
THE GEORGE WASHINGTON UNIVERSITY

WASHINGTON, DC

Submitted Comments Regarding Federal Economic Statistics Programs: 2012

Andrew Reamer, Ph.D., Research Professor

Bureau of Labor Statistics

Surveys

Import and Export Price Indexes

Census Bureau

Surveys

American Community Survey

- ACS Methods Panel
- Future of the ACS
 - Maintaining a Mandatory ACS – submitted to the Subcommittee on Health Care, District of Columbia, Census and National Archives Committee on Oversight and Government Reform, U.S. House of Representatives
 - The Economic Impact of Ending or Reducing Funding for the American Community Survey and Other Government Statistics – testimony presented to the Joint Economic Committee
 - Census: Planning Ahead for 2020 – testimony presented to the Subcommittee on Federal Financial Management, Committee on Homeland Security and Governmental Affairs, U.S. Senate



September 28, 2012

OMB Desk Officer for the Department of Labor, Bureau of Labor Statistics
Office of Management and Budget, Room 10235
Washington, DC 20503

Via email: OIRA_submission@omb.eop.gov

Re: Comments on the proposed data collection for U.S. Export and Import Price Indexes

I am pleased to respond to the notice in the *Federal Register* (August 29, 2012) asking for comments regarding the Bureau of Labor Statistics (BLS) information collection request “International Price Program U.S. Export and Import Price Indexes.”

As a research professor at the George Washington Institute of Public Policy, I focus on federal policies and programs that support U.S. economic competitiveness. From this perspective, I believe that BLS’s Export and Import Price Indexes are essential for understanding the nation’s competitive position in global markets. Consequently, I strongly support BLS’s request to collect information for the purpose of constructing and publishing the Export and Import Price Indexes.

That said, I wish to note that BLS Export and Import Price Indexes are woefully inadequate in their coverage of U.S. exports and imports of services, due to insufficient appropriations. At present, the indices cover only air passenger fares and air freight charges, which amount to just ten percent of U.S. services imports and seven percent of U.S. services exports. Missing is price information on exports and imports in important sectors such as business, professional, and technical services (including management and consulting services, R&D and testing services, and computer and data processing services); financial and insurance services; education services; and telecommunications. As a consequence, economists have a limited understanding of the true global competitiveness of these sectors.

Because of fiscal year 2008 budget cuts, BLS was forced to drop coverage of prices of export travel and tourism, ocean liner freight, and postsecondary education (foreign students coming to the U.S.). Prior to these cuts, the indices still covered only 20 percent of imported services and 35 percent of exported services.

The BLS indices continue to cover 100 percent of U.S. goods imports and exports. However, due to limited coverage of traded services, the indices track prices for 84 percent of total imports (all goods and services) and just 72 percent of total exports.

Effective federal economic policy depends on having the capacity to make accurate comparisons of U.S. and foreign prices for all types of services. BLS estimates that the additional annual cost

to expand price index services coverage would be \$12 million, a sum many orders of magnitude smaller than the economic and fiscal returns on such an investment. By FY2017, services coverage would reach 52 percent for imports and 34 percent for exports and would grow in succeeding years until coverage is complete.

Consequently, I encourage OMB not only to approve the BLS information collection request for Export and Import Price Indexes, but also, come budget time, to support the very modest amount of additional funds necessary to provide our nation with a more complete picture of its economic competitiveness.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Reamer". The signature is fluid and cursive, with a long horizontal stroke at the end.

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



September 28, 2012

Mr. Brian Harris-Kotejin
OMB Desk Officer
Washington, DC
Via email: bharrisk@omb.eop.gov

Re: Comments on the proposed American Community Survey Methods Panel Tests

Dear Mr. Harris-Kotejin,

I am pleased to respond to the notice in the *Federal Register* (August 31, 2012) asking for comments regarding the Census Bureau's request to conduct American Community Survey (ACS) Methods Panel Tests. As a research professor at the George Washington Institute of Public Policy, I fully support the Census Bureau's request.

While the ACS is relatively new, it is the latest incarnation of a long-standing federal tradition, going back to 1790, of using census surveys to gather data for the purposes of public policy. The ACS's immediate predecessor, the decennial long form, was developed in 1940 as an innovative tool to respond to the Great Depression. For two centuries, Congress and the Executive Branch have recognized that only the federal government has the knowledge, objectivity, resources, and authority to regularly collect and publish data consistent over time and space.

As the attached overview of the uses of the ACS attests, the survey enables the U.S. public and private sectors to more effectively make a substantial number of important decisions. The elements of the ACS Methods Panel Tests—a 2013 Questionnaire Design Test, a 2015 ACS Content Test, and a series of ACS Internet tests—are low-cost means for improving the value and reliability of the ACS effort. OMB's approval of the ACS Methods Panel Tests would help sustain the historical tradition of American households periodically providing information for the national, state, and community economic good. Consequently, I encourage OMB to approve the Census Bureau's request.

Thank you for your consideration.

Sincerely,

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

March 5, 2012

Honorable Trey Gowdy, Chairman
Honorable Danny Davis, Ranking Member
Subcommittee on Health Care, District of Columbia, Census and National Archives
Committee on Oversight and Government Reform
Washington, DC 20515

Dear Chairman Gowdy and Congressman Davis,

I am pleased to submit this letter in support of retaining the legal requirement that U.S. residents participate in, and provide accurate information to, the American Community Survey (ACS).

As noted by others submitting statements for the hearing record, Census Bureau field research demonstrates that making participation in the ACS voluntary would result in a 20 percent point drop in the response rate and a 30 percent rise in total costs (\$75 million) needed to maintain current levels of data reliability, due to the need for telephone and in-person follow-up to a larger number of non-respondents. If Congress does not appropriate the necessary funds, then the return on taxpayers' annual quarter billion dollar investment in the ACS falls dramatically.

In this letter, I will cover three points regarding the implications of the proposed shift to voluntary ACS participation:

- Public and private sector decision-makers at all levels of geography depend on reliable ACS estimates
- Since 1850, Congress has consistently mandated that ACS-type data be collected through the census and that household participation in mandatory
- A reliable ACS more than fulfills the intent of existing law, signed by President Ford, that directs the Secretary of Commerce to conduct a mid-decade census

To a substantial degree, these points are drawn from my July 2010 Brookings Institution report, ["Surveying for Dollars: The Role of the American Community Survey in the Geographic Distribution of Federal Funds."](#)

Uses of ACS Estimates for Public and Private Decision-Making

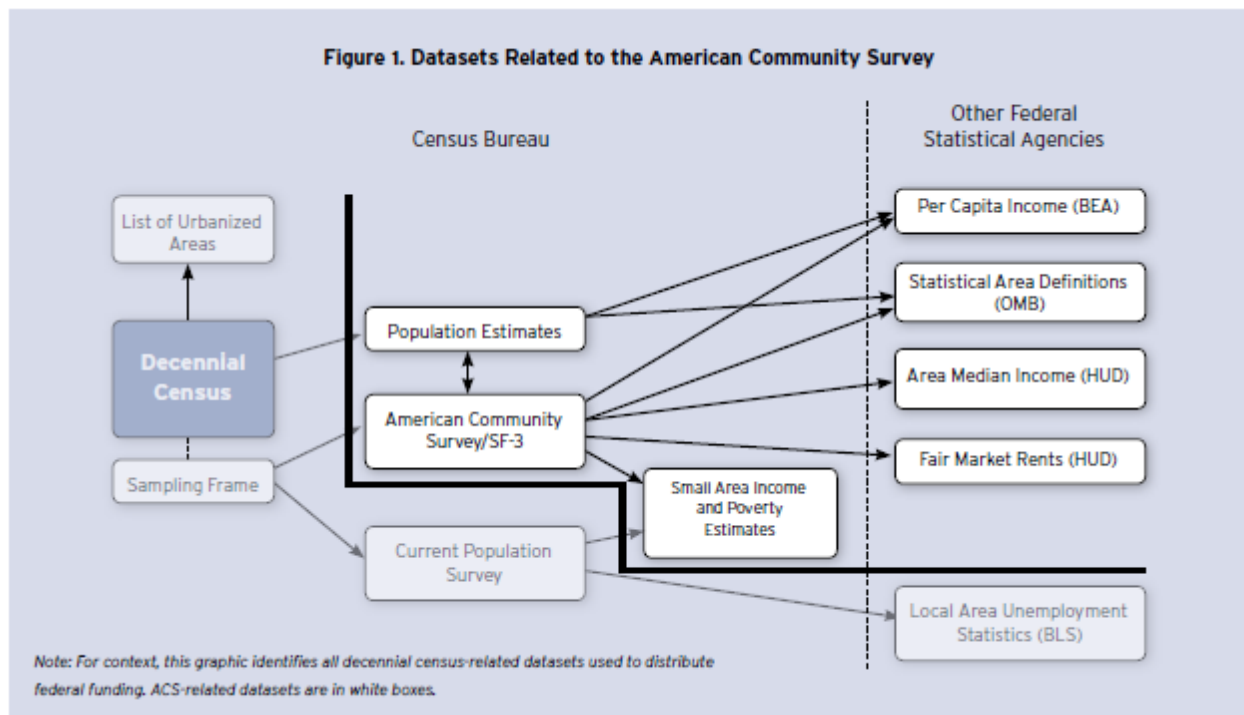
ACS estimates are used for decision-making in two major realms—public policy and the economy. With regard to public policy:

- ACS data guide the equitable, appropriate flow of hundreds of billions of dollars in federal domestic assistance across the nation (\$416 billion in FY 2008)
 - Less reliable ACS estimates will result in some states and communities getting less, and others more, than their fair share
- ACS data provide key benchmarks for federal enforcement of civil rights and antidiscrimination laws and court decisions
 - Less reliable ACS estimates will increase the difficulties of proper enforcement of civil rights and antidiscrimination laws and court decisions
- Federal agencies use ACS data to inform the design, implementation, and evaluation of programs and policies in every government realm, such as education, health, housing, transportation, small business development, human services, and environmental protection
 - Less reliable ACS estimates will result in less effective and cost-efficient federal programs
- State and local governments rely on ACS data to make on-the-ground investment decisions across all policy domains
 - Less reliable ACS estimates will result in less effective and cost-efficient state and local programs

With regard to economic decision-making:

- Businesses of all types and sizes use ACS data to identify markets, select business locations, make investment decisions in plant, equipment, and new product development, determine goods and services to be offered, and assess labor markets
 - Less reliable ACS estimates will result in increases in the probabilities that U.S. businesses will make decisions that result in lower profits and competitiveness
- Nonprofit organizations such as hospitals and community service organizations rely on ACS data to better understand and serve the needs of their constituencies
 - Less reliable ACS estimates will lead nonprofit community organizations to less effectively serve their population base
- ACS data are essential to efforts by state and local governments, chambers of commerce, and public-private partnerships to promote business attraction, expansions, and startups that lead to job creation and a larger tax base
 - Less reliable ACS estimates will diminish state and local capacities to stimulate job creation and economic activity

Not well understood is that a large proportion of these decisions do not directly use ACS data but rather other federal datasets that are built in part on the ACS. This chart illustrates the six federal data efforts that depend on a reliable ACS:



In particular:

- ACS international migration data are a key input to the Census Bureau's annual national, state, and local population estimates
- Income data from the ACS are used to build
 - the Census Bureau's Small Area Income and Poverty Estimates (SAIPE), used to distribute federal education program funds
 - the Department of Housing and Urban Development's Area Median Income estimates, used to distribute a number of housing and community development program funds
- Commuting data from the ACS are used to determine
 - the geographic boundaries of OMB's metropolitan and micropolitan statistical areas, used for multiple public and private purposes
 - state per capita income estimates from the Bureau of Economic Analysis, the one dataset relied on by the Department of Health and Human Services to calculate each state's Medicaid reimbursement formula (BEA uses ACS inter-state commuting data to convert a state's earnings by place of work to earnings by place of residence)
- Housing cost data from the ACS are used to construct
 - Fair Market Rents used by HUD for Section 8 and other housing programs

- Regional Price Parities (local cost-of-living indices compared to the nation as a whole) about to be introduced by BEA

Longstanding Congressional Requirement for Mandatory Response to Census Socioeconomic Questions

From 1850 to the present, as the appended chart shows, Congress has directed the collection of socioeconomic information as part of the decennial census process. In fact, the ACS is the fourth iteration of a 162-year-old federal socioeconomic data collection effort to support informed decision-making. It is interesting to note that each of the seven socioeconomic questions asked in 1850 is on the ACS form (occupation, place of birth, student status, educational attainment, disability, housing value, and married within the last year).

