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STATEMENT OF
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 BEFORE THE
 SUBCOMMITTEE ON COMMERCE, CONSUMER, AND MONETARY AFFAIRS
 COMMITTEE ON GOVERNMENT OPERATIONS
 HOUSE OF REPRESENTATIVES *see 1501*
 ON
 [BUREAU OF ~~THE~~ CENSUS'
 PLANNING AND BUDGETING
 FOR ~~THE~~ 1980 CENSUS AND PROGRAMS TO
 REDUCE ~~THE~~ DECENNIAL CENSUS UNDERCOUNT]

Mr. Chairman and members of the Subcommittee:

I am pleased to be here today to discuss the Bureau of the Census' estimated costs and plans for the 1980 census, including the Bureau's programs directed at reducing the census undercount. I am accompanied by Mr. Jack Kaufman, who is responsible for the GAO audits at the Bureau of the Census. I will initially discuss our report of November 9, 1978, on the Bureau of the Census' Planning, Budgeting, and

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Accounting for the 1980 Census (GGD-79-7), which considers the cost estimates for the 1980 census with emphasis on the Bureau's planned procedures to reduce the population undercount. I will subsequently discuss the Bureau's actions to implement the recommendations of our earlier report issued May 5, 1976, (GGD-76-72) entitled "Programs to Reduce the Decennial Census Undercount."

Our 1978 report shows that the Bureau plans to spend more than four times the \$222 million it spent for the 1970 census, without assurance that there will be an appreciable improvement in the data collected. By using constant dollars, thereby eliminating inflation, the per capita cost of the 1980 census will be 138 percent higher than the 1970 census. Accordingly, a very difficult question raised in our report is "Should the Census Cost \$1 billion?"

A breakdown of the Bureau's cost estimates is informative in considering this question. Bureau records at the time of our review showed a planned expenditure of about \$920 million for the 1980 census. A more recent Bureau estimate is \$960 million. It should be recognized that the Bureau makes changes to its procedures throughout the planning stages and even into the Census itself. However, when anticipated inflation is considered it is likely that the 1980 census will exceed \$1 billion. Bureau estimates show that the 1980 census, if done in the same way as the 1970 census, would cost about \$553 million. This increase

of \$331 million above the 1970 census expenditures is attributed to inflation and a larger workload because of increased population. The remaining increase of \$367 is for implementing improved procedures that the Bureau hopes will reduce the population undercount and improve the quality and usefulness of the data.

The \$367 million for improvements can be classified into three categories.

1. Improved procedures costing \$166 million aimed directly at obtaining a better population count than the 1970 census effort. Examples include (a) use of the name lists from independent records, such as driver's license files, to compare to census results, (b) use of community service programs to develop improved communications with members of minority populations, and (c) rechecking some 13 million housing units reported as vacant.

2. Changes in field staff management estimated at \$120 million. Examples include improved payroll processing, recruiting operations, field quality control program, and district office administration which may indirectly improve the population count.

3. \$81 million for improvements in data quality. Examples include a Spanish/Hispanic-origin item on all questionnaires, and an income item on 50 percent of the questionnaires distributed to places with populations of 5,000 or less to provide improved data for general revenue sharing for small communities.

Looking at these items in reverse order, much of the \$81 million for improvements in data quality can be associated with discernable statistical benefits, some of which are applicable to legal requirements. The \$120 million which related in large part to administrative improvements cannot be translated to measurable benefits. However, according to the Bureau the costs represent improvements needed in deficiencies identified in the 1970 census or in pretest operations.

Regarding the \$166 million for coverage improvements, the Bureau plans to adopt improved, but costly procedures, with little assurance that the accuracy of the count will be much improved. Small increments of improved coverage are very costly. The issues associated with improved coverage can best be understood by describing the nature of the undercount problem.

We recognize that counting the population is a very difficult and important assignment and we can appreciate the difficulties faced by the Bureau in carrying it out. For instance, there are many situations in which dwelling units may be difficult to find, such as units located in alleys, basement and attic apartments and subdivided units. Also, there is a whole class of unusual dwelling places such as campers, boats, and tents. To overcome some of

these problems the Bureau plans to adopt improved procedures to develop a complete and accurate list of addresses.

Also, many persons are not permanent residents of fixed dwelling units. They may be drifters who sleep in such places as railway or bus stations, all night movies, or in streets. In addition, there are persons who have temporary lodgings such as in hotels, institutions, or boarding houses. The Bureau is aware of these difficult to enumerate situations and has developed special procedures for dealing with them.

