



# BTC Brief

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## The 2020 Census needs proper support; an inaccurate count poses risks for all

*An accurate count is needed as North Carolina's population has grown and its demographics have changed significantly since the 2010 Census.*

By **LUIS TOLEDO**, Budget & Tax Center Policy Analyst

In less than two years our country will undertake the 2020 Federal Census, done every 10 years; however, significant funding and managerial challenges at the U.S. Census Bureau may keep an accurate count of our country's population as required by our country's Constitution out of reach. Last year, the Government Accountability Office (GAO) designated the 2020 Census as one of a handful of federal programs at "High Risk" of failure.<sup>1</sup> For almost a year, the Census Bureau has been operating without permanent leadership, and federal lawmakers have been underfunding the Census Bureau for several straight years.

An accurate headcount of the more than 300 million people in the United States is critical to ensure that each state has fair representation in Congress, that the allocation of billions of dollars in federal funds for various programs — from Medicare to food and housing assistance — is guided by the needs of the state's population, and that local governments and businesses can have the best data to make good decisions.

A mismanaged and underfunded 2020 Census poses great risks for North Carolina as our population has grown and our demographics have changed significantly since the last Census in 2010. In an era when data-driven and evidence-based policymaking has gained momentum at the state level, the lack of effective implementation of one of the major data sources available to policymakers and practitioners will undermine not just research endeavors but programs and practices across the country.

### Uncertainty about funding and untested approaches for the 2020 Census will affect the ability of everyone to get counted

The Census Bureau needs a significant increase in funding to ensure an accurate 2020 count, thanks to years of underfunding by Congress, unrealistic constraints, and a major overhaul to the headcount process. Overall, the 2020 Census is expected to cost approximately \$15.6 billion, yet Congress mandated that the decennial Census should cost no more than it did in 2010 without adjusting for inflation — which is just \$12.5 billion.<sup>2</sup>

While the final spending bill for 2018 that was passed by Congress last week allocated \$2.8 billion for the Census Bureau — nearly double the 2017 funding level of \$1.47 billion, and \$1.13 billion more than the administration's adjusted request for 2018 — much of the additional \$1.3 billion will likely be spent in 2019. Moreover,

the White House's requested funding for 2019 (\$3.8 billion, \$3.1 billion of which is for the 2020 count) is only about half what it needs to be to stay on the target set in previous Census cycles.<sup>3</sup>

Among the major concerns in the Census process are that system testing of the on-line survey has been put on hold, posing a major risk to the 2020 Census, which will offer this response option for the first time ever. Furthermore, with the addition of a new question on citizenship, the bureau's need to anticipate and overcome respondents' concerns will likely become even harder and more costly.

The Census Bureau estimates more than 2 in 5 households will use the online response option to complete the census. In addition, because of the lack of funds to date, the testing of the survey in the field has not been able to develop the processes that would allow them to ensure that the count will include those who are often hard to reach with the survey.

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### **Governments and businesses depend on Census data for decisions and good policymaking**

Policymakers and businesses cannot make good decisions without good data — and the U.S. Census Bureau serves as the leading source of quality data about the nation's people and economy. The Census Bureau releases the official population count every ten years. It also conducts annual surveys on a variety of topics each year that are a crucial resource for businesses as well as state and local governments and non-profit organizations.

The Census Bureau allows for the identification and analysis of problems in our country, tracking changes in households or states over time to determine whether we are making progress, and promoting evidence-based decisions and policymaking. An accurate decennial Census ensures that every community, as well as people and households in need, receive federal resources under Census-guided programs.

Census data collected and published by the federal government is a crucial resource for state and local government policymaking. The federal government collects information on many things that local governments cannot (e.g., population, household incomes, race and ethnicity, public health, employment and economic activity).

North Carolina relies heavily on Census Bureau data to assess household costs for housing and child care, to forecast K-12 student enrollment, as well as estimate the uninsured population. Census population counts also serve as the foundation for determining the distribution of state-shared tax revenue with county and local governments.<sup>4</sup>

Seventy-four percent of local U.S. government workers find federal data to be "important" or "very important" to their department's mission, according to a recent nationwide survey released by the Sunlight Foundation.<sup>5</sup> According to respondents, data on demographics, housing and the economy is used the most frequently, and the federal entity that is relied on the most is the U.S. Census Bureau. Over 75 percent of local government workers use the data to identify local issues or inform policy decisions, and more than half use the data to track city or department performance.<sup>6</sup>

Evidence-based policymaking, fueled by federal data, is critical to promoting accountable, efficient, and effective governments all across our country.

