2017. https://funderscommittee.org/resource/census-accuracy-and-the-undercount-why-it-matters-how-its-measured/

[5] While many Insights Association members use Census data to develop insights, some small businesses go straight to Census Bureau data via the Census Bureau's Census Business Builder - https://www.census.gov/data/data-tools/cbb.html - which provides "selected demographic and economic data... tailored to specific types of users in a simple to access and use format."

[6] According to the former president and CEO of the Business Council of Alabama, census data helps businesses "identify barriers and solutions to improve our local schools, health care system, and transportation options that our workers rely on." -- "Our workplace and economy depend on an accurate Census." by William Canary. AL.com. April 15, 2019. https://www.al.com/opinion/2019/04/our-workplace-and-economy-depend-on-an-accurate-census.html

the kinds of homes people have, in terms of age of home, number of rooms, value, whether it has complete kitchen and plumbing facilities, the availability of telephones and automobiles and the type of home-heating fuel used."[7]

Because accurate census data is considered the gold standard of publicly available data, it creates a competitive advantage for our country. Economic development agencies like the Greater Houston Partnership utilize Census data at the neighborhood level to attract and retain business investment in their cities based on points like infrastructure data, education levels, and traffic patterns.[8] American localities can use census data to attract and keep business not just across the U.S., but across the globe. One of the greatest barriers to international expansion is the lack of good, transparent data, but census data gives the private sector the confidence to get their capital off the sidelines and put it to productive use here in the U.S.

Data-driven decisions are even more reliant on accurate census data when they involve small or hard-to-count demographic groups or areas. Starbucks can easily open another coffee shop in Manhattan's financial district, but it takes the most accurate census-based insights to justify one in rural Arkansas. Census (and ACS) data give companies comparable, consistent, timely, and high-quality demographic and socio-economic data for all American communities, down to the neighborhood and census tract levels, so that we can accurately compare an East Asian immigrant neighborhood in downtown New Orleans to a low-income Hispanic neighborhood of Austin, a middle-class small town in rural Washington State, and a large suburb of Chicago.

The Census Bureau has compiled a few case examples for how businesses use Census data, such as helping:

- a "high-end mountain bike component manufacturer" to open "his own bike shop to sell his manufactured components along with mountain bikes and other components" in Portland, Oregon;[9]

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[7] "Business Uses of Census Data." Incontext. July 2001. http://www.incontext.indiana.edu/2001/july01/spotlight.asp

[8] https://www.census.gov/library/video/sia_greater_houston.html

[9] "He used data from the American Community Survey (ACS) to identify potential customers (young professionals with moderate to high median household income) that he could then market his new business to. He also used Census business data to identify locations where Sporting Goods stores (NAICS 451110, which includes bike shops) are located. These data not only identified possible competitors to his business but also potential businesses to partner with by opening a leased department within a larger store. Using the business data from Census, he was also able to compare the payroll per employee, sales per employee, and other stats for the nine areas he considered which gave him a better understanding of his industry and what he should expect to pay his employees. These data were included in his business plan and in the application that he submitted to his local small business lender for a start-up capital loan." -- "Uses of Data." https://www.census.gov/programs-surveys/economic-census/guidance/data-uses.html

- a "restauranteur in Albuquerque, New Mexico" to add "a drive-through window to each of his five restaurants;"[10] and
- a "utility truck manufacturer" conduct and act upon a periodic review of the company's "network of dealerships and repair facilities across the U.S." to relocate certain facilities and open some new facilities "to better serve their markets" and improve customer satisfaction.[11]

The trickle-down impact of an inaccurate decennial census would restrain or ruin American businesses for a whole decade:

- Utah-based Qualtrics, an Insights Association company member providing software to measure and improve the customer experience for thousands of brands around the world, would struggle to provide them with the data necessary to do so, absent census-benchmarked statistical sampling.
- J.M. Smucker, a member of ours based in Ohio, might have to locate new manufacturing and production facilities outside of the country rather than risk investing in a small American town with no accurate measure of its local workforce.

