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STATEMENT OF
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BEFORE THE
SUBCOMMITTEE ON CENSUS AND POPULATION
COMMITTEE ON POST OFFICE AND CIVIL SERVICE
HOUSE OF REPRESENTATIVES
ON
[Statement on] BUREAU OF THE CENSUS'
PLANNING, BUDGETING, AND ACCOUNTING
FOR THE 1980 CENSUS]

Mr. Chairman and members of the Subcommittee:

I am pleased to be here today to discuss our report of November 9, 1978, to the Subcommittee on the Bureau of the Census' Planning, Budgeting, and Accounting for the 1980 Census (GGD-79-7). I am accompanied by Mr. Jack Kaufman, who was responsible for the audit which was performed in response to this Subcommittee's request. Our report discusses the estimates for the 1980 census with emphasis on the Bureau's planned procedures to reduce the population undercount. The results of the census dress rehearsals were not completed.

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before our field work was finished.) Therefore, there may have been changes in the Bureau's plans as the results became available about which we are not aware.

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

A breakdown of the Bureau's cost estimates is informative in considering this question. Bureau records at the time of our review showed a planned expenditure of about \$920 million for the 1980 census. When anticipated inflation is considered it is likely that the 1980 census will cost about \$1 billion. Bureau estimates show that the 1980 census, if done in the same way as the 1970 census, would cost about \$553 million. This increase of \$331 million above the 1970 census expenditures is attributed to inflation and a larger workload because of increased population. The remaining increase of \$367 is for implementing improved procedures that the Bureau hopes will reduce the population undercount and improve the quality and usefulness of the data.

The \$367 million for improvements can be classified into three categories which I will briefly discuss.

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

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

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

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

and 2.5 percent (5.3 million persons) for the 1970 Census. The rate of undercount for minorities was much higher. The Bureau, for example, estimated that the undercount rate for blacks was 8 percent (1.6 million persons) in 1960 and 7.7 percent (1.9 million persons) in 1970.

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

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

Regarding the \$166 million for coverage improvements, the Bureau plans to adopt improved, but costly procedures

with little assurance that the accuracy of the count will be much improved. Small increments of improved coverage are very costly.

We recognize that counting the population is a very difficult and important assignment and we can appreciate the difficulties faced by the Bureau in dealing with the undercount problem. For instance, there are many situations in which dwelling units may be difficult to find, such as units located in alleys, basement and attic apartments and subdivided units. Also, there is a whole class of unusual dwelling places such as campers, boats and tents. To overcome some of these problems the Bureau plans to adopt improved procedures to develop a complete and accurate list of addresses.

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

Most difficult to count are those deliberately omitted by the household respondent because they are undocumented persons, fugitives from justice, persons behind in child support or alimony payments, and violators of building

occupancy requirements who fear identification. These types of situations are almost impossible to properly handle. The law does not require people to step forward and be counted. The only obligation is to respond truthfully when the Bureau finds them.

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

The question of whether the incremental benefits justify the incremental costs of the Bureau's planned improvements, estimated at \$367 million, for the 1980 census is a matter for the Congress to decide. We of course, recognize the importance of census data as the basis for the apportionment of seats in the House of Representatives and for the distribution of billions of dollars in Federal funds and the inequities that inaccurate counts for geographic areas and population groups can create. However, decision makers, such as yourself must be provided with the best information that shows the benefits to be derived from planned expenditures in order to make informed decisions concerning the level of funding to be appropriated for Federal programs. Our most recent work, as reported to the Subcommittee in November 1978

and as discussed today, shows that the information available at the time of our review provided little assurance of appreciable improvements in the 1980 population count.

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