

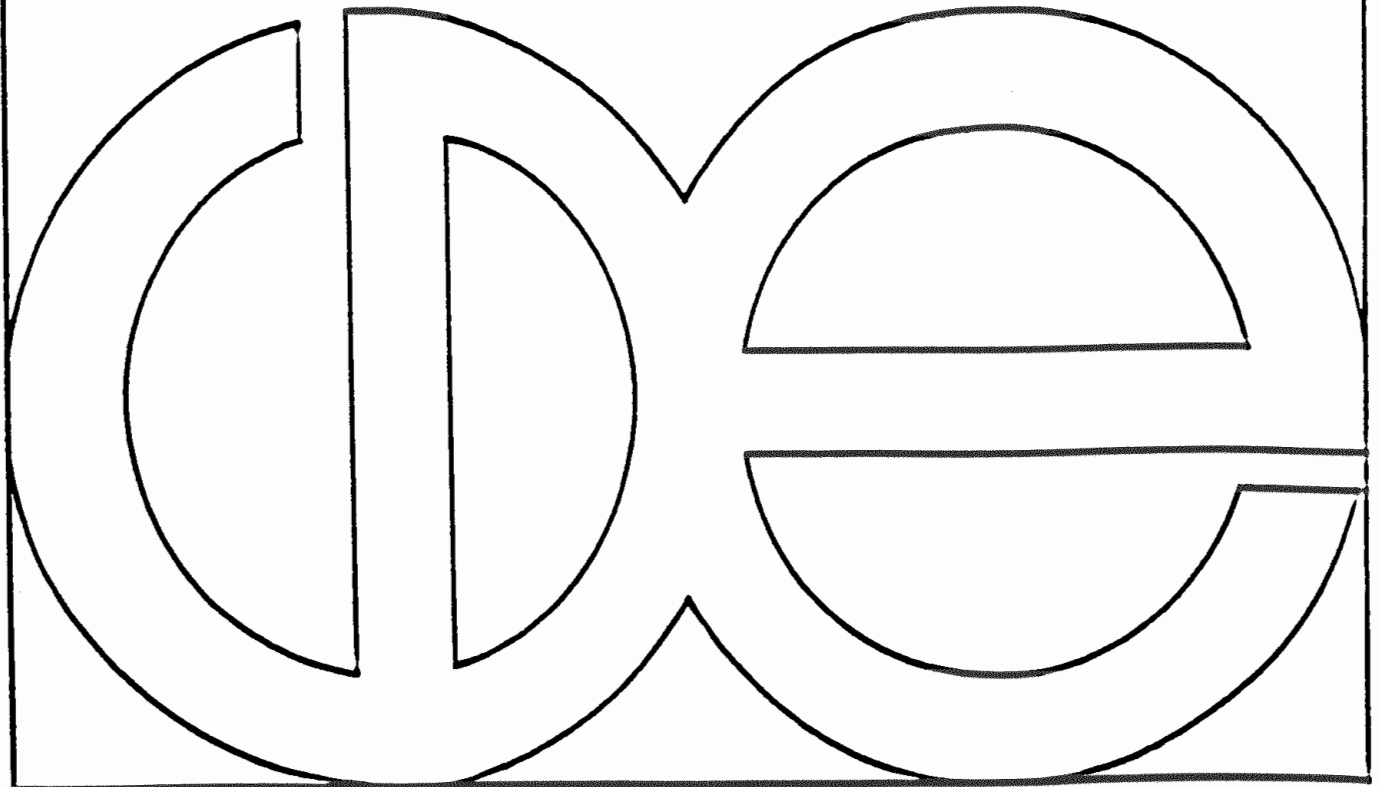
Center for Demography and Ecology —

University of Wisconsin-Madison

**A CITIZEN'S VIEW:
STATEMENT ON ADMINISTRATIVE RECORDS
IN SUPPORT OF THE ENUMERATION OF THE U. S. POPULATION
AND THE NATIONAL STATISTICAL SYSTEM**

Martin H. David

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A CITIZEN'S VIEW

STATEMENT ON
Administrative Records in Support of the Enumeration
of the US Population and the National
Statistical System

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before
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My name is Martin H. David and I am pleased to be asked to offer views on the use of administrative records in support of the mission of the Bureau of the Census. I am Professor of Economics at the University of Wisconsin — Madison, and have spent much of my career investigating sample surveys and administrative records to understand the impact of taxation and social welfare programs on the well-being of individuals and families, and the extent of incentives and disincentives created by those programs.

