



WHY WE NEED THE U.S. CENSUS BUREAU'S **AMERICAN COMMUNITY SURVEY**

March 2016

- The American Community Survey (ACS) is the nation's *only* source of comparable (across geography), consistent (across time), timely (updated annually), high quality demographic and socio-economic data for *all* communities in the country.
- The ACS is the modern version of the census "long form." It replaced the sample census form in 2005, at the urging of Congress. Because the ACS is part of the constitutionally required census, response is required by law (13 U.S.C. §214) to encourage participation, maintain high response rates, and control costs. The accuracy and availability of the data for *all* communities and population groups in the U.S. depends on it.
- Congress allocates more than \$415 billion annually in federal assistance to states and localities (representing more than two-thirds of all federal grant funding) based on ACS data. *There is no other source for these data!* A majority of states also use ACS data to set tax and spending limits. **Without the ACS, the Census Bureau would need to restore the long form to meet program data requirements set by Congress, as well as state and local government needs.**

 **A bargain:** The annual cost of the ACS is less than one one-thousandth of a percent of the federal dollars allocated to America's states and localities based on objective, reliable data.

- **Inadequate funding:** The Census Bureau has requested \$251 million for the ACS in FY2017, to improve the survey experience through better interviewer training; reduce respondent burden through revised question wording, use of administrative records to replace some questions, and less frequent inclusion of some topics; improve data quality and data products; and improve communications with the public. A significant cut to the ACS budget likely will force the Census Bureau to cut the survey sample size. **That would make it impossible to produce reliable data for (1) small and less populous areas, including a majority of U.S. counties, rural and remote areas, small cities and towns, American Indian reservations, and neighborhoods; and (2) small populations, such as people with disabilities, veterans, and national origin subgroups.**
- **Voluntary response (the Canadian experience):** Canada's recent experience with a voluntary census long form was an unmitigated disaster. The overall response rate dropped from 94 percent to under 69 percent, increasing costs by \$22 million as Statistics Canada *increased* the sample size to make up for lower response. (In other words, *more* households received the survey, increasing the burden on the public.) Nevertheless, due to high and unrepresentative response rates, **Statistics Canada could not produce reliable socio-economic estimates for 25 percent of all "places" in the nation — mostly small communities and rural areas.** About 12% of

communities had response rates below 50 percent. Experts described the data on income as not usable for business and policy purposes. The bottom line: Canada spent more money to achieve a worse outcome.

- ⊕ StatsCan published NHS data for only 75 percent of its roughly 4,500 smaller areas (census subdivisions, or CSDs). That figure ranged from data published for 100% of CSDs in the Northwest Territories to only 57% of CSDs in Saskatchewan. Except for the Northwest Territories, however, StatsCan published data for 85% or less of CSDs in the remaining 12 provinces.
- ⊕ With prominent business groups, including the Canadian Chamber of Commerce and Canadian Federation of Independent Business, and municipal governments bemoaning the loss of data to guide decision-making, Prime Minister Justin Trudeau announced reinstatement of the mandatory census long form in 2016 (the next scheduled national census) within days of taking office in 2015.
- **Voluntary response (Census Bureau test):** A congressionally ordered 2003 test of voluntary ACS response showed that mail response rates would plummet (by at least 20 percent) and survey costs would increase dramatically (+\$90-\$100 million a year). Data reliability, especially for small communities and less populous areas, also dropped. *The Census Bureau likely would be unable to produce usable data for more than 40 percent of all U.S. counties, or for small cities, towns, neighborhoods, and American Indian reservations, if response to the ACS were voluntary.*
 - ⊕ A mandatory ACS actually *reduces* the burden of essential data collection on the public. If response were voluntary, the Census Bureau would have to send the survey to *more* Americans, to maintain a representative sample in the face of falling self-response rates and to produce valid data.
- **An economic growth driver:** The ACS gives American businesses vital tools to guide capital investment, location of facilities, hiring, and merchandise and service decisions, all of which drive economic growth, job creation, and sustained business success. Elected leaders and public officials use the data as a roadmap for prudent allocation of fiscal resources and to monitor the progress of communities and success of public investments. Non-profit institutions rely on ACS data to illuminate populations and neighborhoods in need of a helping hand.
- **Alternative sources of data:** Some lawmakers have suggested that the business community could, and should, collect and produce the data the ACS currently provides. *This is simply not a viable alternative. The private sector cannot replicate the quality and breadth of data the Census Bureau produces for every community in the country; in fact, the ACS is the denominator for most public and private sector surveys.* ACS data are available to all Americans and American businesses, regardless of economic means, to help support community and business decision-making and to hold government accountable. (Furthermore, because all of the data the ACS collects are required to administer federal programs and laws, the federal government must ensure the availability of high-quality data for all communities in the country.)

- **Data privacy:** Recent data breaches at major U.S. companies and government agencies understandably have given Americans pause about the security of their personal information. Fortunately, the Census Bureau operates under the strongest confidentiality provisions on the books. The bureau cannot share any personal information about you, your family, or your home with *anyone* — not other government agencies or officials (federal, state, or local), including for law enforcement and national security purposes; not under court order; not with businesses. The Census Bureau has never violated the provisions of its governing law. The census and ACS do not even ask for social security numbers.
- **Reducing respondent burden:** The Census Bureau takes seriously congressional concerns about the response burden on the public. The bureau has conducted a top-to-bottom review of ACS content and field procedures, to ensure that only questions required to implement federal laws and regulations are asked in the survey and that survey takers contact reluctant households by telephone or in person only a few times. Full funding in FY2017 will allow the Census Bureau to improve interviewer training and to continue promising research that could streamline the ACS form even further, by replacing some questions with data the government already collects and by asking some questions less frequently. Members of Congress can share any concerns or observations about the ACS with the Census Bureau's Respondent Advocate (<http://www.census.gov/programs-surveys/are-you-in-a-survey/contact-us/respondent-advocate.html>).