

Counting for Dollars:

A Study of Census-guided Financial Assistance to Rural America

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Outline

- Federal financial assistance -- overview
- Uses of the Decennial Census beyond apportionment
- Census-guided Federal financial assistance
 - In general
 - For Rural America
- Appendix: Census-derived urban-rural classifications

Federal Financial Assistance

- Federal departments and agencies offer 2,500 domestic assistance programs
- A subset of these provides direct financial assistance of four types:
 - Direct Payments
 - Grants (Formula, Project)
 - Direct Loans
 - Guaranteed/Insured Loans

Federal Financial Assistance

Federal Financial Assistance by Category, FY2017	
Direct Payments	\$2,360,015,000,000
Grants	\$674,700,000,000
Guaranteed Loans	\$530,195,000,000
Direct Loans	\$180,041,000,000
Total	\$4,767,768,000,000

Uses of the Decennial Census beyond Apportionment

- Article 1, Section 2 of the Constitution mandates a Decennial Census for the purposes of apportioning seats in the House of Representatives.
- In January 1790, Representative James Madison proposed amending the Census Act of 1790 to include questions on population characteristics beyond those needed for apportionment so that Congress might “adapt the public measures to the particular circumstances of the community.”
- Agreeing with Madison, Congress added questions on race, gender, and age. Ever since, the Decennial Census has carried questions beyond those required for apportionment.

Census Uses beyond Apportionment

- Democracy
 - Redistricting
 - Voting Rights Act enforcement
- Business Decisions
 - Location – access to markets, labor
 - Goods and services provided
 - Marketing plan
- Federal, State, and Local Government Decisions
 - State and local balanced budgeting, TELs
 - Program design
 - Program spending – authorizations, appropriations, funds distribution
 - Program implementation – site choices
 - Program evaluation

Census-derived Databases for Program Implementation in Rural Areas

- Census Transportation Planning Products (AASHTO)
- StatsAmerica (EDA)
- State Occupational Projections (ETA)
- EDGE – Education Demographic and Geographic Estimates (NCES)
- AGID – Aging Integrated Database (ACL)
- Food Environment Atlas (ERS)