Most difficult to count are those deliberately omitted by the household respondent because they are undocumented persons, fugitives from justice, persons behind in child support or alimony payments, and violators of building occupancy requirements who fear identification. These types of situations are almost impossible to handle properly. The law does not require people to step forward and be counted. The only obligation is to respond truthfully when the Bureau finds them.

In each U.S. Census there has been an undercount of the population. The Bureau estimates that the undercount rate was 2.7 percent (5.1 million persons) for the 1960 Census and 2.5 percent (5.3 million persons) for the

1970 Census. For blacks, however, the Bureau estimated that the undercount rate was 8 percent (1.6 million persons) in 1960 and 7.7 percent (1.9 million persons) in 1970.

For the 1970 census, the Bureau credited improved coverage with decreasing the undercount by 1.1 percent or 2.3 million persons at a cost of about \$11 million. The question for the 1980 census is what will the Bureau achieve for the additional \$166 million it plans to spend for improved population coverage, the additional \$120 million to be spent on improvements that may indirectly improve the population count, and the additional \$81 million for improvements in data quality?

In our 1976 report we made four recommendations to the Census Bureau to consider in its efforts to reduce the census undercount.

Initially, we recommended that the Bureau reconsider the use of mailcarriers for followup enumeration work. Bureau officials considered using mailcarriers for follow-up work in 1970 but rejected the idea because of cost, organizational difficulties, and potential problems with the public's perception of census confidentiality. A 1972 National Academy of Sciences' report ("America's Uncounted People") had also recommended using mailcarriers. The report noted that mailcarriers: "*** are not

typically targets of hostility; they know the people in their delivery areas and are known by them; they are highly visible and easily identified by their uniforms, and they are, as a group, highly literate." The Bureau advised us that our recommendation was discussed with the Postal Service and that use of mail carriers to assist in census enumeration would be too disruptive to mail service and was therefore not adopted.

Secondly, we asked the Bureau to consider a two-stage questionnaire for the 1980 census. The first stage would be a mail out/mail back card to contain only population questions essential for population counts. The second stage questionnaire would request supplementary population and housing data which could be obtained on a 100-percent or sampling basis, as required. Our thinking was that simplifying and shortening the first stage might encourage greater public cooperation and thereby improve the accuracy of the population counts.

The Bureau rejected the recommendation on the basis that a two-stage system would add to the cost and complexity of the census and there was no hard evidence that a significant gain would be realized. We made the recommendation in our 1976 report because a Bureau evaluation

of the 1970 census returns indicated potential problems created by the questionnaire length. On a final note, the Bureau advised us that it is still considering our suggested two-stage questionnaire procedure for an experimental program with the 1980 census.

Our other two recommendations in our 1976 report concerned the Bureau's goal in 1980 to better estimate the true population and distribute the undercount and publish corrected population figures. At the time of our 1976 report the Bureau was encountering difficulties in developing procedures for extending the undercount estimates to more population groups and subnational areas. We recommended that the Bureau assess the progress on the development of experimental methods to attain its goal, and if the assessment shows additional effort is needed, that the effort be applied to increase the probability that the Bureau's 1980 goal--to at least distribute the residual undercount to State and major metropolitan areas--will be met.

The Bureau is still doing research on measuring and adjusting for census undercounts. The Bureau plans to hold a technical conference in the spring of 1980 to which experts will be invited to reassess the feasibility of measuring and adjusting for census undercounts, and to evaluate the potential applications for adjustments to the

1980 census. The Bureau is also planning procedures to develop estimates of the undercount for States and major metropolitan areas, through a large scale postenumeration survey.

I would now like to sum up our thoughts on the undercount problem and the estimated increased costs of the 1980 census.

Attempting to eliminate the undercount is a classic example of increasing investment with diminishing returns. Nevertheless, a coverage improvement program of some sort is probably necessary to prevent backsliding in the population count. However, there will always be a margin of indeterminacy in counting the population that cannot be resolved.

The question of whether the incremental benefits justify the incremental costs of the Bureau's planned improvements, estimated at \$367 million, for the 1980 census is a matter for the Congress to decide. We of course, recognize the importance of census data as the basis for the apportionment of seats in the House of Representatives and for the distribution of billions of dollars in Federal funds and the inequities that inaccurate counts for geographic areas and population groups can create. However,

decision makers, such as yourself must be provided with the best information that shows the benefits to be derived from planned expenditures in order to make informed decisions concerning the level of funding to be appropriated for Federal programs. Our November 1978 report, as discussed today, shows that the information available at the time of our review provided little assurance of appreciable improvements in the 1980 population count.

This concludes my prepared statement, Mr. Chairman. I will be happy to respond to any questions you may have.