

## **American Economic Association**

COMMITTEE ON ECONOMIC STATISTICS <u>HTTPS://www.aeaweb.org/about-aea/committees/economic-statistics</u>, and Committee on Government Relations <u>https://www.aeaweb.org/about-aea/committees/government-relations</u>

The Honorable Mitch McConnell Majority Leader U.S. Senate S-230, The Capitol Washington, D.C. 20510

The Honorable Charles E. Schumer Minority Leader U.S. Senate S-220, The Capitol Washington, D.C. 20510 The Honorable Nancy Pelosi Speaker of the House U.S. House of Representatives H-232, The Capitol Washington, DC 20515

The Honorable Kevin McCarthy Minority Leader U.S. House of Representatives H-204, The Capitol Washington, DC 20515

August 7, 2020

Dear Senators McConnell and Schumer and Representatives Pelosi and McCarthy,

The American Economic Association (AEA) Committee on Economic Statistics and Committee on Government Relations urge Congress to extend the 2020 Decennial Census collection deadline to avoid a decade-long adverse impact on decision making by households, businesses and policymakers.

The Decennial Census is perhaps the most important statistical basis for business decision making, on issues ranging from business site location to the determination of different marketing areas. It is also the most widely used statistical product for local governments and communities that need to know how their constituent base and the services that support that base, have changed in the last decade. And at the national level, the Decennial Census both determines Congressional representation and guides the distribution of Federal funds for specific purposes at the State, county, and city/town levels. Altogether, the Decennial Census affects the allocation of more than 1 trillion dollars annually. Finally Census survey results are the foundation for the design of representative surveys by thousands of federal, state, and private sector agencies and groups that need to collect accurate data on their own distinct priorities. Economic measurement of key indicators such as employment and unemployment over the next decade depend critically on the benchmark to the Decennial population counts by detailed geographic area. An inaccurate 2020 Census will result in poor decision making, with associated financial burdens, across the nation.

The Census Bureau has faced unprecedented challenges in accomplishing the 2020 Census due to COVID-19 complications and constraints. The national response rate is well below that for past decennial counts at this point. For example, in 2010 when Non-Response Follow-up (NRFU) started in May 2010, self-response rates exceeded where we are today in August 2020. While appropriate caution is needed in making direct comparisons of response rates between 2020 and 2010, it is difficult to make the case the Decennial in August 2020 is ahead of where it was in May 2010. In 2010, Census had a full 3 months to complete NRFU, along with several critical quality assurance follow-up surveys and activities. If at the present time the count remains low because of difficulties and time constraints in door-to-door follow up given the pandemic, serious flaws in the resultant data are unavoidable.

In our estimation, Census Bureau professionals' earlier assessment that it will not be possible to obtain a full and representative sample of the U.S. population by September 30 is correct. At least a 30-day extension of time to complete the non-response follow-up as well as other needed quality assurance activities is essential for an accurate count. We understand that this requires making an exception to mandated deadlines. However, in these exceptional times, we urge Congress to extend the deadline to avoid a decade-long adverse impact on decision making by households, businesses and policymakers.

Sincerely,

John C. Haltiwanger, Chair, American Economic Association Committee on Economic Statistics, and Professor, Department of Economics, University of Maryland, and

Kenneth Troske, Chair, American Economic Association Committee on Government Relations, and Professor, Department of Economics, University of Kentucky

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ESTABLISHED IN 1885, THE AMERICAN ECONOMIC ASSOCIATION IS A NON-PROFIT, NON-PARTISAN, SCHOLARLY ASSOCIATION DEDICATED TO ECONOMICS RESEARCH AND EDUCATION. ITS MEMBERSHIP IS COMPRISED OF OVER 20,000 BUSINESS, ACADEMIC, AND GOVERNMENT ECONOMISTS.