Further, from 1850 to the present, Congress has required each household to provide true responses to all census questions, including socioeconomic ones, as the highlighted section of the appended Census Act of 1850 demonstrates. One difference between then and now is that the (rarely invoked) fine for not participating in the census has dropped by about 88 percent in real terms, from \$30 in 1850 (\$795 in 2011 dollars) to \$100 today.

While socioeconomic questions have been collected since before the Civil War, the percentage of households asked these questions has tended to decrease over time.

- For each census between 1850 and 1930, socioeconomic information was collected on every person living in the U.S.
- Most socioeconomic questions were asked of a sample of the population in 1940 (five percent) and 1950 (20 percent).
- For each census between 1960 and 2000, socioeconomic questions were organized into a “long form” mailed to a percentage of households that declined over time (25 percent in 1960, 20 percent for 1970-1990, and 16.67 percent in 2000)
- The combined sample over the first five years of full ACS operation (2005-2009) included about 11 percent of the nation’s households. With the recent increase in annual sample size to improve reliability, the five-year sample will include about 13 percent of households in the near term.

ACS Fulfills Legal Requirement for a Mid-decade Census

The development of the ACS grows out a 45-year-old recognition of the insufficiency of the once-a-decade collection of demographic and socioeconomic data.

- In 1967, the House Subcommittee on Census and Statistics reported that “Based on hearings held over the past several years. . . and discussions inside and outside the federal government there appears to be a broad consensus that changes in our nation are so great that we need measures more frequently than once every 10 years.”

- In 1976, Congress directed the Secretary of Commerce to conduct a mid-decade census, beginning in 1985. On signing the legislation (P.L. 94-521), President Ford said “Passage of this bill provides us with a major opportunity to improve the statistical information which is often the basis for decisions on major issues of public policy. With better information available at 5-year intervals, we will no longer need to rely on data which are often obsolete. ” Congress, however, never appropriated the funds for the mid-decade census.
- Even so, in the late 1980s and early 1990s, Congress again expressed interest in setting up a program to collect population data more than once a decade. Carrying out research requested by Congress, the Census Bureau chose a methodologically innovative path—a continuous rolling sampling of a relatively small number of households and people in group quarters. “Continuous measurement” was seen as having the benefits of more current data, greater efficiencies and cost savings, and improved planning and coverage. In light of these findings, Congress appropriated funds to carry out the ACS in lieu of the decennial long form.

If not by the letter, the ACS as currently implemented with a mandatory response, fulfills the legislated intent of P.L. 94-521. A significantly less reliable ACS would not be able to fulfill this intent.

In conclusion, I support mandatory participation in the ACS for reasons of cost, public and economic need for reliable data, long-standing congressional practice, and current law. I appreciate the opportunity to submit my observations and would be pleased to respond to any questions that you or other subcommittee members might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Reamer". The signature is fluid and cursive, with the first name "Andrew" being more prominent than the last name "Reamer".

Andrew Reamer
Research Professor

Socioeconomic Characteristics on Decennial Census Program Questionnaires, 1850-2010

| Decennial Survey | | | | | | | | | | | Pop/Housing Census + Sample | | Long Form | | | | | ACS | | | | | | | | | |
|-----------------------------------|--|---|---|----------------|---|---|---|---|---|---|-----------------------------------|-----------------|----------------|------|------|------|------|----------------|------|------|------|------|------|------|------|------|---------------|
| Social and Economic Questions | | | | | | | | | | | 1850 | 1860 | 1870 | 1880 | 1890 | 1900 | 1910 | 1920 | 1930 | 1940 | 1950 | 1960 | 1970 | 1980 | 1990 | 2000 | 2005- 2010 |
| <u>Migration and Mobility</u> | Place of birth | D | D | D | D | D | D | D | D | D | D | D | D | D | L | L | L | L | L | A | | | | | | | |
| | Parental place of birth | | | D | D | D | D | D | D | D | S | S | L | L | | | | | T | | | | | | | | |
| | Ancestry | | | | | | | | | | | | | | | | L | L | A | | | | | | | | |
| | Language(s) spoken | | | | | D | D | D | D | D | S | | L | L | L | L | L | A | | | | | | | | | |
| | Citizenship | | | D ¹ | | D | D | D | D | D | D | D | L ² | L | L | L | L | A | | | | | | | | | |
| | Date of arrival in the U.S. | | | | | D | D | D | D | D | | | | L | L | L | L | A | | | | | | | | | |
| | Prior place of residence ³ | | | | | | | | | | D | S | L | L | L | L | L | A | | | | | | | | | |
| | Lived on a farm in previous year | | | | | | | | | D | | S | | | | | | | | | | | | | | | |
| <u>Marriage and Family</u> | Number of children/births ⁴ | | | | | D | D | D | | | S | S | L | L | L | L | | | | | | | | | | | |
| | Given birth in the last year | | | | | | | | | | | | | | | | | A | | | | | | | | | |
| | Age/date of first marriage | | | | | | | | | | S | | L | L | L | | | | | | | | | | | | |
| | Number of years married/widowed/divorced ⁵ | | | | | | | D | D | | | S | | | | | | A ⁶ | | | | | | | | | |
| | Married/divorced/widowed in last year | D | D | D | D | D | | | | | | | | | | | | A ⁶ | | | | | | | | | |
| | Number of marriages/married more than once | | | | | | | | | | S | S | L | L | L | | | A ⁶ | | | | | | | | | |
| | Responsibility for grandchildren in the household | | | | | | | | | | | | | | | | L | A | | | | | | | | | |
| | Attended school in previous year ⁷ | D | D | D | D | D | D | D | D | D | D | S | L | L | D | L | L | A | | | | | | | | | |
| <u>Education and Training</u> | Literacy/highest education attained ⁸ | D | D | D | D | D | D | D | D | D | D | S | L | L | D | L | L | A | | | | | | | | | |
| | Vocational training | | | | | | | | | | | | | L | | | | | | | | | | | | | |
| | Area of study | | | | | | | | | | | | | | | | | A ⁹ | | | | | | | | | |
| | Industry | | | | | | | | D | D | D | D ¹⁰ | D | L | L | L | L | L | A | | | | | | | | |
| <u>Work and Income</u> | Occupation | D | D | D | D | D | D | D | D | D | D ¹⁰ | D | L | L | L | L | L | A | | | | | | | | | |
| | Hours worked | | | | | | | | | | D | D | L | L | L | L | L | A | | | | | | | | | |
| | Unemployment (length/reason) | | | | D | D | D | D | | | D | D ¹¹ | L | L | L | L | L | A | | | | | | | | | |
| | Earned income ¹² | | | | | | | | | | D | S | L | L | L | L | L | A | | | | | | | | | |
| | Other income ¹³ | | | | | | | | | | D | S | L | L | L | L | L | A | | | | | | | | | |
| | Income deductions for Social Security | | | | | | | | | | S | | | | | | | | | | | | | | | | |
| | Individual has SSN | | | | | | | | | | S | | | | | | | | | | | | | | | | |
| | Place of work | | | | | | | | | | | | L | L | L | L | L | A | | | | | | | | | |
| | Commute (time and mode of transport) | | | | | | | | | | | | L | L | L | L | L | A | | | | | | | | | |
| | Health insurance coverage | | | | | | | | | | | | | | | | | A ⁶ | | | | | | | | | |
| <u>Other</u> | Veteran status | | | | | D | | D | | D | S | S | L | L | L | L | L | A | | | | | | | | | |
| | Disability ¹⁴ | D | D | D | D | D | | D | | | | | | L | L | L | L | A | | | | | | | | | |

Key:

D - Decennial census population questionnaire

S - Supplemental decennial census population question. In the 1940 census, two of every 40 people surveyed were asked supplemental questions; in 1950 supplemental questions were asked of every 1 in 5 people.

H - Decennial census housing questionnaire

L - Decennial census long form

A - ACS questionnaire

T - ACS question in testing

Notes:

¹ *For males age 21 and older*

² *In 1960, citizenship was asked only in New York and Puerto Rico.*

³ *The 1950 and 2010 censuses asked for place of residence 1 year ago; the 1940 through 2000 censuses asked for place of residence 5 years ago.*

⁴ *The wording of this question altered over time, asking in earlier years for the number of births as well as the number of children still living, while later censuses instructed women to exclude stillbirths, adopted children, or step-children. Until 1970, the question was directed only to women who had ever been married.*

⁵ *In 1900 and 1910, the census asked married respondents how long they had been married, or for the length of their current marriage. The 1940 census asked how long the person had last been married, widowed, divorced, or separated. Finally, the ACS asks for the date of the most recent marriage.*

⁶ *These questions first appeared on the ACS in 2008.*

⁷ *Over the years this question has often changed the time period in which the respondent is asked about school attendance. From 1850 to 1900, the question asked about school attendance in the last year; from 1910 through 1930, the question asked about the last ten months; 1940 asked about the last month; from 1940 on respondents were asked about school attendance within the last 3 months.*

⁸ *From 1850 through 1930, the census asked whether each individual could read and write; from 1940 respondents were asked for highest education level attained.*

⁹ *This question first appeared on the ACS in 2009.*

¹⁰ *In 1940, the decennial census asked for each individual's current occupation and industry, while the supplemental questions asked the respondent for their usual occupation and industry.*

¹¹ *The 1950 decennial census asked whether the respondent was looking for work, and the supplemental questions asked how long the respondent had been seeking work.*

¹² *The wording for questions regarding earned income evolved over time. They generally cover wage and salary earnings, self-employment earnings, and profits from running a business or farm.*

¹³ *The number and wording of questions regarding unearned income changed over time. In general, questions cover four categories of income sources: 1) interest and dividends; 2) Social Security, retirement, and pensions; 3) public assistance and Supplemental Security Income; and 4) other sources of regular income, such as child support and alimony. Some censuses include separate questions for each category, while others combine all four into one broad question.*

¹⁴ *The working description of a disability varied greatly throughout the censuses. For example, in 1860, the census asked whether an individual was "deaf and dumb, blind, insane, idiotic, pauper, or convict." Other censuses asked about mental and physical disabilities that interfered with work or everyday activities.*

¹⁵ *These questions appeared on both the population and housing questionnaires.*

¹⁶ *Questions were asked only outside large cities.*

¹⁷ *Data were obtained through enumerator observation.*

¹⁸ *Short form question in large cities, and long form question in all other areas.*

¹⁹ *Asked only outside large cities.*

²⁰ *From 1850 to 1870, respondents were asked for the value of real estate and/or personal estate. Beginning in 1940, the question asked for monthly rent and/or value of owned home.*

money in the
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otherwise appro-
priated.

fiscal year ending June thirtieth, eighteen hundred and fifty, and for the whole year ending June thirtieth, eighteen hundred and fifty-one, shall be paid out of any money in the treasury not otherwise appropriated.

APPROVED, May 15, 1850.

May 23, 1850.

1850, ch. 43.

CHAP. XI. — *An Act providing for the taking of the seventh and subsequent Censuses of the United States, and to fix the Number of the Members of the House of Representatives, and provide for their future Apportionment among the several States.*

I. — Of the Duties, Liabilities, and Compensation of Marshals.

Marshals to
take a census.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the marshals of the several districts of the United States, including the District of Columbia and the Territories, are hereby required respectively to cause all the inhabitants to be enumerated, and to collect all the other statistical information within their respective districts, in the manner provided for in this act, and specified in the instructions which shall be given by the Secretary of the Interior, and in the tables annexed, and to return the same to the said Secretary on or before the first day of November next ensuing, omitting from the enumeration of the inhabitants Indians not taxed; also, at the discretion of said Secretary, any part or all the statistics of the Territories except those of population: *Provided, however,* And if the time assigned for making the returns shall prove inadequate for the Territories, the said Secretary may extend the same: *Provided, further,* If there be any district or Territory of the United States in which there is no marshal of the United States, the President shall appoint some suitable person to discharge the duties assigned by this act to marshals.

