The ACS Role in Federal Regulation

- The ACS provides the statistical foundation for federal enforcement of laws and regulations against discrimination in financial services, employment practices, and housing development.

- More specifically, the ACS provides population distributions by race, ethnicity, sex, age, and language spoken to which business actions are compared.
ACS Role in Federal Regulation

- Financial Regulation
  - Home Mortgage Disclosure Act (HMDA)
  - Community Reinvestment Act (CRA)
  - Equal Credit Opportunity Act
  - Federal Housing Finance Agency (FHFA) Enterprise Housing Goals

- Housing Regulation – Fair Housing Act

- Employment Regulation
  - Civil Rights Act of 1964
  - Equal Pay Act of 1963
  - Age Discrimination in Employment Act of 1967

Counting for Dollars 2020

- Examined the extent to which the federal government will rely on data derived from the 2020 Census to guide the distribution of federal funds to states and local areas.
- Assessed the impact of the accuracy of the 2020 Census on the fair geographic distribution of these funds.
Coverage

- Federal programs that allocated FY2017 spending to states and local areas based, in whole or in part, on data derived from state and local 2010 Census results.

- Local areas include metropolitan and micropolitan statistical areas, counties, cities and towns, rural areas, zip codes, census tracts, and program-specific geographic configurations (e.g., HUBZones).

Census-derived = ACS-derived

- Congress recognizes that the decennial numbers, on their own, cannot guide the fair, equitable geographic distribution of federal funds.

- As a result, Congress authorizes a series of more current and descriptive datasets derived from the Decennial Census.

- Counting for Dollars identified 52 census-derived datasets.

- The ACS is one of these 52.

- The other 51, and the Decennial Census itself, rely on ACS data to some degree.
Types of ACS-guided Programs

- **Financial assistance programs** that provide direct payments, grants, loans, and loan guarantees to state and local governments, nonprofits, businesses, and households.

- **Matching payments** from states to the federal government required by financial assistance programs.

- **Tax credit programs** that allow a special exclusion, exemption, or deduction from gross income.

- **Procurement programs** that award federal contract dollars to small businesses located in areas selected using census-derived data.
Uses of ACS-derived Data

- Three primary uses of census-derived data to guide allocation of federal spending to states and local areas:
  - Eligibility designations (areas and households)
  - Geographic allocation formulas
  - Determination of points in grant competition scores

ACS-guided Federal Funding

- In Fiscal Year (FY) 2017, 316 federal spending programs that relied on ACS-derived data distributed over $1.5 trillion across the nation.
- ACS-guided federal spending accounted for 9.0% of U.S. personal income in FY2017.
- Economic reliance on ACS-guided spending varied considerably by state—from 6.3% of personal income in Colorado to 16.6% in West Virginia.
- Two-thirds of the differences among the states are explained by two factors—poverty rate, % population in rural areas.
ACS Use in Foundational Datasets

- Decennial Census – ACS-based Census Planning Database guides efforts to promote participation in the decennial census
- Urban/Rural Classification determined by decennial census
- Annual Population Estimates – relies on ACS for data on international in-migration and distribution of demographic characteristics
- Core-based Statistical Area Designations – relies on Population Estimates and ACS commuting data

ACS as Direct Input to Dataset – Examples

- State Personal Income (BEA) – relies on ACS data for residential adjustment; cash wages paid in private households; housing rents
- Small Area Income and Poverty Estimates (Census) – ACS data used to estimate K-12 student poverty rates by school district
- Persistent Poverty Counties (ERS) – persistent poverty estimates based on ACS
ACS as Direct Input to Dataset – Examples

- **Area Median Income and Income Limits** (HUD) – based on ACS income data
- **Fair Market Rents** (HUD) – based on ACS median rent data
- **Qualified Census Tracts and Difficult Development Areas** (HUD) – based on ACS poverty, income, and other data

ACS as Direct Input to Dataset – Examples

- **Rural Classifications** (ERS) – relies on ACS journey-to-work data
- **Index of Medical Underservice/Health Professional Shortage Areas** (HHS) – relies ACS poverty estimate
- **HUBZones** (SBA) – based on ACS income data
The American Community Survey's Role in Federal Regulation and Spending

Andrew Reamer, Research Professor
George Washington Institute of Public Policy
George Washington University
areamer@gwu.edu
(202) 994-7866