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[10] "A restauranteur in Albuquerque, New Mexico considered adding a drive-through window to each of his five restaurants but was not sure that his sales would increase enough to warrant the required investment in equipment and personnel or the disruption to the business during the installation period. He spoke with other restauranteurs in his area who had drive-through windows about their experiences but few were willing to share information about the competitive advantage they believed they had. Using the Products Line data from the Economic Census for Limited Service Restaurants (NAICS 722513), he was able to determine that similar businesses in New Mexico typically saw around 29.3% ($406.4 Million) of their sales of food and 10.4% ($144.2 Million) of their sales of nonalcoholic beverages from their drive-through receipts. Using these data, he applied for and received a ten-year small business loan to help pay for the installation of the drive-through in each of his five locations. His sales increased enough that he was able to pay off the note in three years." -- "Uses of Data." https://www.census.gov/programs-surveys/economic-census/guidance/data-uses.html

[11] "A utility truck manufacturer was doing a periodic review of its network of dealerships and repair facilities across the U.S. They were happy to see that most of their facilities reported high customer satisfaction scores from the surveys they did with their customers, but were disappointed to see that some were not doing as well. Especially concerning was that the complaints were not about the quality of the service provided but the time it was taking to get an appointment and get the vehicle repaired. Customers also complained about the distance they had to travel (at great expense) for service. Their planning staff considered relocating some of the locations to better serve the existing customers, but senior staff were concerned about the costs. Using Census business data, headquarters staff were able to identify (on a map) the numbers of businesses (plumbing and electrical contractors) that typically used their vehicles throughout their covered service areas. They overlaid a map of their service facilities on top; doing so quickly revealed areas with many potential customers but no dealerships or repair facilities within 50 miles. They also noted that the service area of some of their under-performing facilities overlapped with other areas. Using Census data, the planning staff were able to convince senior managers that changes were needed. They decided that some facilities should be relocated and new facilities opened to better serve their markets. When the next periodic review was done, the customer satisfaction scores had significantly improved." -- "Uses of Data." https://www.census.gov/programs-surveys/economic-census/guidance/data-uses.html

- A rural utility would not know where to site new cell towers, electric transmission lines, or water lines, so certain communities would go without enough coverage while others might end up unnecessarily over-saturated.
- An obstetrics practice might not be opened in an area growing dense with young family households if census data can't accurately reflect the neighborhood's demographic trends (costing the medical practice profits and the local community the benefits of care).
- A business might not invest in a certain neighborhood without special tax treatment for requisite concentrations of low or moderate-income households – incentives that would be unavailable without accurate census data to qualify them.[12]
- Retail companies like Target wouldn't be able to accurately understand their local stores' customer bases, plan where and how to exactly stock certain goods and where to display them on shelves in specific stores, or track changes in consumer preferences between urban, suburban and rural communities in a timely fashion.[13]
- An Insights Association member company conducting public opinion polling, like Ipsos, would not know how representative survey results of contentious political issues would be of the total population, let alone important demographic segments (e.g., African American women between 30 and 45), leaving policymakers and stakeholders guessing.
- A marketing research and data analytics company like Insights Association company member Kantar measures the U.S. media audience, setting the rates for advertising, publication and programming across the country. Without accurate census data, ad spending and media programming would target the wrong areas and demographic segments, miss others entirely, or not be produced/delivered at all.[14]
- For a retail real estate project, a member of the International Council of Shopping Centers (ICSC) would be unable to conduct the extensive market analyses needed to accurately "determine, among other things: where to build, what to build, and when to

[12] https://www.brookings.edu/blog/fixgov/2017/08/31/the-2020-census-may-be-wildly-inaccurate-and-it-matters-more-than-you-think/

[13] "Stats in Action: Target Uses ACS Data." https://youtu.be/jqsdQxTv5kY

[14] As the CEO of another major audience measurement provider, Nielsen, recently wrote in The New York Times: "American businesses' reliance on this data cannot be overstated. As soon as the decennial census data is available, for example, we revise our ranking of the top media markets in the United States, by population. This "designated market area" list is always eagerly anticipated by our clients, and it has a direct impact on how advertisers spend their money." ... "In the era of big data, an accurate census is more critical than ever. We know that big data sets have inherent structural biases, and those biases require calibration to a "truth set," which in almost all cases is benchmarked to the census. Even a small error in the census can be amplified over and over again as the data is used in new and ever evolving ways. The last thing that business needs is for the next 10 years of data to be built on a faulty foundation." - "A C.E.O.'s Plea: Don't Mess With the Census." By David Kenny. The New York Times. April 22, 2019. https://www.nytimes.com/2019/04/22/opinion/us-census-2020.html

build," nor would the company have accurate data for "sales forecasting, trade area delineation, target marketing and supply chain management."[15]

- The National Association of REALTORS ® would be unable to benchmark its home sales figures and struggle to properly analyze trends in migration among recent movers, generational demand or household formation.[16]
- A broadcaster like Univision would have a smaller amount of the audience "represented in data," resulting in fewer "potential advertisers" desiring or agreeing to advertise "if ratings decline overall or take a notable dip" and "less inclusive programming and fewer executives of color in the C-suite."[17]