Proviso.

Further proviso.

Marshals re-
quired to swear
or affirm.

SEC. 2. *And be it further enacted,* That each of said marshals shall, before entering upon his duties, take and subscribe the following oath, or affirmation, before any circuit or district judge of the United States, or before any judge of any State court, to wit:

Form of oath
of affirmation.

I, _____, marshal of the district of _____, do solemnly swear (or affirm) that I will to the best of my ability enumerate, or cause to be enumerated, all the inhabitants of said district, and will collect, or cause to be collected, the other statistical information within the same, and will faithfully perform all the duties enjoined on me by the act providing for the taking of the seventh census.

And when duly authenticated by the said judge, he shall deposite a copy thereof, so authenticated, with the said Secretary of the Interior, and no marshal shall discharge any of the duties herein required, until he has taken and subscribed this oath, and forwarded a copy as aforesaid.

Each marshal
is required to
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ing not exceed-
ing 20,000 per-
sons, &c.

SEC. 3. *And be it further enacted,* That each marshal shall separate his district into subdivisions containing not exceeding twenty thousand persons in each, unless the limitation to that number causes inconvenient boundaries, in which case the number may be larger; and shall also estimate, from the best sources of information which he is able to obtain, the number of square miles in each subdivision, and transmit the same to the Department of the Interior: *Provided, however,* That in bounding such subdivisions, the limits thereof shall be known civil divisions, such as county, hundred, parish, township, town, city, ward or district lines; or highways, or natural boundaries, such as rivers, lakes, &c.

Proviso.

Each marshal
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SEC. 4. *And be it further enacted,* That each marshal shall appoint an assistant for each such subdivision, who is a resident

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therein, to whom he shall give a commission under his hand, author-
izing him to perform the duties herein assigned to assistants, which
commission shall set forth the boundaries of the subdivision, of which
appointment so made, and the boundaries so specified, the marshal
shall keep a true and faithful record.

Sec. 5. *And be it further enacted*, That each marshal shall sea-
sonably supply each assistant with the instructions issued by the
Department of the Interior, the blanks provided for the enumeration
of the population, and the collection of other statistics, and give to
him, from time to time, all such information and directions as may be
necessary to enable him to discharge his duty. He shall carefully
examine whether the return of each assistant marshal be made in con-
formity with the terms of this act, and, where discrepancies are
detected, require the same to be corrected. He shall dispose of the
two sets of the returns required from the assistant marshals as hereinafter
provided for as follows: One set he shall transmit forthwith to
the Secretary of the Interior; and the other copy thereof he shall
transmit to the office of the Secretary of the State or Territory to
which his district belongs. He shall classify and determine the rate
of compensation to be paid to each assistant marshal according to the
provisions of this act, subject to the final approval of the Secretary of
the Interior. He shall, from time to time, make himself acquainted
with the progress made by each assistant marshal in the discharge of
his duties, and in case of inability or neglect arising from sickness, or
otherwise, appoint a substitute.

Sec. 6. *And be it further enacted*, That if any marshal shall, by
any arrangement or understanding whatever, secure to himself any fee,
reward, or compensation for the appointment of an assistant, or shall
in any way secure to himself any part of the compensation provided
by this act for the services of assistants, or if he shall knowingly neg-
lect or refuse to perform the duties herein assigned to him, he shall, in
any such case, be deemed guilty of a misdemeanor, and if convicted
in any such case, shall, for such offence, forfeit and pay not less than
one thousand dollars.

Sec. 7. *And be it further enacted*, That any marshal of the
United States may, for any purposes not inconsistent with the duties
of the assistants herein provided for, appoint a deputy or deputies, to
act in his behalf; but for all official acts of such deputy or deputies the
marshal shall be responsible: *Provided, however*, An appointment to
collect the social statistics shall not be deemed an interference with
the duties of the assistants.

Sec. 8. *And be it further enacted*, That whenever the population
returned in any district shall exceed one million, the marshal thereof
shall be entitled to receive as a compensation for all his services in
executing this act, after the rate of one dollar for each thousand per-
sons; but if the number returned shall be less than a million in any
district, the marshal thereof shall be allowed for his services at the rate
of one dollar and twenty-five cents for each thousand persons: *Pro-
vided, however*, That no marshal shall receive less than two hundred
and fifty dollars: and when the compensation does not in the whole
exceed the sum of five hundred dollars, a reasonable allowance for
clerk hire shall be made, the amount whereof shall be determined by
the Secretary of the Interior. *And provided, further*, That the mar-
shal of any district may, at his discretion, perform the duties of an
assistant in any subdivision in which he may reside; and when he shall
personally perform the duties assigned by this act to assistants, he shall
receive therefor the compensation allowed to assistants for like ser-
vices.

commission an
assistant for
each subdivision.

Marshals re-
quired to supply
assistants with
needful instruc-
tions, and blanks
for the prosecu-
tion of their du-
ties, &c.

Marshal's du-
ties defined.

Marshal for-
bidden to secure
fee, reward, or
compensation,
from an assist-
ant.

Penalty.

Marshal may
appoint depu-
ties.

Proviso.

Marshal's fees.

Further provi-
so.

II.—Of Assistants, their Duties, Liabilities, and Compensation.

Assistant to be
commissioned by
the marshal.

Form of oath
or affirmation.

Duties of as-
sistants defined.

Each assistant
to furnish re-
turns within one
month after the
time specified.

Assistants'
compensation
for enumerating
inhabitants.

Additional com-
pensation for
specified duties.

SEC. 9. *And be it further enacted*, That no assistant shall be deemed qualified to enter upon his duties, until he has received from the marshal, under his hand, such a commission as is provided for in this act, and shall take and subscribe the following oath, or affirmation, which shall be thereon endorsed, to wit:

I, _____, an assistant to the marshal of the district of _____, do solemnly swear (or affirm) that I will make a true and exact enumeration of all the inhabitants within the district assigned to me, and will also faithfully collect the other statistics therein, in the manner provided for in the act for taking the seventh census, and in conformity with all lawful instructions which I may receive, and will make due and correct returns thereof, as required in said act. (Signed.) Which said oath, or affirmation, may be administered by any judge of a court of record, or any justice of the peace empowered to administer oaths, and a copy thereof duly authenticated shall be forwarded to the marshal by such assistant before he proceeds to the business of the appointment.

SEC. 10. *And be it further enacted*, That each assistant, when duly qualified in manner aforesaid, shall perform the service required of him, by a personal visit to each dwelling-house, and to each family, in the subdivision assigned to him, and shall ascertain, by inquiries made of some member of each family, if any one can be found capable of giving the information, but if not, then of the agent of such family, the name of each member thereof, the age and place of birth of each, and all the other particulars specified in this act, the tables thereto subjoined, and the instructions of the Secretary of the Interior; and shall also visit personally the farms, mills, shops, mines, and other places respecting which information is required, as above specified, in his district, and shall obtain all such information from the best and most reliable sources; and when, in either case, the information is obtained and entered on the tables, as obtained, till the same is complete, then such memoranda shall be immediately read to the person or persons furnishing the facts, to correct errors and supply omissions, if any shall exist.

SEC. 11. *And be it further enacted*, That each assistant shall, within one month after the time specified for the completion of the enumeration, furnish the original census returns to the clerk of the county court of their respective counties, and two copies, duly compared and corrected, to the marshal of the district. He shall affix his signature to each page of the schedules before he returns them to his marshal, and, on the last page thereof, shall state the whole number of pages in each return, and certify that they were well and truly made according to the tenor of his oath of office.

SEC. 12. *And be it further enacted*, That each assistant shall be allowed, as compensation for his services, after the rate of two cents for each person enumerated, and ten cents a mile for necessary travel, to be ascertained by multiplying the square root of the number of dwelling-houses in the division by the square root of the number of square miles in each division, and the product shall be taken as the number of miles travelled for all purposes in taking this census.

SEC. 13. *And be it further enacted*, That, in addition to the compensation allowed for the enumeration of the inhabitants, there shall be paid for each farm, fully returned, ten cents; for each establishment of productive industry, fully taken and returned, fifteen cents; for the social statistics, two per cent. upon the amount allowed for the enumeration of population, and for each name of a deceased person

returned, two farms and estates by the Secretary, allowance shall be made for the same, or for the same, of June next.

SEC. 14. having accepted or refused to be guilty of a forfeiture of five oaths, it shall be a certificate, it shall be guilty of either exceeding five years. And named offence

SEC. 15. son more than any subdivision members of a each of them his assistant, edge, of ever ulars required pain of forfeiture action of det

SEC. 16. herein provided States within been committed

SEC. 17. assistants are papers or d "Official bus to his name privilege shall the census, v dollars is he otherwise ap transmitting to the Post-C

SEC. 18. ries or places or any person the census, t if it can be g

SEC. 19. rior is hereby and to provide that the enu and be taken subdivision c printed instr lect the stat scribed, in a diligence is, their respect further, as tl and arranged

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returned, two cents: *Provided, however,* That, in making returns of farms and establishments of productive industry, the instructions given by the Secretary of the Interior must be strictly observed, and no allowance shall be made for any return not authorized by such instructions, or for any returns not limited to the year next preceding the first of June next.

SEC. 14. *And be it further enacted,* That any assistant who, having accepted the appointment, shall, without justifiable cause, neglect or refuse to perform the duties enjoined on him by this act, shall be guilty of a misdemeanor, and, upon conviction, be liable to a forfeiture of five hundred dollars; or if he shall wilfully make a false oath, it shall be deemed perjury; or if he shall wilfully make a false certificate, it shall be deemed a misdemeanor, and if convicted or found guilty of either of the last-named offences, he shall forfeit and pay not exceeding five thousand dollars, and be imprisoned not less than two years. And each marshal shall be alike punishable for the two last-named offences when committed by him.

SEC. 15. *And be it further enacted,* That each and every free person more than twenty years of age, belonging to any family residing in any subdivision, and in case of the absence of the heads and other members of any such family, then any agent of such family shall be, and each of them hereby is, required, if thereto requested by the marshal or his assistant, to render a true account, to the best of his or her knowledge, of every person belonging to such family, in the various particulars required in and by this act, and the tables thereto subjoined, on pain of forfeiting thirty dollars, to be sued for and recovered in an action of debt by the assistant to the use of the United States.

SEC. 16. *And be it further enacted,* That all fines and penalties herein provided for may be enforced in the courts of the United States within the States or Territories where such offence shall have been committed, or forfeiture incurred.

SEC. 17. *And be it further enacted,* That the marshals and their assistants are hereby authorized to transmit, through the post-office, any papers or documents relating to the census, by writing thereon, "Official business, census," and subscribing the same with the addition to his name of marshal, or assistant, as the case may be; but this privilege shall extend to nothing but documents and papers relating to the census, which shall pass free; and the sum of twelve thousand dollars is hereby appropriated out of any money in the treasury not otherwise appropriated, for the purpose of covering the expense of transmitting the blanks and other matter through the mail, to be paid to the Post-Office Department.

SEC. 18. *And be it further enacted,* That if, in any of the Territories or places where the population is sparse, the officers of the army, or any persons thereto belonging, can be usefully employed in taking the census, the Secretary of War is hereby directed to afford such aid, if it can be given without prejudice to the public service.

SEC. 19. *And be it further enacted,* That the Secretary of the Interior is hereby required to carry into effect the provisions of this act, and to provide blanks and distribute the same among the marshals, so that the enumeration may commence on the first day of June next, and be taken with reference to that day in each and every district and subdivision of districts; to draw up and distribute, at the same time, printed instructions, defining and explaining the duties of such as collect the statistics, and the limits by which such duties are circumscribed, in a clear and intelligible manner; to see, also, that all due diligence is employed by the marshals and assistants to make return of their respective doings completed, at the times herein prescribed; and further, as the returns are so made, to cause the same to be classified and arranged in the best and most convenient manner for use, and lay

Proviso.

Non-performance of duties declared a misdemeanor.

Penalties on marshals and assistants, for false oaths and false certificates.