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### **Analysis shows North Carolina's population and demographics have changed significantly since 2010**

Ensuring an accurate 2020 Census will ensure programs and services will align with North Carolina's demographics, which have changed significantly since the 2010 Census. Recent

analysis shows that over the past eight years North Carolina's population has grown by more than 737,000 residents, an increase of 7.7 percent — the equivalent of adding another Durham and Raleigh to the state.<sup>7</sup> With so much growth and change, an accurate headcount in 2020 is critical for our state to receive proper allocation of federal funds and to ensure our state has fair representation in Congress.

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### **How it will affect NC's Representation in Congress in 2021**

By 2020, it is projected that North Carolina will have 10.6 million residents and is on track to pick up one more seat in the U.S House of Representatives, taking its total to 14.<sup>8</sup> Just between 2016 and 2017, North Carolina grew by 117,000 residents making us the 5th fastest growing state in the nation. This represented a 1.15 percent growth rate — almost double the national average.<sup>9</sup>

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### **How it will affect federal funding to NC**

Where people live is changing, which means that programs that are funded by population such as Medicaid, the Supplemental Nutritional Assistance Program (SNAP), Medicare Part B, HUD Section 8 Housing Vouchers, and Department of Transportation Highway Planning & Construction Funds will be directly affected based on whether states gained or lost people.

Based on an increasing population, North Carolina is currently on track to receive more federal funding as a state but still needs an accurate count. If our state undercounts by even 1 percent this could mean a significant loss of federal program funds. In 2015, it was projected that North Carolina lost approximately \$94,218,427 due to a 1 percent undercount in the 2010 census.<sup>10</sup>

Furthermore, many small and rural communities within the state also need an accurate headcount, as many are likely to lose federal program funding as half of North Carolina's 100 counties have lost population since 2010.<sup>11</sup> The state's 50 smallest counties will have just 13 percent of North Carolina's population by 2020, while Wake and Mecklenburg counties alone will have more than 21 percent of the population.<sup>12</sup> In order for both small and large counties to receive the fair and equitable distribution of federal funding to which they are entitled, an accurate headcount must be ensured.

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### **An increased focus on aging and Latinx communities**

The increasing number of seniors and the Latinx community are two demographics that have changed significantly in NC over the past decade and require adequate counts. Since 2010, the percentage of people over 65 years of age has increased from 12.9 percent to 15.5 percent, while the percentage of people under 18 years of age has decreased from 23.9 to 22.7 percent.<sup>13</sup> Furthermore, next year our state will have a population with more people aged over 60 than under 17. Based on the health, housing, and transportation needs of an aging population that the state cannot address on its own, an accurate headcount is needed to obtain the right amount of federal funds.

The Latinx population has been driving population growth in the United States since 2000.<sup>14</sup> In North Carolina, this demographic has grown from 75,000 in 1990 to now close to 1 million — giving North Carolina the fastest-growing Latinx population in the country.<sup>15</sup> The broad economic and social contributions, as well as labor market and job creation activities of the Latinx community, are contributing to the state's well-being.<sup>16</sup> Ensuring we have accurate data on this group can further efforts to integrate this growing population into our economic and civic life.

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## Endnotes

- 1 [https://www.gao.gov/highrisk/2020\\_decennial\\_census/why\\_did\\_study](https://www.gao.gov/highrisk/2020_decennial_census/why_did_study)
- 2 <https://www.brookings.edu/blog/fixgov/2017/08/31/the-2020-census-may-be-wildly-inaccurate-and-it-matters-more-than-you-think/>
- 3 [https://www.washingtonpost.com/local/social-issues/the-2020-census-received-much-more-funding-in-the-fiscal-2018-budget-than-advocates-had-anticipated/2018/03/22/8e9597ce-2df9-11e8-8688-e053ba58f1e4\\_story.html?utm\\_term=.090bc6be5bc2](https://www.washingtonpost.com/local/social-issues/the-2020-census-received-much-more-funding-in-the-fiscal-2018-budget-than-advocates-had-anticipated/2018/03/22/8e9597ce-2df9-11e8-8688-e053ba58f1e4_story.html?utm_term=.090bc6be5bc2)
- 4 OSBM Memo to NC Congressional Delegation, December 22, 2016
- 5 <https://sunlightfoundation.com/2017/10/23/american-cities-depend-on-federal-data/>
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- 14 <http://www.pewresearch.org/fact-tank/2017/09/18/how-the-u-s-hispanic-population-is-changing/>
- 15 <http://www.newsobserver.com/news/business/article112811208.html>
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