Ensuring the most accurate 2020 Census

The dependence on accurate census data of American businesses, especially the marketing research and data analytics industry, drives our advocacy for adequate resources for the Census Bureau over the whole decennial lifecycle. We're extremely concerned about that accuracy, given the cancellation of essential 2020 Census field testing in remote and rural areas,[18] the potential drop in response rate due to the addition of a citizenship question[19] (and a general growing distrust in government), and the Administration's plan to not spend all available resources allocated by Congress for FY2019 during FY2019,[20] We're also worried about the severe impact of a continuing resolution or shutdown heading into FY2020 without a funding

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[15] "Urge Congress to Maintain Adequate Census Funding." ICSC. https://p2a.co/gHa0DFI

[16] Letter from the National Association of REALTORS®. March 2018. https://thecensusproject.org/2018/03/13/how-realtors-use-census-data/

[17] "Census2020: Why Media Companies Should Tune In Now." By Jessica Herrera-Flanigan. February 11, 2019. https://corporate.univision.com/blog/demographics-culture/2019/02/11/census2020-why-media-companies-should-tune-in-now/

[18] Due to funding shortfalls, the Census Bureau had to cancel 2017 tests of special counting procedures for tribal lands and rural and remote areas in the Dakotas, Washington state and Puerto Rico. The same effectively happened for the 2018 end-to-end readiness test, which was supposed to be of 700,000 varied and targeted households in Wisconsin, Washington and West Virginia. Instead, the end-to-end test only happened, on a small scale, in Providence, RI. For more, see the Insights Association 1-page position paper, "Counting Rural America in the 2020 Census." https://www.insightsassociation.org/legal-article/counting-rural-america-2020-census

[19] Although the Census Project takes no position on the citizenship question, the Insights Association advocates against the addition of the citizenship question to the 2020 Census and joined an amicus brief in the U.S. Supreme Court case, explaining the negative business impact of the question. See the press release -- https://www.insightsassociation.org/article/supreme-court-amicus-brief-argues-citizenship-question-would-harm-businesses-reliant-census -- and the amicus brief -- https://www.insightsassociation.org/sites/default/files/misc_files/census_merits_amicus_brief_to_file.pdf

[20] Letter to Congressional appropriators advocating for the Census Bureau to spend as much of the FY2019 appropriations from Congress as possible in FY2019, since the "window of opportunity to enhance and refine key census operations that are most likely to reach historically hard-to-count population groups is closing fast." https://censusproject.files.wordpress.com/2019/04/census-project-and-lcchr-letter-to-senate-re.-fy-19-spending-4-30.pdf

anomaly for the Census Bureau, since the decennial census has legally-required deadlines to follow, and playing catch-up can be challenging (and expensive).

The Insights Association, and the business community at large, are particularly concerned that, as it becomes time to scramble for the 2020 Census, funding for the ACS and Economic Census may be sacrificed. Any funding diversion from the ACS would reduce the sample size, preventing the survey from delivering accurate data on more than 40% of (mostly rural) U.S. counties and small towns, while funding diverted from the Economic Census would hurt our ability to track national and international productivity, trade, and employment

For now, we're pleased that the House CJS Appropriations Subcommittee approved FY2020 funding legislation on May 17 with $7.5 billion for the 2020 Census and $8.45 billion for the Census Bureau overall (which is in line with census stakeholders' request[21]).

The Insights Association and the Census Project urge committee members from both sides of Congress and both political parties to quickly coalesce in support of the maximum amount of census funding, to ensure an inclusive and accurate accounting of our nation's population. The 2020 Census will help to determine the fate of American business for the next decade (and beyond).

Thank you for inviting my testimony this afternoon. I look forward to answering your questions.

[21] https://censusproject.files.wordpress.com/2019/04/fy-2020-census-project-sign-on-letter-pre-cjs-mark-up-4-16-19-2.pdf

Kem C. Gardner
POLICY INSTITUTE
THE UNIVERSITY OF UTAH
DAVID ECCLES SCHOOL OF BUSINESS

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

Senate Joint Economic Committee

Written Testimony of Mallory Bateman, M.Sc.
Kem C. Gardner Policy Institute, University of Utah
May 22, 2019

Chairman Lee, Vice Chair Maloney, and members of the Committee, thank you for the opportunity to testify today.

My name is Mallory Bateman. I am a Senior Research Analyst and the Utah State Data Center Coordinator at the University of Utah's Kem C. Gardner Policy Institute. The Gardner Institute develops and shares economic, demographic, and public policy research that helps people make INFORMED DECISIONS™. Our customers include business leaders, policymakers, community leaders, planners, researchers, non-profit leaders, and others in need of fact-based research that enriches our community and positively shapes Utah's future.