Persons refusing to give information subject to a forfeit of thirty dollars.

Fines and penalties to be enforced in the U. States courts.

Marshals and assistants authorized to transmit papers and documents relating to the census through the Post-Office, free; for transmitting blanks, &c., an appropriation of \$12,000 is made.

Where the population is sparse, officers and others belonging to the army to give necessary aid.

The Secretary of the Interior required to provide blanks, and distribute them to the marshals.

And to enable authorized and superintending management of unking and re- ters connected uch clerks and for the efficient to be allowed ce, shall be as e hundred dol- assistants and es, to be fixed l, That no sal- ed the sum of ratory printing nder the direc- to be executed

urpose of carry- xpenses, there y not otherwise it of which the nployed as sec- e of three thou- n their employ. marshal shall ion, and made also certify the ns of this act, ch kind of ser- se one half of e returns have uted in a man- alf to be paid. like conditions

ereto annexed, x, inclusive. law be passed it census of the ny year, when, numeration of census shall, in ions of this act. after the third ree, the House and thirty-three in the manner

s the next and several States, e taken, shall artment of the terior to ascer- ited States, by tates, including ng Indians not e population he , and the prod-

uct of such division, rejecting any fraction of an unit, if any such happen to remain, shall be the ratio, or rule of apportionment, of rep- resentatives among the several States under such enumeration; and the said Secretary of the Department of the Interior shall then pro- ceed, in the same manner, to ascertain the representative population of each State, and to divide the whole number of the representative population of each State by the ratio already determined by him as above directed; and the product of this last division shall be the num- ber of representatives apportioned to such State under the then last enumeration: *Provided*, That the loss in the number of members caused by the fractions remaining in the several States, on the division of the population thereof, shall be compensated for by assigning to so many States having the largest fractions, one additional member each for its fraction as may be necessary to make the whole number of rep- resentatives two hundred and thirty-three. *And provided, also*, That if, after the apportionment of the representatives under the next, or any subsequent census, a new State or States shall be admitted into the Union, the representative or representatives assigned to such new State or States shall be in addition to the number of representatives therein above limited; which excess of representatives over two hundred and thirty-three shall only continue until the next succeeding apportionment of representatives under the next succeeding census.

Proviso.

Further proviso.

SEC. 26. *And be it further enacted*, That when the Department of the Interior shall have apportioned the representatives, in the manner above directed, among the several States under the next or any subse- quent enumeration of the inhabitants of the United States, he shall, as soon as practicable, made out and transmit, under the seal of his office, to the House of Representatives, a certificate of the number of mem- bers apportioned to each State under the then last enumeration; and shall likewise make out and transmit, without delay, to the executive of each State, a certificate, under his seal of office, of the number of members apportioned to such State, under such last enumeration.

Certificate of the number of members apportioned to be sent to each State and H. of Rep.

SEC. 27. *And be it further enacted*, That the Secretary of the Interior, in his instructions to the marshals, shall direct that the statistics in regard to all other descriptions of hemp not embraced in the de- nomination of dew and water-rotted, shall be taken and estimated in the returns.

Statistics in regard to hemp, besides dew and water-rotted, to be taken in the returns.

SCHEDULE 1. — FREE INHABITANTS in the County of _____, State of _____, enumerated by me, on the _____ day of _____, 1850.

| Dwelling-houses numbered in the order of visitation. | Families numbered in the order of visitation. | Name of every person whose usual place of abode on the first day of June, 1850, was in this family. | DESCRIPTION. | | | Profession, occupation, or trade of each male person over 15 years of age. | Value of real estate owned. | Place of birth, naming the State, Territory, or country. | Married within the year. | Attended school within the year. | Persons over 20 years of age who cannot read and write. | Whether deaf and dumb, blind, insane, idiotic, pauper, or convict. |
|--|---|---|--------------|------|---------------------------|--|-----------------------------|--|--------------------------|----------------------------------|---|--|
| | | | Age. | Sex. | White, black, or mulatto. | | | | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 1 | | | | | | | | | | | | 1 |
| 2 | | | | | | | | | | | | 2 |

SCHEDULE 2. — SLAVE INHABITANTS in the County of _____, State of _____, enumerated by me, on the _____ day of _____, 1850. Assistant.

| Name of slave owners. | Number of slaves. | DESCRIPTION. | | | Fugitives from the State. | Number manumitted. | Deaf and dumb, blind, insane, or idiotic. | REMARKS. |
|-----------------------|-------------------|--------------|------|--------|---------------------------|--------------------|---|----------|
| | | Age. | Sex. | Color. | | | | |
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| 1 | | | | | | | | 1 |
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SCHEDULE 3. — PRODUCTIONS OF AGRICULTURE in the County of _____, State of _____, during the year ending June 1st, 1850, as enumerated by me on the _____ day of _____, 1850.

| Name of owner, agent, or manager of the farm. | Acres of land. | | Cash value of farm. | Value of farming implements and machinery. | Live stock on hand, June 1, 1850. | | | | | | | Produce during the year ending June 1st, 1850. | | | | | | | | | | |
|---|----------------|-------------|---------------------|--|-----------------------------------|------------------|---------------|-------------|---------------|--------|--------|--|---|--------------------|------------------|--------------------------|-------------------|------------------|---------------------|--|------------------|-----------------------------|
| | Improved. | Unimproved. | | | Horses. | Mules and Asses. | Working Oxen. | Milch Cows. | Other Cattle. | Sheep. | Swine. | The value of live stock. | The value of animals slaughtered during the year. | Wheat, bushels of. | Rye, bushels of. | Indian Corn, bushels of. | Oats, bushels of. | Rice, pounds of. | Tobacco, pounds of. | Ginned Cotton, bales of 400 lbs. each. | Wool, pounds of. | Beans and Peas, bushels of. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |

SCHEDULE 3. — Continued.

Produce during the year ending June 1, 1850. — Continued.

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-|--|--|--|--|--|--|--|--|--|
| 24 | Buckwheat, bushels of. | Potatoes. | Value of orchard products in dollars. | 28 | Wine, gallons of. | Value of produce of market garden. | 30 | Butter, pounds of. | Cheese, pounds of. | Hay, tons of. | Clover seed, bushels of. | Other grass seeds, bushels of. | Hops, pounds of. | Dew-rotted, tons of. | Hemp. | Water-rotted, tons of. | Flaxseed, bushels of. | Silk Cocoons, pounds of. | Maple Sugar, pounds of. | Cane Sugar, hhd. of — of 1,000 lbs. | Molasses, gallons of. | Honey and Beeswax, pounds of. | Value of home-made manufactures. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 | Barley, bushels of. | | | 29 | Value of produce of market garden. | | 31 | Butter, pounds of. | | | | | | | | | | | | | | | | 32 | Cheese, pounds of. | 33 | Hay, tons of. | 34 | Clover seed, bushels of. | 35 | Other grass seeds, bushels of. | 36 | Hops, pounds of. | 37 | Dew-rotted, tons of. | 38 | Water-rotted, tons of. | 39 | Flaxseed, bushels of. | 40 | Silk Cocoons, pounds of. | 41 | Maple Sugar, pounds of. | 42 | Cane Sugar, hhd. of — of 1,000 lbs. | 43 | Molasses, gallons of. | 44 | Honey and Beeswax, pounds of. | 45 | Value of home-made manufactures. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26 | Irish, bushels of. | | | 27 | Sweet, bushels of. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

SCHEDULE 4
in the County of _____, State of _____, du

| Name of Corporation, Company, or Individual, producing articles to the annual value of \$500. | | Name of business, manufacture, or product. | Capital invested in real and person- |
|---|---|--|--------------------------------------|
| 1 | 2 | | |

SCHEDULE 5
of _____

Name of town, county, or city.

Public libr

Social.
Colleges.
Academies.
Public schools.
Sunday schools

f , State of
Assistant.

| | |
|--------------------------------|----------|
| and blind, e, or tic. | REMARKS. |
| | 9 |
| | 1 |
| | 2 |

he County of
erated by me on the

the year ending
st, 1850.

| | | | | | |
|--------------------|------------------|---------------------|--|------------------|-----------------------------|
| Wares, busnels or. | Rice, pounds of. | Tobacco, pounds of. | Ginned Cotton, bales of 400 lbs. each. | Wool, pounds of. | Beans and Peas, bushels of. |
| 18 | 19 | 20 | 21 | 22 | 23 |

atinued.

| | | | |
|--------------------------------------|-----------------------|-------------------------------|----------------------------------|
| Cane Sugar, hlds. of — of 1,000 lbs. | Molasses, gallons of. | Honey and Beeswax, pounds of. | Value of home-made manufactures. |
| 43 | 44 | 45 | 46 |

SCHEDULE 4. — PRODUCTS OF INDUSTRY in in the County of , State of , during the year ending June 1, 1850, as enumerated by me. Assistant.

| Name of Corporation, Company, or Individual, producing articles to the annual value of \$500. | Name of business, manufacture, or product. | Capital invested in real and personal estate in the business. | Raw material used, including fuel. | | | Kind of motive power, machinery, structure, or resource. | Average No. of hands employed. | | Wages. | | Annual product. | | |
|---|--|---|------------------------------------|--------|---------|--|--------------------------------|---------|-------------------------------------|---------------------------------------|-----------------|--------|---------|
| | | | Quantities. | Kinds. | Values. | | Male. | Female. | Average monthly cost of male labor. | Average monthly cost of female labor. | Quantities. | Kinds. | Values. |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| | | | | | | | | | | | | | |

SCHEDULE 5. — SOCIAL STATISTICS of , in the County of , and State of , compiled by me. Assistant.

| Name of town, county, or city. | Aggregate valuation of real and personal estate. | Aggregate amount of taxes assessed. | Public schools. |
|--------------------------------|---|---|---|
| | Real estate... \$ Person's estate Total... \$ | State..... \$ County... Parish... Town..... Total... \$ | No. colleges. Do. academies. Do. free schools. Do. other schools. Do. school-houses. Amount of money raised by tax for schools last year, \$ Raised in other ways for schools last year, \$ Received from public funds for schools last year, \$ |
| | How valued? | Road tax \$ | |
| | True valuation \$ | How paid? | |

SCHEDULE 5. — Continued.

| Public libraries. | Periodicals, including newspapers. | | | | Seasons. |
|--|------------------------------------|-------|-------|----------------------|--|
| | No. | Vols. | Name. | How often published. | |
| Social. Colleges. Academies. Public schools. Sunday schools. | | | | | Has this season produced average crops? What crops are short? To what extent? What is the average per year? |

SCHEDULE 5. — Continued.

| Public paupers. | Criminals. | Cost of labor. | Religious worship. |
|--|---|---|---------------------------------------|
| Whole number of paupers supported during the past y'r. | Number convicted of crime during year ending June 1, '50. | Average wages to farm hand per month, hired by the year and boarded, \$ | No. of churches. |
| Number supported on the 1st day of June. | In prison on the 1st June, 1850. | Average wages of a day laborer, without board, \$ | No. of persons each will accommodate. |
| Native { White. Black. | Native { White. Black. | With board, \$ | |
| Foreign. | Foreign. | Average payment to a carpenter per day, without board, \$ | |
| Cost of supporting paupers during last year. | | Average wages to a female domestic per week, without board, \$ | Value of churches, \$ |
| | | Average price of board to a laboring man per week, \$ | |

SCHEDULE 6. — PERSONS WHO DIED during the year ending 1st June, 1850, in the of , in the County of , and State of , enumerated by me. Assistant.

| Name of every person who died during the year ending 1st June, 1850, whose usual place of abode at the time of his death was in this family. | DESCRIPTION. | | | | | Place of birth, naming the State, Territory, or country. | The month in which the person died. | Profession, occupation, or trade. | Disease, or cause of death. |
|--|--------------|------|------------------------------------|----------------|---------------------|--|-------------------------------------|-----------------------------------|-----------------------------|
| | Age. | Sex. | Color. — White, black, or mulatto. | Free or slave. | Married or widowed. | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | | | | | | | | |

APPROVED, May 23, 1850.