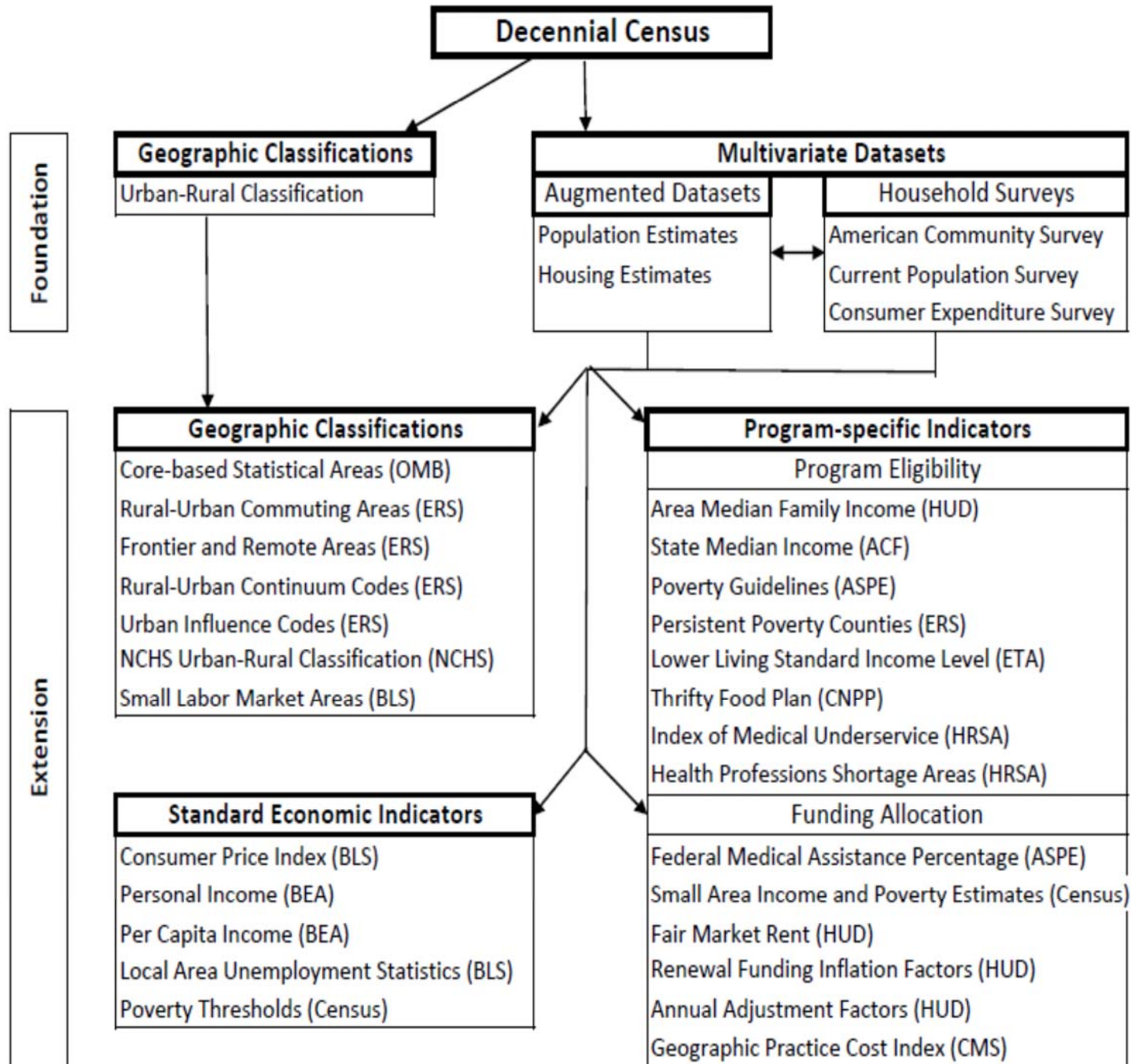
Census-guided Financial Assistance

- Congress recognizes that the appropriate, equitable distribution of certain forms of financial assistance should be guided by demographic and economic data at various levels of geography.
- A substantial portion of federal domestic assistance is geographically distributed to state and local governments, households, businesses, and nonprofit organizations based on statistics derived from the Decennial Census.

Census-guided Financial Assistance

- The Decennial Census is carried out once a decade and collects data on a small number of demographic characteristics.
- Congress recognizes that the decennial numbers, on their own, are not sufficient to guide the fair, equitable distribution of federal financial assistance.
- As a result, Congress has authorized a series of more current and more broadly descriptive datasets derived from the Decennial Census.

Census-derived Datasets for Distributing Federal Financial Assistance



Census-guided Financial Assistance

- In FY2016, approximately 320 financial assistance programs relied on census-derived data to distribute about \$900 billion across the nation.
- The two primary uses of census-derived data to distribute funds are:
 - Eligibility determination (e.g., rural, poverty)
 - Allocation formulas
- Secondary uses:
 - Selection preferences (e.g., smaller communities)
 - Interest rate determination

Census-guided Rural Assistance

- The large majority of census-guided financial assistance programs benefit both urban and rural areas. Examples:
 - Medicaid
 - Title I grants to LEAs
 - WIC
- At the same time, 55 census-guided programs are exclusively targeted to rural communities.
- These programs distributed \$30.7 billion in FY2016.

Census-guided Rural Assistance

Characteristics of 55 Census-guided Rural Financial Assistance Programs

Type of Federal Financial Assistance				Census-derived Datasets Used to Determine:			
Grants	Direct Loans	Loan Guarantees	Direct Payments	Eligibility	Allocation Formulas	Selection Preferences	Interest Rates
42	13	11	3	47	14	5	1

Census-guided Rural Assistance

Rural Financial Assistance Programs by Federal Department, FY2016

Department	# Programs	FY2016 Expenditures	% Total Expenditures
Agriculture	38	\$29,060,803,252	94.5%
Interior	4	\$751,633,279	2.4%
Transportation	1	\$619,956,000	2.0%
Education	1	\$175,840,000	0.6%
Health and Human Services	7	\$102,655,675	0.3%
Justice	1	\$24,231,823	0.1%
Housing and Urban Development	1	\$5,000,000	0.0%
Veterans Affairs	2	\$3,418,092	0.0%
Total	55	\$30,743,538,121	100.0%

Census-guided Rural Assistance by State

- FY2016 expenditure data by state obtained for six larger rural assistance programs (\$25.4 billion) – see handout table
 - Very Low to Moderate Income Housing Loans (10.410)
 - Rural Electrification Loans & Loan Guarantees (10.850)
 - Water and Waste Disposal Systems for Rural Communities (10.760)
 - Rural Rental Assistance Payments (10.427)
 - Business and Industry Loans (10.768)
 - Cooperative Extension Service (10.500)

Three Key Census-derived Datasets for Rural Communities

- Urban-Rural Classification
 - As based on population density, Decennial Census is direct data source
- Population Estimates (annual)



- Decennial Census provides initial population base
- Residents missed in 2020 are missed for decade
- American Community Survey
 - % – relies on Decennial for sample frame, design, weights
 - # – Population Estimates serve as controls

USDA Very Low to Moderate Income Housing Loan Program (10.410)

- Objective: aid very low-, low-, and moderate-income households in rural areas to obtain decent, safe, sanitary permanent housing
- FY2016 funding: \$16.9 billion
- Relies on census-derived data in 3 ways:
 - Definition of "rural" – based on Urban-Rural Classification and Population Estimates
 - State allocation formulas – based on ACS, Population Estimates, Urban-Rural Classification
 - Program eligibility -- restricted to very low- to moderate-income families, defined as % of local Annual Median Family Income, as determined by ACS

Census-guided Rural Assistance

Conclusion

The fair, equitable distribution of billions of dollars in federal financial assistance to rural communities depends on the accuracy and completeness of the 2020 Census.