I am also a member of the Census Bureau's State Data Center Steering Committee, a member of Utah's Complete Count Committee, and chair of Utah's 2020 Census Technical Advisory Committee.

My testimony today comes from the perspective of a frequent user of Census and other federal data. I also regularly interact with and advise people who use decennial census and other federal statistical data to inform their decisions.

Utah's unique demographics and thriving economy provide a great example of how important the 2020 Census and other federal data are to the economic success of a state. In states with shifting demographics, decision makers cannot make wise and timely decisions to support and build flourishing communities without the decennial census and other federal data.

Utah background

Utah's youthfulness, large households, racial and ethnic diversification, high rates of in-migration, and rural distress are just some of the many areas where Utah decision makers rely on the Census and other federal data to inform their decisions. Without this federal data, decision makers lack vital information, making it difficult to support a successful economy. I'd like to share a few details.

Utah's 3.16 million residents have distinct demographic characteristics. Utah has the youngest median age, largest average household size in the nation, and our population growth has been the fastest in the nation since 2010. The state is also rapidly diversifying racially, ethnically, and culturally.

Utah's strong job and broad industry growth attract new people to our state each year. In the past five years, we've added over 100,000 new residents as a result of net in-migration. Migration has become a more consistent and significant component of our population growth. Nearly half of the 1 million residents who helped our population reach 3 million by 2015 are those who moved to the state and their children.

New communities have also emerged since 2010. In some areas, this means completely new investments in infrastructure, public safety, education, housing, and businesses. These areas have no baseline, so the 2020 Census provides the first opportunity to learn about the population.

Some of our rural areas have experienced population losses since 2010. While we have limited data availability from the American Community Survey, these communities have small total populations. We need the 100 percent coverage provided by the 2020 Census to fully understand the demographics of these communities.

I share this detail about Utah's youthfulness, large households, racial and ethnic diversification, high rates of in-migration, and rural distress to make a point. The 2020 Census and other federal data are paramount to our state so we can understand the characteristics of new growth. Without it, we lack information about these new Utahns.

We need 2020 Census and other federal data to do the following[1]:

- Inform local business decisions
- Assist elected officials with tax, expenditure and regulatory decisions
- Help with transportation, water, education and other investment
- Serve as a basis for representative government (redistricting)
- Help with the allocation of federal funds

Connection between 2020 Census and economic decision making

I'd now like to share my thoughts about the connection between the 2020 Census and economic decision making.

The Utah State Data Center regularly handles requests for demographic information from state and local government, media, real estate developers, academics, community organizers, and others, seeking to learn more about their communities or regions. The data provided help with decisions about programming, investments, business location, and future planning. These requests remind me on a regular basis of the connection between Census Bureau and other federal data and the Utah economy.

As chair of the Gardner Institute's 2020 Census Technical Advisory Committee, I have been surprised to meet decision makers who believe that decennial data are only used by and for government. I work closely with our statewide Complete Count Committee co-chairs to maintain a constant narrative that decennial census data provides the baseline for myriad datasets that inform business decisions across all industries and government funding at all levels.

The most straightforward way I have found to convey the pervasiveness and consequential influence of the decennial census is this: if a funding calculation utilizes a 'per capita' measure or a sampling window based on a total population, it is highly likely decennial census data is the denominator.

Our Director of Demographic Research, Dr. Pamela Perlich, likes to call our team 'the denominator people'. Decennial data is the baseline for the state and county-level population estimates and projections we produce. These projections are a direct input for education, healthcare, transportation, and infrastructure planning efforts, which then turn into significant investment at the state and local level.

Utahns recognize the importance of a complete count from the 2020 Census. Community leaders from nonprofits, community organizations, private industry, banking, and municipal government have partnered to urge state decision makers to support local outreach efforts this year.[2] Their logic emphasizes the importance to a diverse array of interests, from economic development to health and safety of Utah residents.

The Utah Legislature is considering a $1 million allocation to Utah's complete count efforts, the first funding for the decennial census in the state. Several county and city level governments have also recognized the significance of the 2020 Census and have dedicated funds to try and achieve a complete count. Our Utah State Library is establishing a grant program to help local libraries fund their census outreach efforts.

The work by Professor Reamer indicates that in FY2016, Utah received about $5.7 billion from 55 federal census-guided funding programs.[3] Calculations by the Utah Governor's Office of Management and Budget indicate this was around 27% of the state budget in that timeframe. These investments will pay for themselves quickly.

Conclusion

In Utah, we rely on a complete count of everyone once, only once, and in the right place. We count on this updated framework once a decade. Our population is changing fast and information is key. We cannot make informed decisions that support our businesses, neighborhoods, and broader economy without this data. We want to inform decision makers across agencies, organizations, and industries on who their constituents and customers are, and plan appropriately in regions that may need additional assistance.