May 23, 1850.
1837, ch. 3.CHAP. XII. — *An Act supplementary to the Act entitled "An Act supplementary to the Act entitled 'An Act establishing a Mint, and regulating the Coins of the United States.'"*

To enable the mint and branch mints to make returns to depositors, etc., the President is authorized to direct transfers of public money.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of enabling the mint and branch mints of the United States to make returns to depositors with as little delay as possible, it shall be lawful for the President of the United States, when the state of the treasury shall admit thereof, to direct transfers to be made from time to time to the mint and branch mints for such sums of public money as he shall judge convenient and necessary, out of which those who bring bullion to the mint may be paid the value thereof, as soon as practicable after this value has been ascertained; that the bullion so deposited shall become the property of the United States; that no dis-

count or interest s
the Secretary of t
deposite, or any pe
formed at the min
Provided, That th
superintendents of
cretion of the Secr
APPROVED, May

CHAP. XVI. — *An*
Tribes in the Ter
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Be it enacted
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be applicable to
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rate heretofore a

SEC. 2. *And*
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the Indian tribe
and duties assig
SEC. 3. *And*
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[14th] August,
form the duties
to receive a sal
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ritory shall be
dollars.

SEC. 4. *An*
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more Indian a
each of whom
give bond as r
to such tribe
be assigned to
visions of this

SEC. 5. *An*
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SEC. 6. *A*
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APPROVED,

The Economic Impact of Ending or Reducing Funding for the American Community Survey and Other Government Statistics

Testimony of Andrew Reamer, Research Professor, George Washington Institute of Public Policy, George Washington University to the Joint Economic Committee, U.S. Congress

June 19, 2012

Congresswoman Maloney, Vice Chairman Brady, and distinguished Members of the Committee: I appreciate the opportunity to speak to you today about the economic impacts of not implementing the American Community Survey and the 2012 Economic Census.

Market Failure, Economic Development, and Job Creation

By way of background, in the first 20 years of my professional career I founded and managed two economic development consulting firms. We worked with public and private sector leaders in cities and states across the U.S. to help them understand their economies' competitiveness strengths and weaknesses and develop collaborative strategies to boost their area's competitive position. I'm pleased to say that the landscape is dotted with the fruits of my firms' efforts, including in nearly every state represented on this committee.

A remarkable aspect of this work was that leadership's attitudes and approaches could not be distinguished by political party. For many decades, the Federal government has let states and regions recover from economic volatility and loss and improve global competitiveness without providing much guidance or assistance. Governors, mayors, and chamber of commerce leaders sought ideas that would work, they didn't really care where they came from.

My firms had the opportunity to help clients because of extensive market failure. Regional economic competitiveness is very much a function of relationships, trust, access to current, comprehensive economic information, and creating a common vision, elements that business markets do not provide on their own. Regional economic clusters, a very old idea made new by Harvard business professor Michael Porter, are key to regional competitiveness and grow on the basis of these characteristics.

The Essential Federal Role in Providing Economic Statistics

Current, accurate statistics are critical to economic development and job creation in each of the states and districts represented on this Committee. As economic development consultants, we relied on public and private datasets to describe regional trends in economic performance, structure, and resources. From 30 years of experience, I know that the Federal government is an essential, irreplaceable provider of such statistics. I'll tell you why.

Last month, I hosted a two-day conference at George Washington University, "Innovative Data Sources for Regional Economic Analysis." The conference took an unusual form, a "data fair" with 50 exhibitors from the Federal, for-profit, non-profit, and academic organizations (including Standard & Poor's, Moody's, Amazon, and Microsoft) and over 200 participants, including Congressional staff. "Innovative" was defined as using advanced information technology or advanced statistical methodology to produce datasets in a manner not possible just a few years

ago. Big Data efforts, the analysis of huge volumes of records, were represented by a number of Federal and for-profit organizations. Feedback from participants, including the exhibitors, indicated that the event enabled people to see a large number of new datasets and make a series of personal connections across sectors and cultures. A number of Federal statistical agencies, including the Census Bureau, the Bureau of Labor Statistics, the Bureau of Economic Analysis, and the National Science Foundation, and a number of private organizations, including S&P, Moody's, Google, and Microsoft, are pursuing collaborative efforts as a result.

In conversations, non-Federal organizations readily admit that they could not, and do not want to, collect the data that the Federal government does. Rather, they see opportunities to add value to Federal data; sell their unique data to the Federal government, which can combine it with other data it has on individual firms, confidentially held; and enhance access to Federal data through web-based data platforms, such as Microsoft's Azure Marketplace.

The Federal government has an essential role to play in the production of statistics that lead to better decisions related to the economy and competitiveness.

- Microeconomic theory says that economic actors' access to complete information is essential to efficient markets.
- However, data are a classic "public good," resulting in substantial underinvestment by the private sector. Consequently, the tendency is for markets to lack access to the information necessary to be efficient.
- Only the Federal government has the fiscal resources, authority, and motivation to produce data that are objective, reliable, and relevant to policy needs, consistent over space and time, and freely accessible to multiple users. Free access provides substantial benefits to society, including improved public and private decision-making and economic outcomes. Better economic outcomes in turn result in increased government tax revenues, paying for the Federal investment many times over.
- Federal data are a highly efficient public good, accessible over and over to an infinite number of users.
- Objective, reliable, current Federal economic data are essential if Congress is to provide proper oversight of Executive Branch policies and programs.
- National, state, and local Federal economic data are essential for the public to hold the President, Senators, and Representatives accountable for their actions.
- Consequently, the nation's economic return on taxpayer investment in Federal statistics is orders of magnitude greater than the cost. The entire annual cost of the economic statistical system to inform and guide the workings of a \$15.5 trillion economy is less than \$2 billion, a figure equal to the cost of four F-22 jet fighters or four days of recent U.S. efforts in Iraq and Afghanistan.

- Only the Federal government has the capacity to guarantee strict confidentiality of sensitive data over the long term.
- Dramatic changes in information technology over the past 15 years allow the Federal government to analyze enormous volumes of data at very low cost and provide millions of users with direct, on-line, customized access to these data in formats that are easily manipulated. In the pre-Internet age, it was difficult to readily provide substantial volumes of data to anyone other than a small number of Federal customers.
- A number of Federal statistical agencies are developing innovative tools that allow analysts to look at the dynamics of the economy (such as the paths people take through the education system and job markets) in ways not before possible. Analysis of the dynamics of education and employment, for instance, will allow education and training institutions to better meet business needs for skilled workers.
- Dramatic, and complex, changes in the nature of interfirm buyer-supplier relations, as described in the well-publicized 2012 New York Times series on the iEconomy of the Apple iPhone, requires new methods of measuring international trade flows that only the Federal government has the capacity to untangle. The Bureau of Labor Statistics is talking with scholars to ascertain how this might be done.
- The government's options for providing researcher access to large databases of individual records, while fully protecting confidentiality, have greatly expanded. Greater researcher access to microdata means that understanding of the factors that lead to economic growth and competitiveness can increase.

The Federal economic statistical system, then, provides an effective, adaptable, mechanism for addressing information market failures, at very low cost and with economic and fiscal returns orders of magnitude greater than taxpayer investment. The private sector does not have the capacity to produce data of similar reliability, usefulness, objectivity, accessibility, and consistency over space and time.

The Impacts of Unreliable Economic Data: Two Stories

Before talking about the economic impacts of losing the American Community Survey and Economic Census, I want to lay the groundwork by telling two current stories about the consequences of unreliable Federal economic data.

Eleven days before President Obama took office, Christina Romer and Jared Bernstein released "The Job Impact of the American Recovery and Reinvestment Plan," with the now famous and incorrect prediction that a \$775+ billion stimulus would result in the unemployment rate peaking at less than 8 percent in 2009.

Less than two weeks before the report's publication, the Bureau of Economic Analysis (BEA) issued its final estimate of change in Gross Domestic Product for the third quarter of 2008, a

decline of 0.5 percent on an annual basis. For the first and second quarters of 2008, BEA's estimate of the annual rate of GDP change was, respectively, up 1.0 percent and up 2.8 percent. This was the state of the U.S. economy as Romer and Bernstein understood it on January 9.

On January 30, BEA gave the advance number for the fourth quarter of 2008, down 3.8 percent, not so good. The final 4Q08 number came out two months later, revised downward significantly, minus 6.3 percent.

Every summer, BEA takes the new and improved data it gets over the year and revises its quarterly GDP estimates going back in time. Revised quarterly estimates came out in the July 2009, 2010, and 2011. Each time revisions were released, the numbers for 1Q08-4Q08 tended to get worse. The July 2011 revision revealed the numbers for the four 2008 quarters, respectively, were -1.8 percent, +1.3 percent, -3.7 percent, and -8.9 percent. The 1Q09 number was only slightly higher than that estimated two years earlier, -6.7 percent.

Conclusion: In the second half of 2008, the economy had fallen off a cliff and Romer and Bernstein, and most economists, did not know it.

So the GDP data were not reliable. To make matters more interesting, in BEA's last three congressional budget justifications, it has made the following statement:

The federal economic statistical system – charged with providing key actionable intelligence on the status, trends, and dynamics of the American economy – fell short in providing the advanced warning signs of a building economic crisis. In no small part, this shortcoming was due to an inability to see, both at the detailed and aggregate levels, warning signs of systematic risk. This was not a result of a lack of attention, competence, or focus, but rather the exceptional tempo of change and evolution occurring in the economy and the existing statistical system's inability to keep pace.

What's been going on? For years, BEA has said that it lacks sufficiently accurate annual and quarterly Census Bureau data on the key components of the services sector, such as finance and insurance. While the Census Bureau for decades had collected a comprehensive set of data of U.S. manufacturing sectors on a regular basis, it required nine requests to Congress between 1992 and 2008 before it received a Congressional appropriation of \$8.1 million to collect annual and quarterly data on the entire services sector. The original request followed recommendations of the commission led by CEA Chair Michael Boskin and chartered by President George H.W. Bush. Presidents Bill Clinton and George W. Bush also tried, to no avail, until the last Bush Administration budget request, for FY 2009, was approved by the 111th Congress. In the meantime, BEA did the best it could, relying in part on private data, but clearly the results at key economic turning points were off the mark.

Once the Census Bureau finally received the \$8.1 million, it quickly put the surveys in the field, all were out by 2010. Though too late for Romer and Bernstein, BEA now had access to frequent, reliable services industry data to improve its overall GDP estimates. However, what it did not have was the funding to use the new data to produce a new set of numbers, quarterly GDP-by-industry, that would provide "advanced warning signs of a building economic crisis" that could have been used by the Bush Administration to forestall the loss of \$13 trillion in

household net worth before it left office. So in fiscal years 2011, 2012, and 2013, BEA asked for funds to produce these numbers--\$500,000 in FY2013. After the agency was turned down the first two years, the House this year again voted to not provide the funds; the Senate Appropriations Committee did approve this initiative. The question now is: Will this Congress agree to provide BEA with the half million dollars it needs to produce quarterly GDP-by-industry so it can help forestall the next economic catastrophe.

Next story. For decades, the Bureau of Labor Statistics (BLS) has managed a series of data programs in collaboration with State Labor Market Information (LMI) agencies. One of these is the Current Employment Statistics (CES) program. Traditionally, the LMI agencies gathered survey data from a sample of in-state businesses and then produced job estimates, by industry. In the latter task, the state agencies had significant latitude to adjust the numbers based on "local knowledge." BLS focused on producing the national numbers released the first Friday of each month.

However, as with BEA, a minority of LMI agencies produced overly optimistic numbers when the recession kicked in—they missed the turning point. Observers believe that the primary reason was inadequate state training of analysts, as state LMI training budgets have been severely cut back as a result of a decade of flat-lining \$80 million in annual grants to LMI agencies from BLS.

In any case, one result, as Members of this Committee know, is that the sum-of-the-states job total did not match the national job totals prepared by BLS at the beginning of the recession. Soon after, and in the face of significant budget constraints, BLS asked for and received permission from Congress to centralize the production of the state CES numbers, removing state discretion, and in the process saving \$5 million annually.