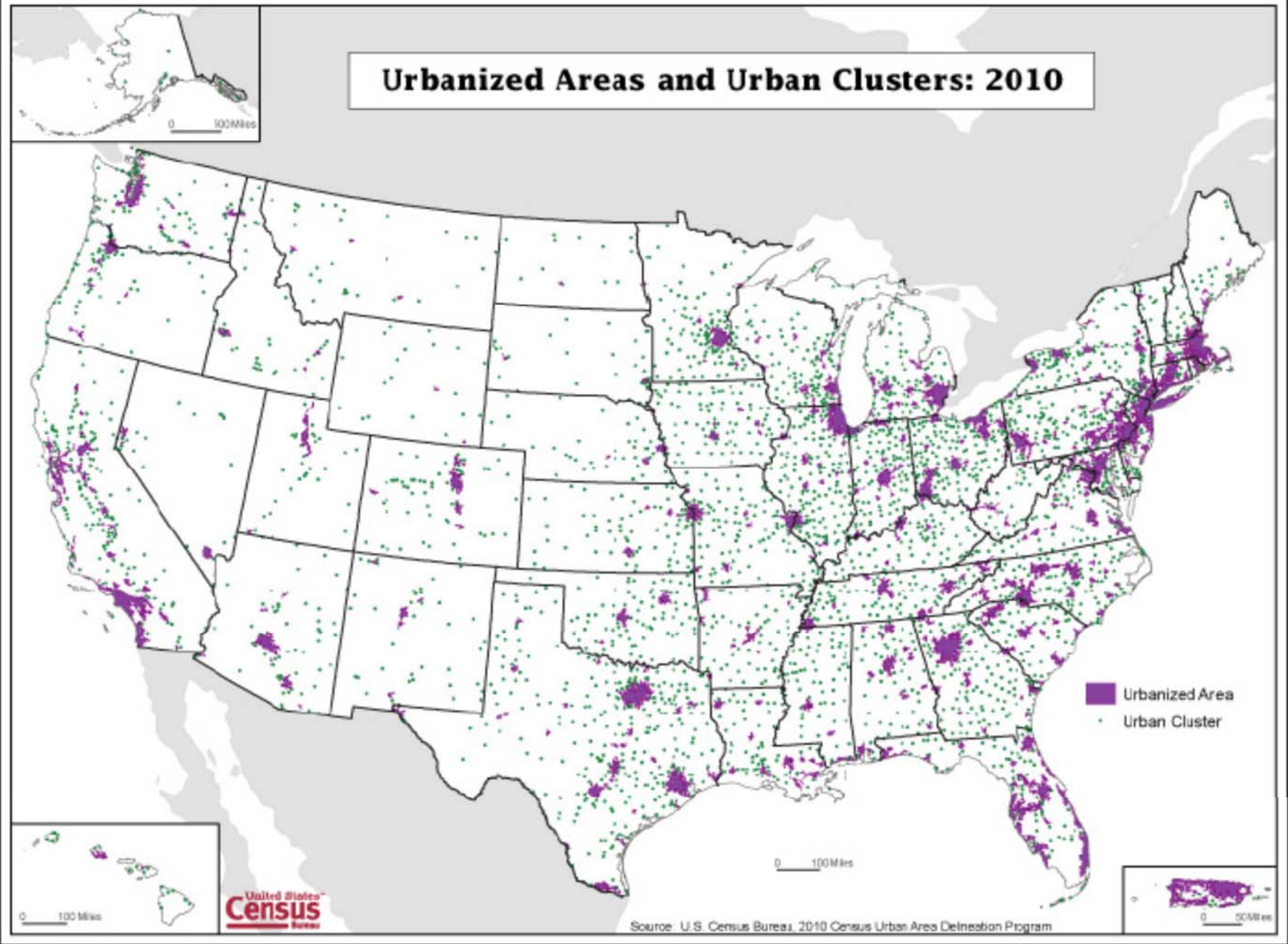
Urban-Rural Classification

- After each decennial census, the Census Bureau delineates two types of urban areas on the national map:
 - Urbanized areas (UAs) that contain 50,000+ people
 - Urban clusters (UCs) with a population of 2,500-49,999
- To be a UA or a UC, an area's population density must be at least 1,000 persons per square mile.
- Any geographic area that is not in a UA or UC is "rural" by definition.
- Each rural area, then, has a population density under 1,000.