Thank you for holding this hearing and I look forward to a successful 2020 Census.

Endnotes

1 U.S. Census Bureau, 2020 Census Complete Count Commtitee Guide, Appendix A: 50 Ways Census Data Are Used.
2 "Utah must invest in the 2020 Census for an accurate count" C. Diehl D. Miller, L. Cramer, B. Crimm, Letter to the Editor, Salt Lake Tribune, March 10, 2019. Letter to Legislators, Organized by Salt Lake County, March 9, 2018.
3 Counting for Dollars 2020: The Role of the Decennial Census in the Geographic Distribution of Federal Funds, Report 5 -- Utah, George Washington Institute of Public Policy.

Statement before the Joint Economic Committee
On the Economic Impacts of the 2020 Census and Business Uses of Federal Data

America's Invisible Felon Population:
A Blind Spot in US National Statistics

Dr. Nicholas Eberstadt
Henry Wendt Chair in Political Economy

May 22, 2019

Mister Chairman, Madame Vice Chair, Members of the Committee, distinguished co-panelists, and guests:

America's statistical agencies are the eyes and ears of our democracy. When they are functioning properly, they provide essential information to help the public and its elected representatives see what is going right in our country—and what is going wrong. Such information is crucial for forming a more perfect union. Without timely and accurate information on our domestic problems, our government cannot hope to address these problems swiftly, much less effectively. Whether you are a progressive or a conservative, in favor of more government or less, you need good data to inform your own efforts to make our country better.

The US was the first government in the modern era to recognize the importance of evidence-based public policy.[1] Our Constitution mandated a decennial census—a truly revolutionary notion back in the late 18th century. Providing policymakers with accurate empirical information was essential, in the words of James Madison, "in order that they might rest their arguments on facts, rather than assertion and conjecture."[2] And for most of our history, the US statistical system has been well ahead of the curve, if not a virtual wonder of the world.

Unfortunately, our government statistical services seem to have been falling away from the global forefront for at least a generation. And in key areas, our federal information systems have not kept up with the social and economic changes in our country that they should be helping us monitor. Sad to say, our statistical services are currently incapable of providing even the most basic facts and figures we need for confronting some of our new and pressing domestic social troubles.

In my book *Men Without Work: America's Invisible Crisis*, I tried to highlight our country's curious inattention to the collapse of work for grown men over the postwar era.[3] Although their employment situation has been slowly improving since 2016, when my study was published, the latest Bureau of Labor Statistics jobs report (for April 2019) indicates that "work rates" (more technically, employment-to-population ratios) for working-age US men are nonetheless on par with the levels for 1939, as reported in the 1940 Census.[4] In other words, today's employment situation for our country's civilian, noninstitutional, non-retirement-age men *is still a Depression-scale problem.*

Our failure to cope more expeditiously with this problem, I submit, is in part due to our failure to understand it—a failure, in turn, directly related to the inadequacy of our statistical services to illuminate this problem's important dimensions. I pointed then to a number of shortcomings and gaps in official statistical coverage that limit the information policymakers and concerned citizens should want to have about America's still-ongoing "Men Without Work" crisis.

Today I wish to point out just one of these gaps—but it is an enormous blind spot and, given the realities of life in our country today, a critical and inexplicable statistical oversight. I refer here to the virtual absence in our national statistical compendia of facts and figures about the country's arrested and sentenced populations. These are enormous populations in our country today—yet our government statistical systems can tell us almost nothing about them.

Over the postwar era, for good or ill, the US has seen an explosive surge in both arrests and felony sentencing for our adult population. Like it or not, this is a plain fact of life. In 2016, 110 million Americans had an arrest record with police authorities.[5] That is over twice as many people as in 1997 (when the total was 54 million[6]) and works out to 44 percent of our adult population.[7] Just over 91 million Americans that year were included in the Interstate Identification Index, the database the FBI uses to determine whether someone has a criminal record.[8] That would be two-fifths of the US adult population in 2016.

What do we know about this huge contingent of people? Almost nothing. Age, sex, ethnicity, living arrangement, family situation, income, educational profile, health status, and all the rest of the data the US federal statistical system collects for our national population cannot be cross-referenced by arrest status, at least thus far

And the situation is even worse for demographic, social, and economic data on the population subject to felony sentencing. It is not just that the US government provides no information whatsoever on the social, economic, or health conditions of the men and women in America who have been convicted of a serious crime punishable by imprisonment for a year or more (the standard definition of a felony)—though this too happens to be the case. Astonishing as this may sound, the US statistical system does not even offer an estimate for the total size of the population of Americans who have a felony conviction in their background! Search as one might for even a rough estimate from official statistical authorities of America's convicted population, there is no government compendium to provide this information. So far as I can tell, US statistical authorities have never asked the question—and thus they do not have any ready means by which to answer it.