For the past year, unfortunately, this new approach has yielded more volatile, less reliable, job numbers in some states, with significant political implications. A case in point is in Wisconsin—during the recent recall election, the 2011 CES jobs numbers indicated that the state ranked last in job creation nationally. The purpose of the CES program is to quickly produce relatively reliable estimates while waiting for the more accurate numbers coming from state unemployment insurance program records via the Quarterly Census of Employment and Wages (QCEW), another BLS-State cooperative program. Because the state CES number was so dire (jobs down 33,900 in 2011), Wisconsin's state government rushed the release of its QCEW figures ahead of BLS, showing a gain of 23,321 jobs, to prove that the BLS CES estimate was wrong.

BLS admits that the new approach is having growing pains and is striving to do better. In the meantime, however, the CES numbers are causing political problems and frozen public and private decision-making in a number of states, including Wisconsin, Maine, and Massachusetts. Government and media quotes appended to this testimony demonstrate the issue.

The upshot of these two stories: There are substantial, real-world consequences to inadequate financial support to Federal statistical agencies and their state partners.

The American Community Survey

The American Community Survey (ACS) is the fifth iteration of a series of questions that every household in the U.S. has been required to answer, under penalty of law, since the First Census in 1790. From the Nation's beginnings, Congress, for the purposes of public policy, has consistently used the decennial census framework to collect information beyond that needed for "bare enumeration."

Article 1, Section 2, Clause 3 of the Constitution requires the decennial enumeration of the population by state for the purposes of apportioning seats in the House of Representatives and for the collection of direct taxes from the states. This section was the outcome of long discussions and intricate compromise among numerous participants in the Constitutional Convention, as was most of the other content of the Nation's founding document.

Representatives and direct Taxes shall be apportioned among the several States which may be included within this Union, according to their respective Numbers, which shall be determined by adding to the whole Number of free Persons, including those bound to Service for a Term of Years, and excluding Indians not taxed, three fifths of all other Persons. The actual Enumeration shall be made within three Years after the first Meeting of the Congress of the United States, and within every subsequent Term of ten Years, in such Manner as they shall by Law direct. The Number of Representatives shall not exceed one for every thirty Thousand, but each State shall have at Least one Representative

The foundation for employing the decennial census to gather socioeconomic data was provided by James Madison, called the "Father of the Constitution" by his Constitutional Convention colleagues. As the House of Representatives considered the Census Act of 1790, Representative Madison said to Members of the House that

they had now an opportunity of obtaining the most useful information for those who should hereafter be called upon to legislate for their country if this bill was extended so as to embrace some other objects besides the bare enumeration of the inhabitants; it would enable them to adapt the public measures to the particular circumstances of the community. In order to know the various interests of the United States, it was necessary that the description of the several classes into which the community was divided, should be accurately known; on this knowledge the legislature might proceed to make a proper provision for the agricultural, commercial and manufacturing interests, but without it they could never make their provisions in due proportion.

This kind of information, he observed, all legislatures had wished for; but this kind of information had never been obtained in any country. He wished, therefore, to avail himself of the present opportunity of accomplishing so valuable a purpose. If the plan was pursued in taking every future census, it would give them an opportunity of marking the progress of the society, and distinguishing the growth of every interest.

Congress approved all but one of Madison's recommendations for additional questions.

In 1800, Vice President Thomas Jefferson, "Father of the Declaration of Independence," continued this tradition by asking Congress to further enlarge the census questions to include

citizenship and immigration status, occupation, and greater detail on age. Congress complied with the latter request.

Over succeeding censuses, Congress has consistently mandated the collecting census data for the purposes of public policy. At times Congress acted on requests of presidents, from John Quincy Adams to Franklin Roosevelt and George W. Bush. More often, particularly in the early part of the Nation's history, data collection initiatives came from Members of Congress themselves. For many decades, Congress wrote the census questions. And for a number of decades now, Congress by law gets to review every census question two years before the conduct of the decennial effort. Every question must have a Federal purpose.

The census process first developed a sound statistical basis in 1850. From that year through 1930, the census asked every household a large number of socioeconomic questions. In the 1940 and 1950 censuses, a subset of the population was asked a supplementary set of questions. Respondent burden was further reduced by the development of the "long form" in 1960 (received one-quarter of households) and its use through 2000 (received by one-sixth of households).

For decades, the use of "long form" data—on the Nation as a whole down to neighborhoods—was embedded in the functioning of the public and private sectors throughout the U.S. The problem was that the data were out of date by the middle of the decade. This issue was first discussed by President U.S. Grant in 1872, who called for a mid-decade census because "The interval at present established between the Federal census is so long that the information obtained at the decennial period as to the material condition, wants, and resources of the nation is of little practical value after the expiration of the first half of that period." However, more frequent data was not collected until the advent of the American Community Survey, fully implemented at the request of President Bush and the direction of Congress in 2005. Six times between 2001 and 2007, the report of the House Appropriations Committee indicated "steadfast" support for the ACS as a replacement for the decennial "long form."

Rather than gather data twice a decade, as desired by President Grant, the ACS produces statistics every year. Data are current, annually released less than a year after being collected. In 2010, for the first time, the ACS was able to produce data down to the neighborhood level. Seven questions on the current ACS can be traced back to the first statistically scientific census in 1850. The ACS has continued a Census Bureau tradition of innovation that has made that agency first among nations from the 18th through the 21st centuries.

In addition to being current, objective, reliable, and consistent over space and time, the ACS, and the "long form" before it, have an important asset that cannot be replicated by private sector data collections. The breadth of ACS data, in terms of topic and geographic level, and the flexibility of the dataset to produce nearly unlimited cross tabulations (such as male Hispanic military veterans over 35 with advanced degrees) allow the public, decision-makers, and researchers to use the data for a multitude of purposes.

- Building blocks for important Federal data. A number of Federal statistics and classifications widely used by public and private sectors at all geographic levels are constructed on the basis of ACS data. Examples include
 - intercensal population estimates for the Nation, states, and areas
 - state and local total and per capita personal income

- metropolitan statistical area boundaries
 - occupational employment projections
- State budgets. In 23 states, constitutional or statutory limits on state government revenue and spending are determined on the basis of one or two ACS-reliant measures: state personal income and annual state population growth. Also, a majority of the states use BEA's quarterly estimates of state personal income to project tax collections.
- Legislative redistricting. ACS data are used in the drawing of all new legislative districts based on the 2010 Census.
- Regional economic development. State and local economic development organizations rely heavily on ACS data for assessing economic strengths and weaknesses (such as educational attainment) and for business attraction, including foreign direct investment.
- Criminal justice. State and local police departments use ACS data for crime mapping and forecasting, to determine the effective allocation of a fixed number of personnel.
- Disaster planning and recovery. Many ACS data elements are used to shape disaster plan details, assess impacts (including outmigration), and guide recovery operations.
- Transportation planning. State and local transportation planners use ACS data to guide investments in transportation infrastructure.
- Education planning. Local school officials use the ACS to determine investment in buildings and allocation of children by neighborhood among schools.
- Business decision-making. The ACS is critical to job creation. Businesses use ACS household and individual data to determine whether and where to open establishments and how to best meet customer needs. For site location, for instance comparing potential U.S. sites to ones overseas, businesses rely on ACS workforce, transportation, and demographic data.
- Research. Academic and think tank researchers use the ACS to identify social and economic dynamics that can guide public policy.
- Federal policy. Congress and Executive Branch officials use ACS data to assess conditions in realms including housing, education, employment and workforce, transportation, poverty, insurance coverage, and life after military discharge.
- Political accountability. In providing data on socioeconomic conditions by state and Congressional District, the ACS enables voters to hold their elected politicians accountable.
- Geographic distribution of Federal domestic assistance. ACS data are used, directly or indirectly, by 184 Federal programs to distribute over \$450 billion annually to states and areas.
 - The Medicaid reimbursement formula by state depends on the ACS. The formula is a function of state per capita income, which is state personal income divided by population, both ACS-dependent measures. Federal Medicaid expenditures in FY2010 were \$285.6 billion.
 - The second largest use of the ACS is in the distribution of Federal funds is for the allocation of highway construction assistance to States.

Since the Nation's founding, Congress has regularly discussed the appropriateness of asking questions beyond "bare enumeration" and requiring answers to those questions. Together,

Congress and the courts have made clear that a mandatory ACS is both constitutional and legal, (per “Legal Authority for American Community Survey,” U.S. General Accounting Office, April 2002).

The above list of uses makes clear that the termination of the ACS would cause severe economic disruption and job loss, misapplication of scarce community assets and services, and significantly increased waste, fraud, and abuse of government funds. Put another way, the end of the ACS would cause chaos throughout the public and private sectors. As recent issues with BEA and BLS statistics demonstrate, unreliable or unavailable numbers result in bad or frozen decision-making, with costs that greatly exceed the small amounts of monies saved.

Further, and quite importantly, the termination of the ACS would cheer our Nation’s economic competitors, including China and India, who know full well that without the ACS, U.S.-based businesses would fly blind.

Moreover, termination of the ACS would dislodge over two centuries of a tradition of civic duty and nationwide collaboration in providing information to collectively understand ourselves and our Nation. As columnist E.J. Dionne notes, successful nationhood requires a creative balance between responsibilities to community and self. This Nation has succeeded in no small part because of the willingness nearly every household, over 222 years, to carry out its civic duty, follow the law, and provide information that, bit by bit, is aggregated and then disaggregated to provide ourselves with a picture of ourselves, up close and from sea to shining sea.

Finally, termination of the ACS would result in the wasting of billions of dollars of prior taxpayer investments in census data.

Changing the ACS to a voluntary survey is not a viable alternative. Census Bureau research carried in 2003 at the direction of Congress on the impacts of a voluntary ACS to data cost and reliability, and updated last year, make clear that a voluntary ACS will substantially raise costs by requiring a larger sample size or greater household follow-up and significantly reduce data reliability and so make effective public and private decision-making more difficult. If Congress chooses to make the ACS voluntary and does not provide additional millions to address the impacts, the ACS would not be worth carrying out.

The House, I believe, is confusing the baby with the bathwater and so is poised to plunge the Nation into statistical darkness, a profoundly un-American act. Rather, it and the Nation would be better served by providing significantly greater oversight of and direction to the Census Bureau’s management of the ACS in three realms. First, the Census Bureau needs to provide a much fuller explanation to each ACS recipient about the benefits a reliable ACS has for their community. Modern IT allows customization of this message by city and county. If the Census Bureau will clearly describe the benefits, ACS response should improve and complaints to Congress and program costs decline.

Second, the Census Bureau needs to seriously examine the practices of its field staff in nonresponse follow-up to ensure that nonrespondents are not mistreated. If nonrespondents are well treated, again participation should increase.

Finally, the Census Bureau should regularly educate Members of Congress about the uses and benefits of the ACS. It does far too little of that at present.

I would like to believe that House Members voted to prohibit spending on the ACS out of a lack of information about the Nation's reliance, historical antecedents, and constitutional and legal authority. If so, improved communications between the Census Bureau and Congress would go a long way to prevent this degree of animus towards to the ACS from recurring.

Economic Census

The Economic Census is the business equivalent of the decennial census. The Census Bureau conducts the Economic Census once every five years, for years ending in "2" and "7." For some time, the Census Bureau has been in the process of readying the 2012 Economic Census for implementation—surveys are to go to businesses in nearly every sector of the U.S. economy in early 2013.

The roots of the Economic Census are almost as old as census questions beyond "bare enumeration." In 1810, President Madison signed into law an amendment to the Census Act of 1810 requiring census takers also to "take, under the direction of the Secretary of the Treasury, and according to such instructions as he shall give, an account of the several manufacturing establishments and manufactures within their several districts, territories and divisions."

From that time through the early 20th century, with one exception in 1830, the decennial census process was used to collect comprehensive data on various sectors of the burgeoning U.S. economy. In 1850, for instance, Congress required the collection of "such information as to mines, agriculture, commerce, manufactures, education, and other topics as would exhibit a full view of the pursuits, industry, education, and resources of the country." In 1900, President McKinley said to Congress that "the Twelfth Census is progressing favorably. This national undertaking, ordered by the Congress each decade, has finally resulted in the collection of an aggregation of statistical facts to determine the industrial growth of the country, its manufacturing and mechanical resources, its richness in mines and forests, the number of its agriculturists, their farms and products"

In the early 20th century, Congress mandated taking a census of manufactures every two years and other business censuses with the decennial. Then in 1948, Congress directed that a census of manufactures and other key sectors be carried out every five years. In 1953, Congress failed to provide funding for the Economic Census. The resulting outcry, and the work of the Watkins Commission, led Congress to provide funding for a 1954 Economic Census. This effort has been conducted on a regular basis ever since. In the 1960s and 70s, surveys of minority- and women-owned businesses were added. In the early 1990s, at the prodding of the Boskin Commission, Congress approved funding for the 1992 Economic Census to include over 95 new industries and a new survey of business owners, increasing coverage to about 98% of economic activity from 75% for 1987.