Urban-Rural Classification

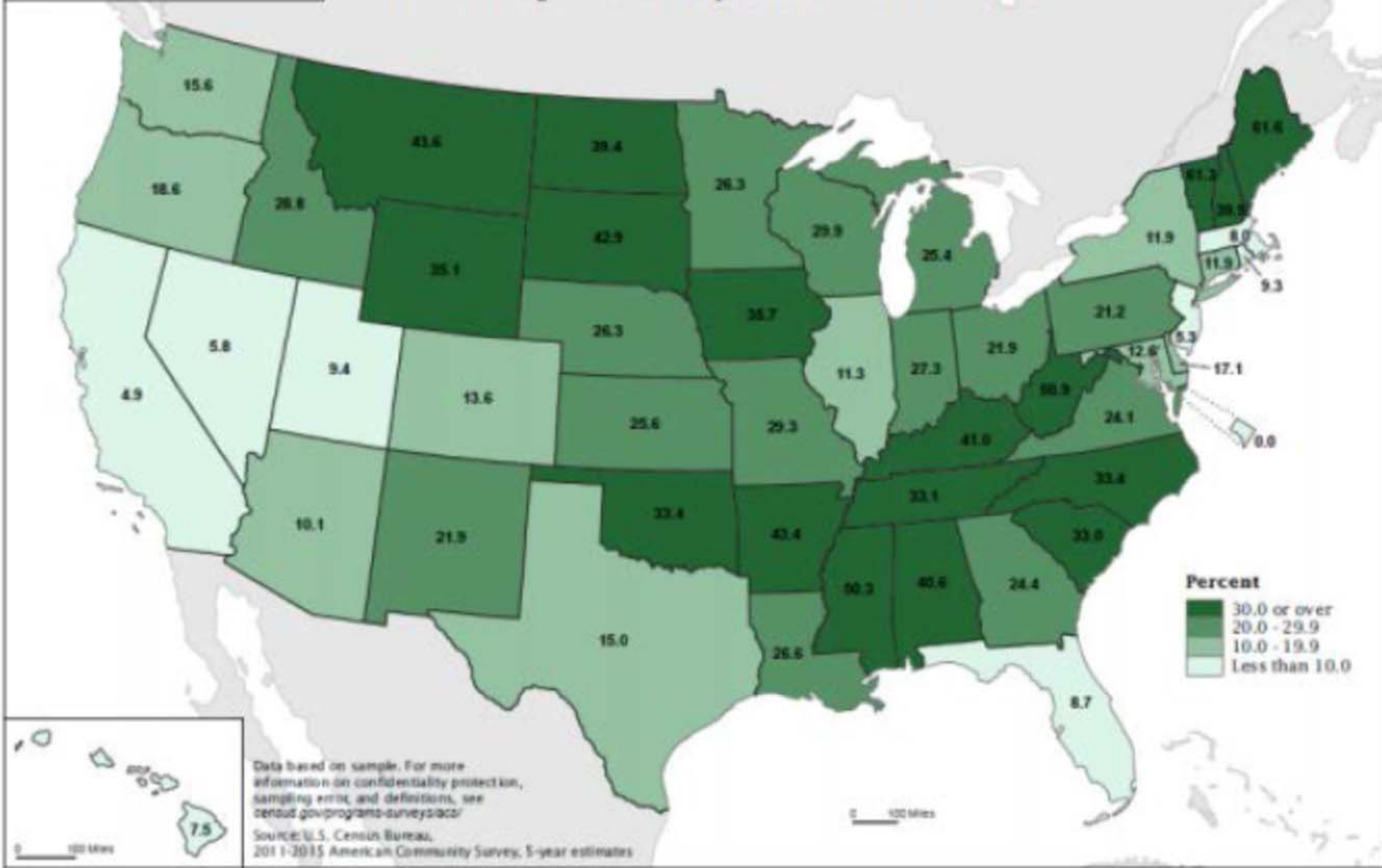
- In March 2012, the Census Bureau published the 2010 Census-based Urban-Rural Classification, identifying 486 UAs and 3,087 UCs nationwide.
- In 2010, 80.7 percent of the population lived in urban areas, which comprised 3.0 percent of the nation's land.

Urbanized Areas and Urban Clusters: 2010





Rural Population by State: 2011 - 2015



Core-based Statistical Areas (CBSAs)