I served as a member of the American Economics Advisory Committee to the Bureau of the Census. Currently, I am a member of three advisory boards:

The "Living and well-being survey" conducted in Germany,
The Statistics of Income Consultants Advisory Panel, US Treasury, and
The Committee on National Statistics of the National Research Council.

I am a Special Sworn Employee of the Bureau of the Census where I am studying the quality of data from the Survey of Income and Program Participation; and I have contracted to deliver advice on a documentation system for Statistics of Income data products to the Statistics of Income Division, IRS. I view each of these activities as providing support to the Federal Statistical system. The views I express are my own; they do not reflect a position of any of the above organizations. I do not speak for the Committee on National Statistics or its panels on Confidentiality, Poverty, the Survey of Income and Program Participation, or the Census.

I will focus on the Decennial Census of Population. However, no discussion of administrative records in support of the Bureau of the Census mission can be limited solely to the Decennial Census. (The Census is closely linked to samples for many of the Bureau of the Census demographic surveys and is the base from which inter-censal population estimates are developed. Timeliness, frequency, and coverage limit the effectiveness of both of these uses for the Census.)

MISSION FOR THE DECENNIAL CENSUS

The Decennial Census has two goals: the constitutionally mandated enumeration of the population, and information about small areas of the US. Enumeration is essential for National and State legislative redistricting. Small area data are needed for allocation of funds; small area data are needed to understand the emptying of rural America, whether it is the high plains of Nebraska or Pepin county WI. Small area data are needed to understand segregation of minorities, workers' access to jobs, and impacts of development (and decline) on public facilities. Small area data are needed for understanding residential patterns within cities and planning for related public services — schools, clinics, and transportation, for example.

ENUMERATION

Two points need to be made about enumeration: (1) Enumeration will never be perfect. The Decennial Census count is imperfect because people are mobile, people refuse to be counted, and because even the most dedicated professionals make mistakes. (2) Acceptable accuracy in enumeration means two things: accuracy of absolute counts and accuracy of proportions. A count that reflected only 90% of the true population is highly acceptable for apportionment if every bit of geography and every population sub-group is equally undercounted.

Congressional responsibility. The Congress legislates the standard for what constitutes an adequate enumeration. The Congress must decide what level of accuracy is politically acceptable. It must also decide to what degree disproportionate counting of different sub-groups is consistent with our Constitution. Technicians can report on accuracy; they cannot judge what level of inaccuracy our democratic society can tolerate.

An analogy may help to explain this point: "Acceptable accuracy" in enumeration is like "acceptable risk". We agonize over air crashes; the result of imperfections in the air travel system; however, we are proud of the system and its low risk. Through its mandate to the FAA and budgets Congress legislates the acceptable level of risk in air travel. It needs to do the same for enumeration.

Improving accuracy

We can probably increase accuracy of the count by elaborating existing methodologies, but it will cost disproportionately more than the accuracy that we now have. Alternatively, we can think about other paradigms for enumeration and check the Census count by redundancy — counting the population twice. That stratagem could be less expensive than increasing the resources for the present count. The reason is that we already have two administrative record systems that count more than nine out of ten Americans, every year. Those administrative record systems are already financed, and we are not effectively using the information collected to support enumeration.

The administrative record systems I have in mind are the Federal individual income tax record system and the Social Security Beneficiary record system. I don't know what proportion of the population is covered by these systems. Finding out is critical to approaching enumeration in the next century in a cost-effective way. We know little more about the coverage of these record systems than we did a decade ago (Alvey and Scheuren 1982, Scheuren 1990).

Record systems have improved their capacity to support a Census enumeration immeasurably.

At the Social Security Administration:

- Social Security Numbers are issued to infants at birth.

At the IRS:

- Social Security Numbers of dependents are listed on tax returns.
- Information returns provide current addresses for all persons who received wages, pension income, including Social Security income, interest, dividends, or partnership income.

Because of these changes in tax administration it is possible to generate an unduplicated count of taxfilers and their dependents, alive at some time in the prior year. Some nonfilers can also be counted. Additional work will be available later this year (Sailer, Windheim, and Yau 1992).

By itself, a count based on the information system for the Federal individual income tax is not suitable for enumeration. Some addresses are not the address of the principal residence of the individual, so geography is not correct. Some persons do not file tax returns. Some persons are no longer alive, or have left the country. Those deficiencies require three activities:

- Address and personal identifiers from tax returns must be collated with address and identifiers of non-filing individuals on information returns.

- The application for Social Security Number (SS-5) must be linked to the tax information system to validate Social Security Numbers. (The link is also needed if age and race are required to assess the adequacy of the administrative record count.)