Fortunately, some intrepid demographers from the academy have attempted a demographic reconstruction of postwar state and national trends for the size of the US adult population sentenced to at least one felony conviction.[9] According to their estimates, the total number of US adults in this "convicted" population shot up from fewer than two million persons in 1948 to nearly 20 million in 2010 (Figure 1). Their calculations imply that as of 2010, fully one in 12 adults in America bore a felony conviction in their past. A bit of additional arithmetic suggests that for men, the figure would have been over one in eight.[10]

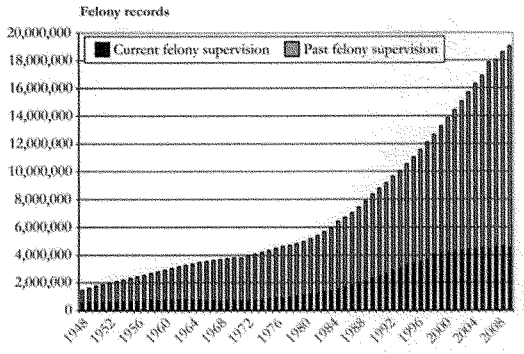

Figure 1. Estimated Population of Felons and Ex-Felons: US, 1948–2010

Source: Sarah K. S. Shannon et al., "The Growth, Scope, and Spatial Distribution of America's Criminal Class, 1948–2010," *Demography* 54 (2017): 1795–818, http://users.soc.umn.edu/~uggen/Shannon_Uggen_DEM_2017.pdf.

Naturally the criminal justice system has continued to arrest, convict, and sentence offenders since 2010. Rough calculations suggest that the total population with a felony in America today (2019) might equal or exceed 24 million.

The American public is greatly concerned about the phenomenon sometimes referred to as "mass incarceration"—and rightly so. As of year-end 2016, well over two million person were behind bars in correctional facilities in the US.[11] Usually missing from the conversation about mass incarceration, however, is any recognition that imprisoned or detained Americans currently represent barely one-tenth of the total population of felony convicts. As a ballpark estimate, over 20 million Americans in society at large currently have a felony in their past, and this immense population is effectively statistically invisible. The Census Bureau, the Bureau of Labor Statistics, the Centers for Disease Control—none can tell us practically anything about conditions of life for these tens of millions of Americans.

The fragmentary data that can be pieced together, however, hint that felons in the general population may pay a high long-term price for their crimes, even after they have paid their debt to society. Some longitudinal surveys, for example, indicate that, irrespective of ethnicity or education, a working-age man in the civilian noninstitutional population is far more likely to be out of the labor force altogether than a counterpart who has only an arrest in his background, and

that man with an arrest record is much more likely to be out of the labor force than a counterpart who has no history of trouble with the law.[12] (See Figure 2.)

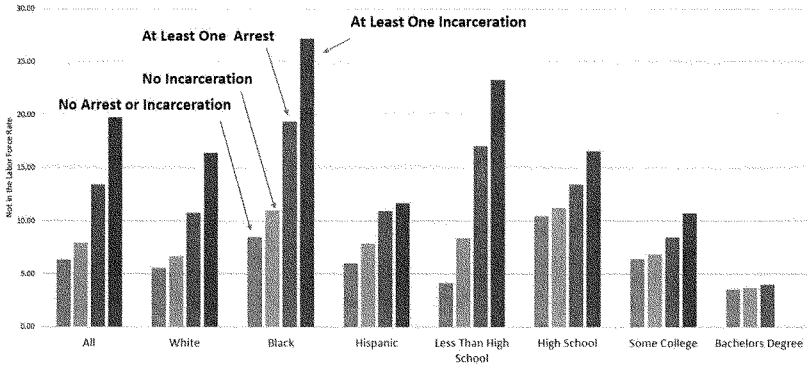

Figure 2. Percentage of US Men (30–34) out of the Labor Force by Ethnicity, Education, and Criminal Justice System History, 2013

Note: Definition of "out of labor force" in this figure differs from the Bureau of Labor Statistics definition. See text for discussion.
Source: Nicholas Eberstadt, *Men Without Work: America's Invisible Crisis* (West Conshohocken, PA: Templeton Press, 2016), 143.

This troubling correlation has a direct bearing on our current "Men Without Work" problem, considering that something like one in eight unconfined adult men nowadays may has a felony conviction in his past—and that the corresponding ratio for prime working-age men (age 25–54) today is no doubt appreciably higher.