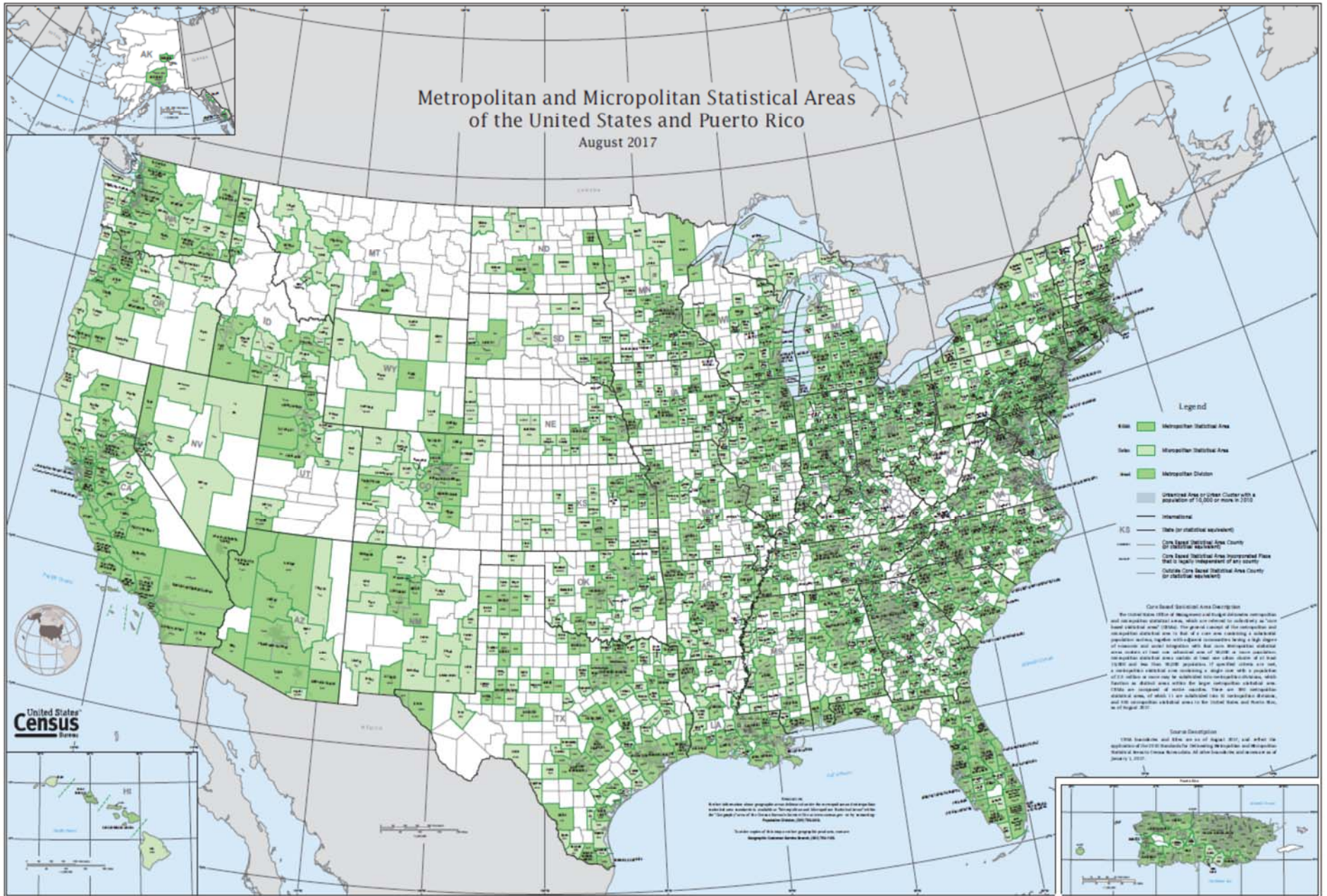
- Based on the Urban-Rural Classification, OMB delineates core-based statistical areas (CBSAs)
 - Metropolitan area (core UA 50,000+)
 - Micropolitan area (core UC 10,000+)
- Each CBSA includes 1+ central counties (containing UA or UC) plus outlying counties connected by commuting (25% either direction, per ACS)
- Under CBSA framework, “rural” defined as non-core areas
- CBSA delineations updated every two years

Core-based Statistical Areas (CBSAs)

Core-Based Statistical Areas: Distribution of Counties and Population				
	CBSAs	Counties		Population
	#	#	%	%
Core-based Statistical Areas	933	1,825	58.1%	94.3%
Metropolitan Areas	383	1,169	37.2%	85.7%
Micropolitan Areas	550	656	20.9%	8.6%
Non-Core Areas	NA	1,317	41.9%	5.7%

Metropolitan and Micropolitan Statistical Areas of the United States and Puerto Rico