- The content of records must be slightly altered.

The tax record would be more useful for a count if taxfilers were asked to report their principal address. This was last done on Federal income tax returns for the tax year 1980.

Congressional responsibilities. Changes in records to support enumeration will not occur unless Congress acts. The IRS operates under the Paperwork Reduction Act; IRS designs the tax forms to serve tax administration, and no other purpose. Congress will need to consider whether information on principal residence on the tax form serves the Constitutional mandate for enumeration. (My home state asks for address-related information on its tax return to administer revenue sharing and school financing; those items have not been politically contentious over the last thirty years.)

In the same vein, Social Security Numbers issued in the future will contain no information on race. (Several factors are at work. The Social Security Administration has no direct interest in ethnicity; classifications vary by state; and race is not on public birth certificates.)

Congress will need to consider whether the national interest in a count of minorities warrants a mandate to States that consistently defined race of both parents be included on the birth certificate. Congress will need to give the Social Security Administration a mandate to collect and steward race data, making it available for enumeration and other socially significant statistical uses. The courts and the Voting Rights Act have determined that redistricting may not prejudice against a minority. Therefore information on race is a critical part of enumeration. (It will also be valuable to use race to judge the relative accuracy of an administrative record count across population groups).

Technicians can inform Congress how far existing record systems can produce a count of Americans by geography, given existing Department mandates. They can not change those mandates.

MOVING AHEAD

When we know that an administrative record count coverage exceeds 95%, technicians can design a survey that will estimate undercoverage. (That survey would be similar to the 1990 post-enumeration survey.) Work by Sailer, Windheim, and Yau will tell us later this year that this level of coverage can be achieved now.

Privacy

Some will object that linking administrative record systems to find an unduplicated count of people by address is an invasion of privacy, a loose cannon, in an uncontrolled bureaucracy. "One man, one vote", takes precedence over these concerns in a democratic society. People's protection under law and the Constitution does not mean that they can elect not to be counted for apportionment. (It is law to respond to the Decennial Census.)

In addition, the Census Bureau has demonstrated its capacity to keep records collected under title 13 confidential. Strong protection applies to tax returns under the Tax Reform Act of 1976. Inter-agency agreements between Census and IRS, and IRS and the Social Security Administration have been forged for statistical purposes for over two decades and have been critical to improving our statistics on poverty, employment, and economic product. No documented harm to any individual has come from the exercise of those agreements.

SMALL AREA INFORMATION

The Decennial Census 16 percent sample is the only tool for studying some issues: residential segregation, depopulation in rural America, and the economic situation of minorities that comprise one

percent of the population or less. Use of the Census for these purposes is flawed. Once a decade isn't often enough. Small area data are not timely, they are the last results to be published, three or four years after the fact.

A linked administrative record system designed to support enumeration can produce a list that is useful for sampling to meet such information needs. Furthermore, the list can be assembled and maintained continuously.

Even if administrative records are not used to support enumeration, the fact that so many Americans are included on those records mean they can be used for many small area needs. Standing alone, the IRS record system could be used to generate much badly-needed data on incomes by blocks, school districts, counties — if only the principal residence address were required as part of the individual income tax return. Tax records linked to Social Security Administration records could provide a useful tool for monitoring the impact of changing economic conditions on the poverty areas of the country.

What is vital in developing these information uses of administrative records is to sequester statistical uses of the data from administrative uses. In that way individuals can be assured that their presence in the information system needed for public policy does not expose them to special scrutiny by administrators.

THE BUREAU OF THE CENSUS ROLE

The Census Bureau has not actively pursued counting Americans through administrative records. The US is behind capabilities in place in Canada. It seems clear that a coordination of efforts across agencies, with funding of statistical groups outside the Bureau of the Census will be required to make an administrative record population count possible. The gain will be a significant reduction in the cost of enumeration and a likely gain in its accuracy.

SUMMARY

Congress will need to speak on accuracy of the count required for our democracy.

Congress will need to authorize minor adjustments in the administrative record system required to facilitate an administrative count of the population.

Congress will need to indicate that counting via records can complement, if not substitute for, methods used for enumeration in the past.

Congress will need to authorize technicians in several agencies to assist in developing a process for administrative record counts. That process must begin now, if we are to have confidence that administrative records could play a major role in the Census of 2010.

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Mailing Address:

Center for Demography & Ecology
University of Wisconsin
1180 Observatory Drive, Rm. 4412
Madison WI 53706
U.S.A.