For 200 years, in order to ensure an accurate economic accounting, Congress has required that businesses respond to the Economic Census or face a penalty.

Through indirect and direct uses, the Economic Census is highly critical to informed public and private decision-making, as with the ACS.

The Economic Census has two types of indirect, or foundational, uses. The first is through BEA's creation of an input/output model of the economy. The agency uses this model to benchmark GDP estimates in the census year. Public and private organizations rely on the I/O model to forecast national and state economic activity and federal and state fiscal inflows and outflows. States, local governments, and regional economic developers use state and regional I/O models (based on the national) to estimate the impacts of proposed efforts on jobs, wages, the demand for public services, and tax revenues.

The second foundational use of the Economic Census is increasing the reliability of Federal sample surveys.

- The Economic Census is used to update the Census Bureau's Business Register, a comprehensive listing of nearly every business in the nation. The Business Register allows the Census Bureau to build samples that is truly representative of businesses targeted by particular surveys. A representative survey means more accurate economic estimates.
- Federal data agencies and industry associations adjust their survey estimates to align with numbers generated by the Economic Census, which are much more accurate.
- Federal data agencies adjust their indices of industrial production, productivity, and prices to the industry and product mix (weights) identified by the Economic Census.

Survey-based Federal economic estimates that use the Economic Census in one or more of these ways include 12 monthly and quarterly Principal Federal Economic Indicators (such as GDP and industrial production) and important annual datasets (including GDP, surveys of manufactures and services, R&D expenditures, and commodity flows (transportation)).

Regarding direct uses, a multitude of private and public users look up and analyze Economic Census data to inform their decision-making.

- Individual businesses use the Economic Census to compare their operations to industry norms, find markets, and make decisions about operating sites, capital investment, marketing, and product development.
- Industry associations rely on data from the Economic Census to gauge sector organizational structure and product trends and guide their government relations strategy.
- Women- and minority-owned business associations use the Economic Census to assess and educate others about ownership patterns and how they change over time.
- State and local analysts use Economic Census data to conduct analyses of industry structure, competitiveness, demand for skilled labor, and entrepreneurship.
- State and local governments set small business procurement guidelines on the basis of the Economic Census.
- Federal program agencies utilize the Economic Census to assess industry trends and generate policy recommendations. For example, the Small Business Administration and the Minority Business Development Administration analyze the results of the Survey of Business Owners to track trends in entrepreneurship development.

Finally, through the Census Bureau's Center for Economic Studies (under strict confidentiality protections), research economists analyze Economic Census records to understand trends in industry and business development and the implications for public policy. A recent key finding is that new businesses are the primary job creators in the U.S. economy.

The above uses make clear that the elimination of the 2012 Economic Census would have profound negative impacts on the capacity of the U.S. economy to create and sustain jobs, fully recover from the Great Recession, and be competitive internationally. A new Economic Census could not be conducted until 2017. The Nation would have to rely on a 2007 model of the economy until at least 2022, which would throw off GDP estimates; national and state tax and spending projections; production, productivity, and price indices; and economic impact assessments. Monthly, quarterly and annual Federal economic surveys would be less reliable as they would be far less likely to include new firms.

Businesses and business associations would be unable to adequately gauge industry norms, structure, and trends. Government policymakers and program managers would make decisions in the dark. Economic research seeking to understand the dynamics of economic activity, innovation, and entrepreneurship, and the implications for economic and competitiveness policy, would grind to a halt.

And very importantly, the ability of firms to raise funds in financial markets would be greatly damaged as investors could not assess economic conditions.

In summary, Congressional failure to provide sufficient funding to implement the 2012 Economic Census will result in great, and unnecessary, economic difficulties. Moreover, this action would create a break in a two hundred year-old American tradition that has enabled the growth of our economic might and would provide succor to U.S. competitors in China and other developed and developing nations.

Conclusion

Large-scale information market failure cannot be adequately addressed by the private sector. Only the Federal government has the capacity to produce the objective, current, reliable data needed for efficient markets. Over more than two centuries, the census effort has led the way, and the world, in inventing and constructing better and better ways to understand the state of the U.S.A. In recent decades, the Federal economic statistical system has been robbed of critical financial resources, to the great detriment of sound economic policy and household employment, income, and wealth.

Unfortunately, the House action, I believe unwittingly, continues this self-destructive spiral. I hope this testimony has raised understanding of the value of the ACS and Economic Census and the consequences of their termination.

I very much appreciate the opportunity to present my views before the Joint Economic Committee and would be pleased to answer any questions you might have.

Appendix: Select Quotes Regarding BLS Current Employment Statistics Estimates by State

“Report shows Maine job losses worst in nation per capita,” Bangor Daily News, February 8, 2012

- “A new analysis by the Maine Center for Economic Policy suggests the state lost more jobs per capita in 2011 than every other state in the nation, shedding 7,200 jobs, but the Maine Department of Labor refuted those numbers, saying they’re based on faulty federal data.”
- “[Maine Labor Department spokesman] Fisher said the state department brought the issue up with federal labor officials, suggesting that the numbers weren’t accurately reflecting the reality in Maine. He provided an email that Glenn Mills, director of economic research at the Department of Labor’s Center for Workforce Research & Information, sent to the federal Bureau of Labor Statistics. In it, Mills charges that the federal program that relies on the survey of businesses wasn’t producing good data for Maine.
- ‘Presenting to users a trend we know to be outside the bounds of reality does a disservice to them as they draw incorrect conclusions, not realizing the data government agencies are providing is of such poor quality,’ Mills wrote. ‘The volatility and false signals coming from the program are at odds with the very purpose of the Current Employment Statistics program, which was designed to provide the closest to real-time indication of the employment situation. Monthly surges up and down confuse the very people who the program is designed to provide a valuable service for.’”

“DWD Secretary Newson: Actual Jobs Data Reported by Wisconsin Employers Show State Added Over 23,300 Jobs in 2011,” Wisconsin Department of Workforce Development, May 16, 2016

- “Wisconsin Department of Workforce Development (DWD) Secretary Reggie Newson today released 2011 Wisconsin actual jobs data based on reports from nearly 160,000 employers, which shows the state added over 23,300 jobs between December 2010 and December 2011.”
- “‘For the first time, we see Wisconsin’s 2011 jobs picture based on what 96 percent of Wisconsin employers reported, not what statistics out of Washington, D.C. estimated based on a survey of 3.5 percent of Wisconsin businesses,’ Secretary Newson said. ‘Wisconsin added jobs last year, which not only contradicts the loss in jobs that the federal government estimated for our state, but also lines up with other indicators that show Wisconsin’s economy is headed in the right direction.’”
- “‘The BLS’ monthly job estimates are volatile and not in line with the economic growth we see throughout the state,’ Secretary Newson said. ‘And, because workforce data is important to job creators as they contemplate key decisions for their businesses, Wisconsin employers – and job seekers – have the most to lose when volatile data is represented as a reliable indicator.’”
- “Secretary Newson urged the BLS to reexamine the process it uses to develop the CES monthly data, given the increased volatility and decrease in reliability of the data

series since the program was gradually centralized by BLS. He cited concerns that the National Association of State Workforce Agencies indicated in writing in 2010 over the trend to centralize the estimation process for CES at the federal government from the states, specifically that 'data quality will continue to degrade and user confidence will be undermined.'"

"Employment debate requires closer look," Milwaukee Journal Sentinel, May 26, 2012

- "Scott Walker has it all figured out. Tom Barrett does too. The rest of us can only duck and cover as the gubernatorial candidates lay down a cross-fire of conflicting economic data and carpet bomb the state with political rhetoric. But at its heart, the Great War of the Jobs Numbers is essentially about this: Has Wisconsin's recent employment performance been abysmal, or merely mediocre?"
- "Since at least 2008, the year-over-year changes in the monthly survey typically have moved in sync with the year-over-year changes in the quarterly census. The average monthly difference has been about 10,000 jobs. But the census and survey drifted apart in the last half of 2011 - by 57,000 jobs as of December - even though the survey numbers had gone through an annual revision using the census numbers in a process the Bureau of Labor Statistics calls benchmarking.
- One possible factor in the recent dramatic deviation of the monthly jobs survey from the quarterly census: The federal bureau took over the responsibility from the states of putting out the monthly numbers, beginning with the March 2011 figures. "That was the last of our opportunity to have any real say in these estimates," said Steve Hine, Minnesota's director of the Labor Market Information.
- "Like officials in Wisconsin and some other states, Hine questions whether the loss of local responsibility for the jobs figures has harmed their accuracy. The monthly employment numbers, he said, show Minnesota roughly 40,000 jobs behind where he knows the state actually is because of the more accurate unemployment-insurance counts. In a statement, federal officials have said that the consolidation of the data collection has saved money and that it should improve accuracy. They said that state agencies can still provide federal officials with information about local events such as plant closings, but also acknowledged that part of reason for the change was to rely "less on individual analyst judgment and more on the use of standard statistical" models."

Census: Planning Ahead for 2020

Testimony of Andrew Reamer, Research Professor
George Washington Institute of Public Policy, George Washington University
Subcommittee on Federal Financial Management, Committee on Homeland Security and
Governmental Affairs, U.S. Senate
July 18, 2012

Chairman Carper, Ranking Member Brown, Senator Coburn, and other distinguished Members of the Subcommittee:

I appreciate the opportunity to talk with you about recent developments regarding the Census Bureau's American Community Survey, specifically the House-passed prohibition on spending FY2013 funds to conduct the ACS as well as House and Senate efforts to prohibit enforcing penalties for refusing or willfully neglecting to answer ACS questions.

I'll first discuss why ACS termination would have a destructive impact. I'll then talk about the significant negative consequences of making the ACS voluntary, including increasing rather than eliminating the problems that voluntary ACS proponents want to solve. I'll then offer a series of recommendations that I hope will address the interests of the various parties in the debate about mandatory response.

In my remarks, I'll refer to several materials that you have in the packets that were distributed to your offices on Monday.

The Value of the American Community Survey

Today, as has been the case for decades, small area census data are essential to the proper functioning of government, the economy, and communities. Annually updated ACS data are used by

- the federal government to
 - construct important geographic statistics, including
 - annual population estimates
 - total and per capita income
 - the housing component of the Consumer Price Index
 - metropolitan statistical area boundaries
 - occupational employment projections and classifications
 - inform the design, implementation, and evaluation of programs and policies in education, health, housing, transportation, small business development, human services, and environmental protection
 - distribute over \$450 billion in federal domestic assistance to states and communities

- provide benchmarks for enforcement of the Voting Rights Act and other civil rights laws
- state and local governments to
 - determine the best allocation of scarce fiscal and human resources in criminal justice, transportation, education, public health, and disaster management
 - calculate annual limits in the growth of state government revenue and spending
 - redraw legislative districts
- chambers of commerce and economic development partnerships to analyze regional strengths and weaknesses and encourage business attraction, expansions, and startups
- businesses of all types and sizes to identify markets, select locations, make investment decisions, determine product offerings, and assess labor markets
- nonprofit organizations such as hospitals and community service organizations to better understand and serve the needs of their constituencies
- researchers to identify social and economic dynamics that can guide public policy
- the public to understand changes in local socioeconomic conditions and to hold their elected officials accountable as appropriate

The origins of the ACS can be traced to Congressman James Madison’s efforts to have the 1790 Census gather information on age, sex, the race of free persons, and occupation in order to inform public policy. He wished that future Congresses would see to the collection of census data beyond “bare enumeration . . . to adapt the public measures to the particular circumstances of the community . . . and [mark] the progress of the society. . . .” To date, Congress has fulfilled Madison’s wish. (A longer discussion of the origins of the ACS can be found in the appendix.)