August 2017

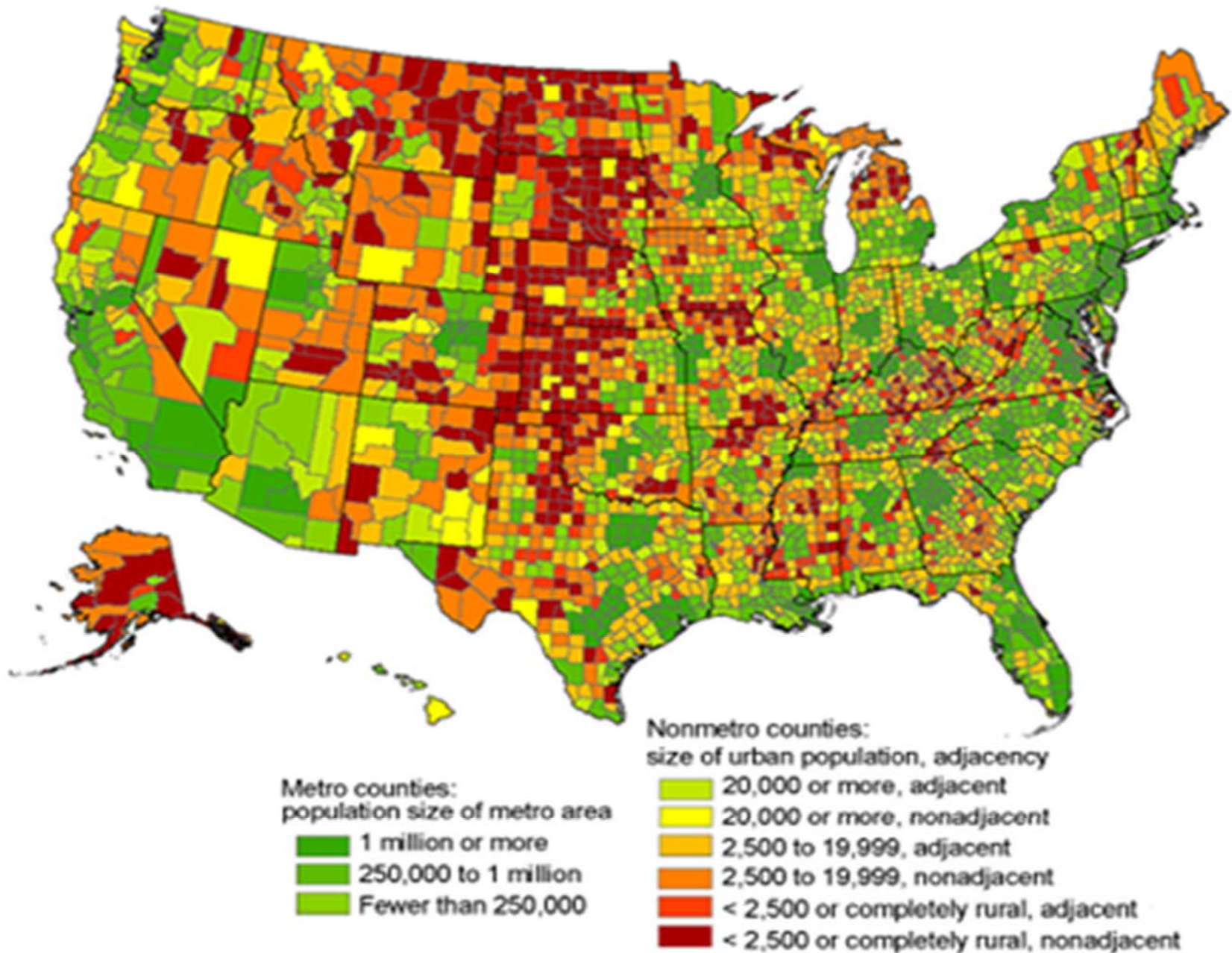


Degrees of Rurality Classifications

Several census-derived classifications by degrees of rurality are used to guide federal funding:

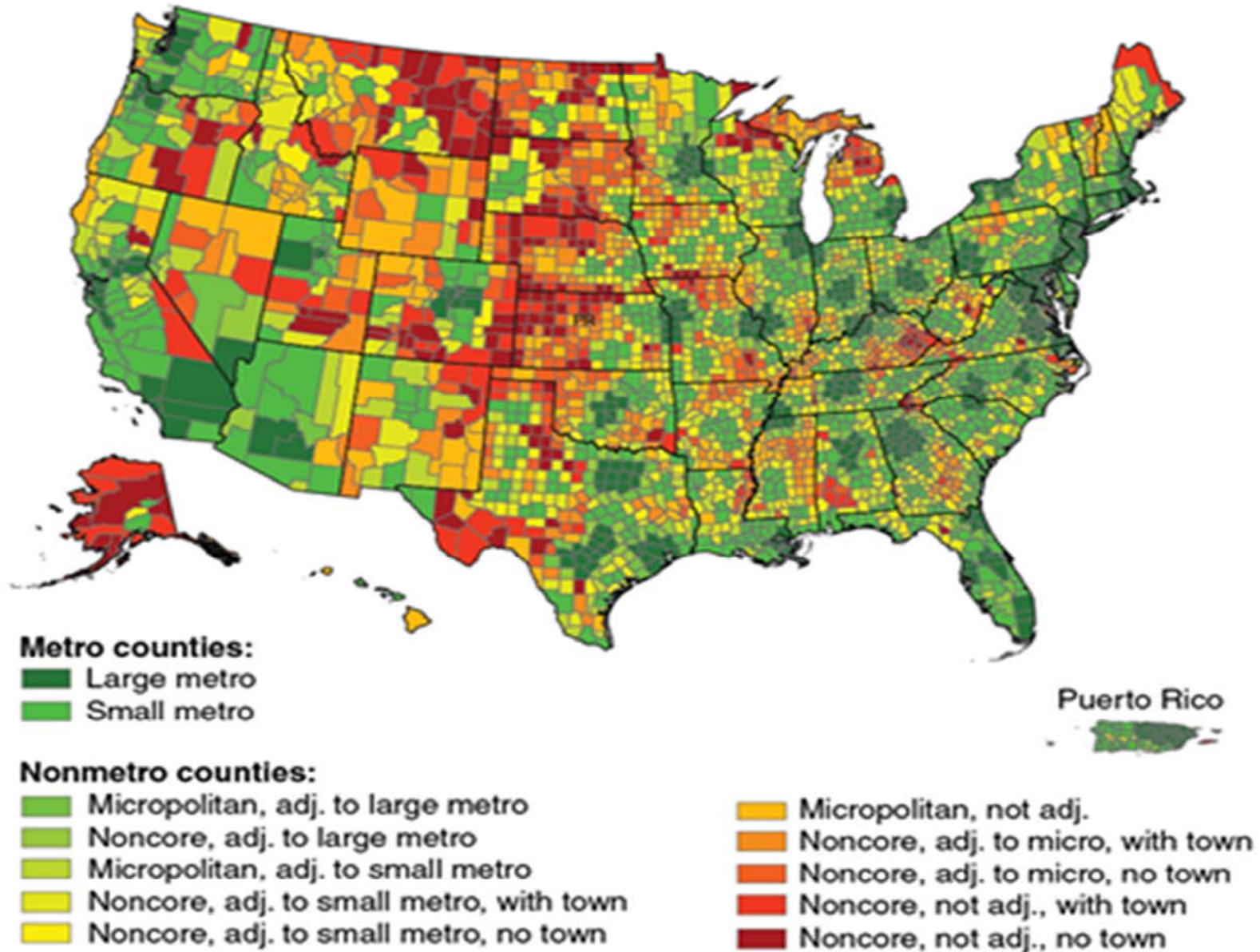
- By Census Tract Population Density
 - Rural-Urban Commuting Areas (RUCAs), ERS
- By ZIP Code
 - Frontier and Remote Area Codes (FAR), ERS
- By County
 - Rural-Urban Continuum Codes (RUCCs), ERS
 - Urban Influence Codes (UICs), ERS
 - NCHS Urban-Rural Classification Scheme for Counties