What accounts for that grim gradient in Figure 2? There are many possible explanations, but we lack most of the data we would want to test these various hypotheses. And needless to say, evidence-based policies to help reintegrate ex-cons and ex-felons back into the labor force, and into families, and into society more generally require evidence in the first place.

The circumstances of Americans who have had trouble with the law should not be a matter of utter indifference to a forgiving society, much less to the elected representatives entrusted with shaping and administering its policies. It is shocking—I would dare say shameful—that our statistical system should so entirely neglect the plight of this huge, stigmatized, and disadvantaged population in our society.

We have a chance to end this statistical darkness. Including just one or two questions on criminal justice system history in the American Community Survey (ACS) could end this not-so-benign neglect.

There are technical issues with including these questions. And at this juncture, including these questions in the 2020 Census and 2020 ACS is not legally or administratively feasible, given the provisions of the Census Act.[13] But including them in due course is the right thing to do. Furthermore, there are other expeditious and less cumbersome ways to end this darkness immediately, at least in good part—such as by using linked administrative data files from the Bureau of Justice Statistics and the Census Bureau's Current Population Survey. This would provide an aperture into the lives and conditions of the millions of Americans in society at large who live under "community supervision," either via parole or probation.

Irrespective of future policing and judicial policies, the population of arrested Americans and Americans with a felony is on track to continue to grow for many years to come—quite possibly for decades to come. For obvious reasons, approaches to reentry and rehabilitation today remain mainly anecdotal. It is past time to begin resting those arguments on facts.

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[1] Nicholas Eberstadt et al., *"In Order That They Might Rest Their Arguments on Facts": The Vital Role of Government-Collected Data*, Hamilton Project and American Enterprise Institute, March 2, 2017, http://www.hamiltonproject.org/papers/in_order_that_they_might_rest_their_arguments_on_facts_the_vital_role_of_go.

[2] National Archives, Founders Online, "Census, [2 February] 1790," accessed April 11, 2019, https://founders.archives.gov/documents/Madison/01-13-02-0017; and Charles F. Hobson and Robert A. Rutland, editors, *The Papers of James Madison, vol. 13, 20 January 1790–31 March 1791* (Charlottesville, VA: University Press of Virginia, 1981), 15–16.

[3] Nicholas Eberstadt, *Men Without Work: America's Invisible Crisis* (West Conshohocken, PA: Templeton Press, 2016).

[4] Nicholas Eberstadt, "Understanding America's 'Men Without Work' Problem: The Role for Ethnographic Insights," American Enterprise Institute, unpublished.

[5] Becki R. Goggins and Dennis A. DeBacco, "Survey of State Criminal History Information Systems: A Criminal Justice Information Policy Report, 2016," US Department of Justice, Bureau of Justice Statistics, February 2018, Table 1, https://www.ncjrs.gov/pdffiles1/bjs/grants/251516.pdf.

[6] US Department of Justice, Bureau of Justice Statistics, "Survey of State Criminal History Information Systems, 1999," October 2000, 17, https://www.bjs.gov/content/pub/pdf/sschis99.pdf.

[7] Derived from US Census Bureau, "American FactFinder," https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml. The adult population is defined as men and women 18 years of age and older.

[8] Goggins and DeBacco, "Survey of State Criminal History Information Systems," Table 20.

[9] Sarah K. S. Shannon et al., "The Growth, Scope, and Spatial Distribution of People with Felony Records in the United States, 1948–2010," *Demography* 54, no. 5 (October 2017): 1795–818, https://link.springer.com/article/10.1007%2Fs13524-017-0611-1.

[10] Eberstadt, *Men Without Work*, 134.

[11] Danielle Kaeble and Mary Cowhig, "Correctional Populations in the United States, 2016," US Department of Justice, Bureau of Justice Statistics, April 2018, 2, https://www.bjs.gov/content/pub/pdf/cpus16.pdf.

[12] Eberstadt, *Men Without Work*, 129-148.

[13] US Census Bureau, "Questions Planned for the 2020 Census and American Community Survey," March 2018, https://www2.census.gov/library/publications/decennial/2020/operations/planned-questions-2020-acs.pdf.

QUESTION FOR THE RECORD FOR DR. REAMER SUBMITTED BY SENATOR KLOBUCHAR

Census Bureau researchers reportedly recommended against adding a citizenship question to the 2020 Census, which they said would produce citizenship information that is less accurate and more expensive than existing government data.