The implementation of the ACS in 2005 represents a great advance in the availability of current small area census data, as such data had been produced but once a decade since the nation’s founding. As far back as 1872, President Grant asked Congress to authorize a mid-decade census because “the information obtained at the decennial period as to the material condition, wants, and resources of the nation is of little practical value after the expiration of the first half of that period.”

My understanding is that there are no efforts in this chamber to terminate the ACS. Given the House’s action, though, I will say that, in light of the widespread public, private, and nonprofit reliance on data from the ACS, its elimination would cause economic disruption and job loss, misapplication of scarce community assets and services, and increased waste, fraud, and abuse of government funds.

It is often suggested that the private sector could readily replace the government’s effort. That is by no means the case. Only the federal government

- has the capacity and motivation to produce socioeconomic data that is current, objective, reliable, consistent over space and time, and available at each level of geography
- can cover a wide array of topics essential for the performance of congressionally-mandated functions
- provide the great public good of open data access
- produce a dataset that gives decision-makers and analysts the flexibility to produce nearly unlimited cross tabulations (such as male Hispanic military veterans over 35 with an advanced degree) to fit a multitude of purposes

Addressing Issues in the Implementation of the ACS

Consistent with census law since 1790, the government has the authority to impose a penalty on any adult who refuses or willfully neglects to answer ACS questions or deliberately provides false responses. The current census law says that the fine for not answering ACS questions can be up to \$100, a range set in 1929. However, in the 1980s, this dollar amount was superseded by provisions of a comprehensive crime control law that establish a fine of up to \$5,000 for any misdemeanor or infraction of federal law.

Since the implementation of the ACS, Members of Congress have heard several types of concerns from constituents who have received the ACS. First, some ACS questions are experienced as an invasion of privacy. Second, there is distrust about the government's use of the data. Third, the possibility of a fine of up to \$5,000 for nonresponse feels coercive or terrifying. Fourth, the Census Bureau's practice of nonresponse follow-up is experienced as harassment.

The response of some Members to these complaints has been to propose removing the government's power to impose a fine for nonresponse, in effect making the ACS voluntary. However, moving to a voluntary ACS would have the perverse effect of increasing the number of constituent complaints and so aggravating the problem rather than eliminating it.

In 2003, at the direction of Congress, the Census Bureau conducted a field test on the difference in household response rate between a mandatory and voluntary ACS. The bureau's primary finding was that the mail-back response rate for the voluntary ACS was 20 percentage points lower than that for the mandatory ACS.

On the basis of this finding, in June 2011 the Census Bureau published a memo titled "Cost and Workload Implications of a Voluntary American Community Survey." The memo finds that "to support production of sufficiently reliable ACS small area estimates," the bureau would need to increase sample size by 23 percent, at an additional annual cost of \$66 million (based on the 2009 workload). So, for example, each year an ACS form would be sent to 13,000 additional households in Oklahoma, just to pick a state.

Memo data suggest that the combination of the much lower mail-back rate and larger sample size would substantially increase the number of personal Census Bureau contacts with constituents. The memo says that a voluntary ACS at the 2009 sample size would require a 15 percent increase in the number of nonresponse households contacted by telephone and a 32 percent increase in the number of nonresponse households visited by Census Bureau field staff, at an additional annual cost of \$28 million. Even so, the number of completed surveys would fall by

more than 15 percent, resulting in an estimated, and unacceptable, increase in variances (a measure of data reliability) of 23 percent.

Putting memo's various figures together, one can calculate that maintaining current data reliability under a voluntary ACS will require a 23 percent increase in the number of households getting the survey, an 18 percent increase in the number of households telephoned, and a 39 percent increase in households visited in person. I don't believe that this is the impact that proponents of a voluntary ACS are looking for.

Further, while the memo suggests that this expansion would cost \$66 million annually, this estimate is lower than would be the case today, for one or both of two reasons. First, the analysis is based on the 2009 ACS sample size, not the larger 2012 sample size. (Congress supported sample expansion to allow the bureau to address declining data reliability due to population growth.) Second, the memo notes that "It is very possible that public reaction today could yield different results with significantly greater cost implications especially if there was considerable media attention given to the shift."

The memo concludes by saying that if Congress were to make the ACS voluntary and does not provide sufficient funding to maintain the current number of completed surveys, "the quality of survey estimates would be unacceptable and the ACS would not meet its responsibility to produce data of sufficient quality to replace the estimates from the census long form."

In light of these findings, particularly the increased burden that a voluntary ACS would place on Members' constituents, I will suggest an alternative approach, one that relies on the Census Bureau offering more carrots and reducing emphasis on sticks.

As noted earlier, two constituent concerns are invasion of privacy and distrust of government use of the data. It's worth noting that both these concerns have been raised by households and in Congress since 1790, and in some states, like Massachusetts and New York, since before the Revolution. These concerns did not deter prior Congresses from asking questions and making the responses mandatory.

It's also worth noting the periodic decrease in the percentage of households contacted to generate census small area estimates. From 1790 through 1930, every household had to answer every census question. The 1960 long form reduced the response burden for most questions to one-fourth of households. By 2000, only one-sixth of households received the long form. Today, to generate ACS small area estimates, about one-eighth of households are contacted.

At the same time, constituent do have privacy and data misuse concerns. To address them, I first suggest that the Census Bureau provide constituents with far more information about the benefits of the data to their states and communities. Currently, ACS recipients receive only general statements such as:

This survey collects critical up-to-date information used to meet the needs of communities across the United States. For example, results from this survey are used to decide where new schools, hospitals, and fire stations are needed. This information also helps communities plan for the kinds of emergency situations that might affect you and your neighbors, such as floods and other natural disasters.

I recommend that the Census Bureau provide the American public with web access to an up-to-date compilation of links to many thousands of uses of the ACS at the national, state, and local level. The bureau would

- use low-cost web spider technology to find these uses on public websites
- tag each use by geography (such as a state, metro area, or neighborhood) and type of use (such as for education, emergency planning, or business development)
- provide open web access to the database, allowing visitors to select their state, city, or ZIP code to get a listing, with links, of relevant ACS uses
- in the mailed ACS packet, include information on the web database of ACS uses and a list of 6-10 generally compelling uses, such as the state's use of the data to allocate federal highway funds and manage spending and revenues

My hope is that with readily accessible examples of personally meaningful uses of the ACS, recipients would be more open to filling out the survey to help their state and community.

To address constituent concerns about government misuse of ACS data, I encourage the Census Bureau to create an ACS analog to its well-received decennial census partnership program. The bureau would seek out, and provide training to, trusted national, state, and local third-party organizations that would be willing to provide individual constituents with information and reassurance on data confidentiality and limitations on use. The Census Bureau could provide local ACS partner contact information on its website and partnership program information in its mail packet. Partners also would be available to discuss how ACS data are used to benefit the local community.

To eliminate fear and sense of coercion raised by the possibility of a fine of up to \$5,000, I suggest that Congress pass legislation that exempts the Census Bureau from the Title 18 criminal justice statute, allowing it to revert to fines of up to \$100 for nonresponse and \$500 for false statements. The Census Bureau finds that simply saying ACS response is legally required boosts the mail-back response rate to the desired level. At present, the bureau does not appear to believe that it needs to seek prosecution for nonresponse, as it has not done so since the 1960 Census.

My understanding from congressional staff is that a substantial number of constituent ACS complaints concern their experience of being harassed by Census Bureau field staff conducting in-person nonresponse follow-up. I strongly suggest that the bureau review and revise current staff protocols and incentives to the extent needed for nonresponse households to not feel harassed. The bureau might consider creating a hotline or ombudsman for constituents.

Finally, I ask that the Census Bureau increase its communications with Members regarding the ACS. Specifically, the bureau could provide regular updates on recent ACS uses in a Member's state or district, information about positive efforts to encourage constituent response, and, with each ACS release, the updated profile of each Member's state or district.

In these several ways, I think, constituent discomforts with the ACS can be addressed while avoiding steps that compromise the integrity of its valuable data.

Conclusion

In George Washington's first State of the Union message to Congress, he says

Knowledge is in every country the surest basis of public happiness. In one in which the measures of government receive their impressions so immediately from the sense of the community as in ours it is proportionably essential. To the security of a free constitution it contributes in various ways - by convincing those who are intrusted with the public administration that every valuable end of government is best answered by the enlightened confidence of the people, and by teaching the people themselves to know and to value their own rights; to discern and provide against invasions of them; to distinguish between oppression and the necessary exercise of lawful authority; between burdens proceeding from a disregard to their convenience and those resulting from the inevitable exigencies of society; to discriminate the spirit of liberty from that of licentiousness - cherishing the first, avoiding the last - and uniting a speedy but temperate vigilance against encroachments, with an inviolable respect to the laws.

This statement is rich with relevance for management of the ACS—the importance of good information, gaining the trust of the people, and teaching the people to “distinguish between oppression and the necessary exercise of lawful authority” and “between burdens proceeding from a disregard to their convenience and those resulting from the inevitable exigencies of society.”

I believe that, with this Subcommittee's guidance, the Census Bureau can find an approach that results in constituents experiencing a proper balance between individual rights and duty to community and nation.

Thank you for your time and look forward to your questions.

Appendix: History and the ACS

The origins of the ACS can be traced to Congressman James Madison's efforts to have the 1790 Census gather information beyond the "bare enumeration" of free people and the human property of free people, as required by the Constitution for apportioning taxes and representation among the States. In particular, Mr. Madison wanted to collect information on race, gender, age, and occupation. He said:

(I)f this bill was extended so as to embrace some other objects besides the bare enumeration of the inhabitants; it would enable them [future Congresses] to adapt the public measures to the particular circumstances of the community. . . . This kind of information . . . all legislatures had wished for; but this kind of information had never been obtained in any country. . . . If the plan was pursued in taking every future census, it would give them [future Congresses] an opportunity of marking the progress of the society, and distinguishing the growth of every interest.

The House agreed with his request. The Senate did as well, with the exception of occupation.

In 1800, Thomas Jefferson, seeking to ascertain "sundry facts highly important to society," asked Congress to further enlarge the census questions to include citizenship and immigration status, occupation, and greater detail on age. Congress complied with the latter request.

Future Congresses found that they agreed with Madison. Throughout the 19th century and early 20th centuries, Congress regularly expanded the census data collected for the purposes of public policy. Because of questions added to understand and address the Great Depression, the 1940 census included the first supplementary sample survey. The long form was used from 1960 through 2000. The ACS debuted in 2005.

Presidents throughout the centuries have asked Congress to include certain questions for the purposes of public policy; touted census data, as Madison had predicted, to show the nation's dramatic growth; and used other data to identify pressing issues such as the pool of men available to fight (Jefferson), illiteracy (Garfield, Arthur, Coolidge), unemployment (Hoover), immigration policy (Truman, Eisenhower), rural telephone access (Truman), substandard housing (Kennedy, Johnson), poverty (Nixon), and education (Clinton).

In asking Americans to fill out their 1990 Census form, President Bush said

Abraham Lincoln once observed: "If we could just know where we are and whither we are tending, we could better judge what to do and how to do it." The census helps to provide us with such insight.

Moreover, as early as 1872, President Grant asked Congress to authorize a mid-decade census because "the information obtained at the decennial period as to the material condition, wants, and resources of the nation is of little practical value after the expiration of the first half of that period." In 1976, for the same reason, Congress finally authorized a mid-decade census, but it was never funded. The ACS is the fulfillment of Grant's request.

Tracing the line from Madison to the ACS, we can see the "democratization" of census data as the nation advances in its ability to analyze and communicate. Initially, the data were used to

inform public policy. Increasingly throughout the 19th century, they were studied by social scientists. By the 1880s, an explicit purpose of census data was to inform business decision-making, particularly to improve market efficiencies and firm competitiveness overseas. In the 1960s, Congress began relying on “long form” census data to distribute federal domestic financial assistance. For the last 15 years, the Internet and increasingly advanced software have allowed anyone anywhere instantaneous access to ACS tables and public use data and the capacity to analyze them in sophisticated ways.