2013 Rural-Urban Continuum Codes



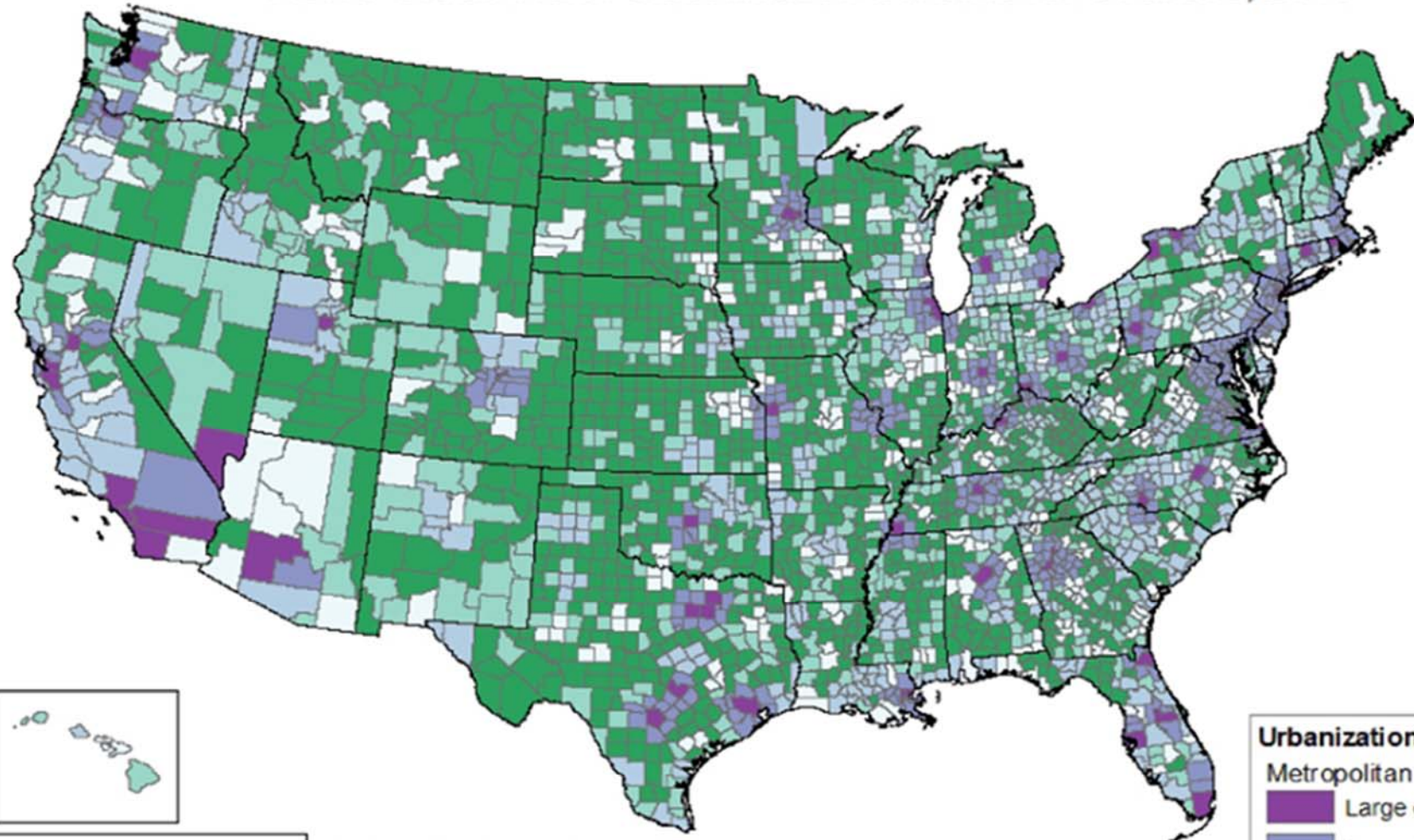
Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

2013 Urban Influence Codes



Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

NCHS Urban-Rural Classification Scheme for Counties, 2013



Urbanization level

Metropolitan counties

Large central metro

Large fringe metro

Medium metro

Small metro

Nonmetropolitan counties

Micropolitan

Noncore

Source: http://www.cdc.gov/nchs/data/series/sr_02/sr02_166.pdf

Large central metro: counties in Metropolitan Statistical Areas (MSAs) of 1 million or more population that: 1) contain the entire population of the largest principal city of the MSA, or 2) have their entire population contained in the largest principal city of the MSA, or 3) contain at least 250,000 inhabitants of any principal city of the MSA (n = 68, percent of US population = 30.5);