- **Doesn't the inclusion of a citizenship question compromise the accuracy of the Census by making certain residents less likely to respond?**

Census Bureau researchers say they expect that the inclusion of a citizenship question on the 2020 Census will compromise the accuracy of the total population count and the distribution of population characteristics (such as age, sex, and race).
Sources:

- J. David Brown et al., "Understanding the Quality of Alternative Citizenship Data Sources for the 2020 Census," U.S. Census Bureau, CES 18–38, August 2018.
- J. David, Brown, et al., "Estimating the Potential Effects of Adding a Citizenship Question to the 2020 Census," IZA Discussion Papers 12087, Institute of Labor Economics (IZA), 2019.
- Mikelyn Meyers, Center for Survey Measurement, U.S. Census Bureau, November 2017
  Presentation: Respondent Confidentiality Concerns and Possible Effects on Response Rates and Data Quality for the 2020 Census
  Memorandum: Respondent Confidentiality Concerns

Summary finding from the 2018 paper, p. 54:

> This paper's examination of several Census Bureau surveys with and without citizenship questions suggests that households that may contain noncitizens are more sensitive to the inclusion of citizenship in the questionnaire than all-citizen households. The implication is that adding a citizenship question to the 2020 Census would lead to lower self-response rates in households potentially containing noncitizens, resulting in more nonresponse follow-up (NRFU) fieldwork, more proxy responses, and a lower-quality population count. (emphasis added)

On pp. 38–39 of the same paper, the authors estimate that households with a noncitizen would have a Census self-response rate 5.8 percentage points less than households without a non-citizen. They further find that as "the level of concern about using citizenship data for enforcement purposes may be very different in 2020 than it was in 2000 or 2010," the 5.8 percent differential is a conservative estimate—it may well be higher.

QUESTION FOR THE RECORD FOR MS. BATEMAN SUBMITTED BY SENATOR KLOBUCHAR

In 2016, we saw unprecedented foreign interference in our elections—including through social media platforms, where foreign agents sought to discourage voter participation in our country.

- **How concerned are you about potential hacking or disinformation campaigns in advance of the 2020 Census in light of the fact that it will be one of the first Censuses performed online?**

Thank you for your question regarding potential cyberattacks or disinformation campaigns in advance of the 2020 Census.

I am not a cyber-security expert, but as a frequent user of Census Bureau products the introduction of an online response form is a topic I am watching for this very reason. I know that this is a top issue for the Census Bureau, as they recognize the constantly evolving potential for threats to online material. I also know that the privacy restrictions placed on data via Title 13 are of paramount importance to career members of the Census Bureau.

Due to this context, I rely on the reporting of the career Census Bureau staff, particularly through the 2020 Census Program Management Reviews. These reviews have been held quarterly since 2013. The August 3, 2018, PMR had a session highlighting what the Census Bureau is doing in regards to cybersecurity. In his opening comments, Kevin Smith (Chief Information Officer) said:

> I want to stress that the protection of the data we collect is the Census's highest priority, and I want to describe it is not just the technology but the people and the processes we use in our culture we go through to help make

sure everyone is aware of the importance of the data and takes action to protect it.

Video for this PMR can be found here *https://youtu.be/pLZlt83rLZg?t=2085* and the accompanying slides can be accessed at this link: *https://www2.census.gov/programs-surveys/decennial/2020/program-management/pmr-materials/08-03-2018/pmr-cybersecurity-08-03-2018.pdf?#*. Additional sessions on "System Readiness" touch on cyber security in the October 2018 and February 2019 PMRs.

Additionally, we had the opportunity to host Census Bureau Director Dillingham at the Gardner Policy Institute on May 7. During his visit, he participated in a Newsmaker Breakfast, speaking to the public about the 2020 Census. In his remarks, he mentioned that the Census Bureau is working closely with experts in and out of government to stress test their system and create a platform that is nimble and could adjust to threats. He mentioned that the Census Bureau is working with the largest IT firms in the Nation to address the issue. (Topic begins around 49:30—*https://www.facebook.com/gardnerpolicyinstitute/videos/850462068623931/*)

Regarding disinformation, the Census Bureau has mentioned that this will be addressed in their forthcoming communications plans. The 2020 Census communication efforts in Utah are being constructed with the consideration that digital campaigns to create confusion may very well be present. Additionally, the State Data Center network is constantly watching for things that might confuse people regarding the decennial count. The network is active and engaged. This slightly more grassroots space for states allows space for clear, connected narratives to develop and be disseminated more quickly than through formal Census Bureau processes.

I know the reintroduction of paper forms for voting is proposed in some communities to avoid cyber interference. Although online response is getting all the press, there are alternatives. If communities feel unsafe or uncertain utilizing the online response platform, paper forms and over-the-phone response are options for response in 2020.

Thank you for the opportunity to comment on this topic.

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