Large fringe metro: counties in MSAs of 1 million or more population that did not qualify as large central metro counties (n = 368, percent of US population = 24.7);

Medium metro: counties in MSAs of populations of 250,000–999,999 (n = 373, percent of US population = 20.9);

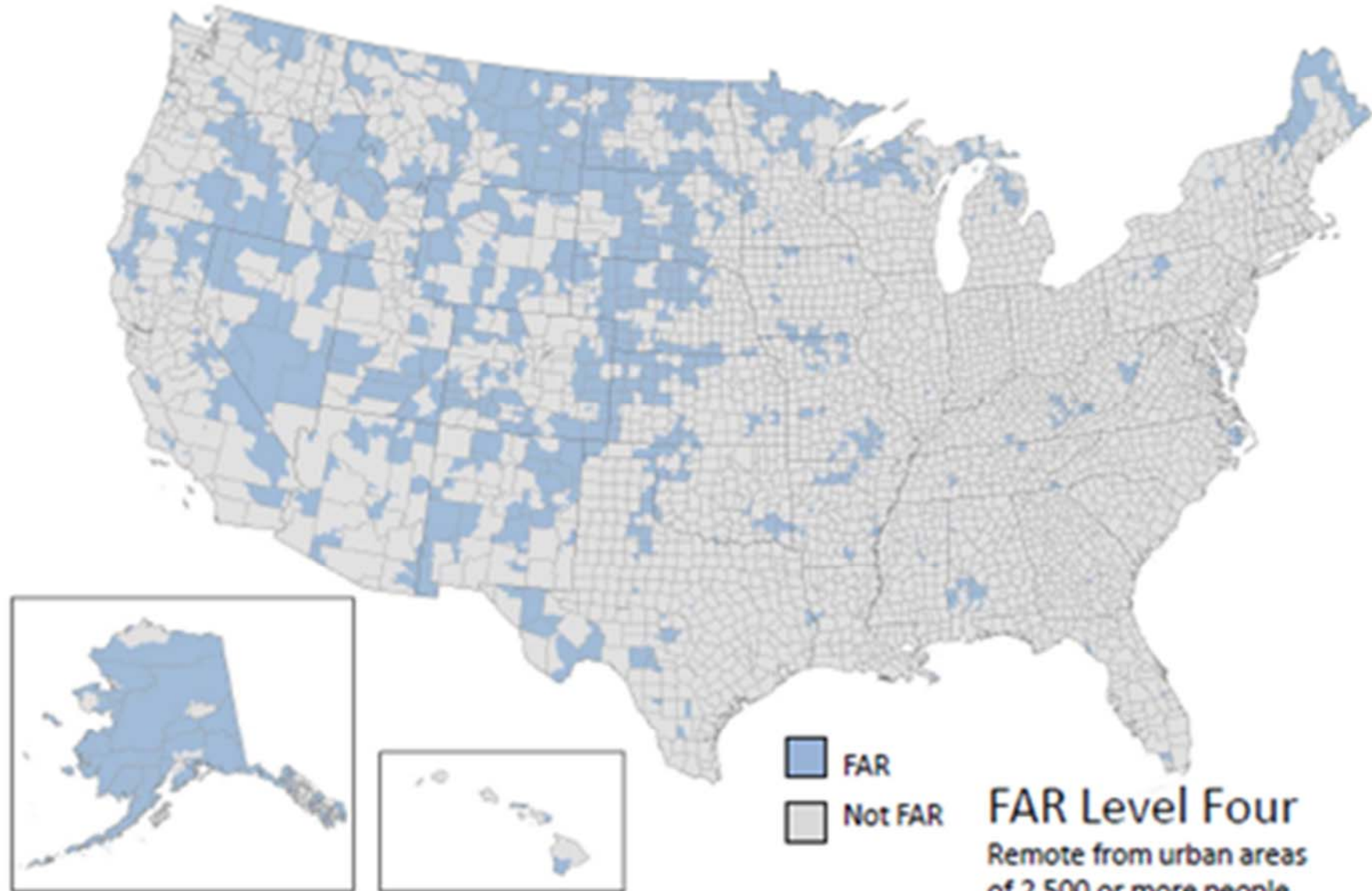
Small metro: counties in MSAs of populations less than 250,000 (n = 358, percent of US population = 9.2);

Micropolitan: counties in micropolitan statistical areas (n = 641, percent of US population = 8.7);

Noncore: nonmetropolitan counties that did not qualify as micropolitan (n = 1,335, percent of US population = 6.1).

Color ramp from: <http://www.colorbrewer2.org/> Insets maps not to scale.

Frontier and Remote (FAR) ZIP Code areas, 2010



FAR level four includes ZIP code areas with majority populations living 60 minutes or more from urban areas of 50,000 or more people; and 45 minutes or more from urban areas of 25,000-49,999 people; and 30 minutes or more from urban areas of 10,000-24,999 people; and 15 minutes or more from urban areas of 2,500-9,999 people.

Source: USDA, Economic Research Service, using data from the U.S. Census Bureau and ESRI.

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