TEXAS CENSUS INSTITUTE

Economic Impact of the 2020 Census Undercount in Texas: Opportunities for 2030

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Today's Presentation

a) Who we are

b) Why we were established

c) What questions we are answering

d) Our data and methodology

e) Key findings

f) Example of impact

g) What's next for the Texas Census Institute

But first, let's learn about our audience!

What industry does your organization represent?

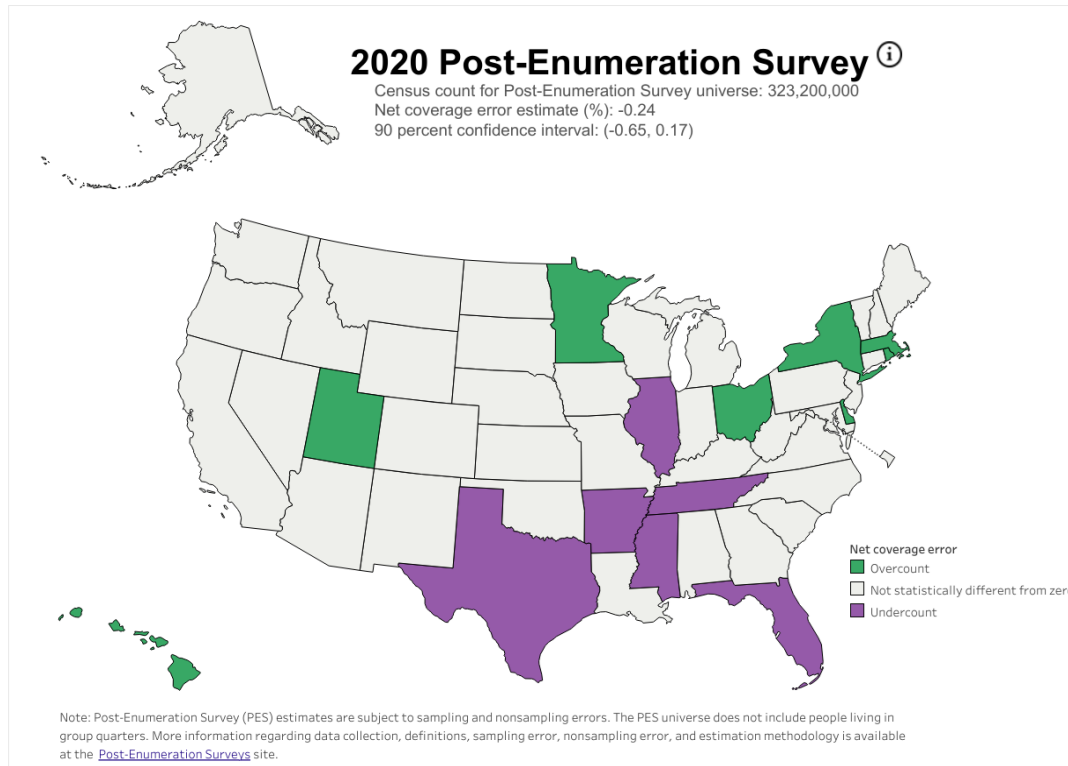ⓘ Start presenting to display the poll results on this slide.

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How informed are you about the Economic Impact of the census undercount in Texas?

ⓘ Start presenting to display the poll results on this slide.

Our Motivation

2020 Census Undercount

2020 Post-Enumeration Survey ⓘ
Census count for Post-Enumeration Survey universe: 323,200,000
Net coverage error estimate (%): -0.24
90 percent confidence interval: (-0.65, 0.17)

Net coverage error
- 🟩 Overcount
- ⬜ Not statistically different from zero
- 🟪 Undercount

Note: Post-Enumeration Survey (PES) estimates are subject to sampling and nonsampling errors. The PES universe does not include people living in group quarters. More information regarding data collection, definitions, sampling error, nonsampling error, and estimation methodology is available at the Post-Enumeration Surveys site.

United States® Census Bureau
U.S. Department of Commerce
U.S. CENSUS BUREAU
census.gov

Source: U.S. Census Bureau,
2020 Post-Enumeration Survey
(May 2022 release)

Texas Census Count

28,540,000

Texas Undercount
(Net Coverage Error)

-1.92%

Texas Undercount
(Population)

547,968

Source: U.S. Census Bureau (2022) (Retrieved from https://www.census.gov/library/visualizations/interactive/2020-post-enumeration-survey.html).

The Impact of the Census in Texas

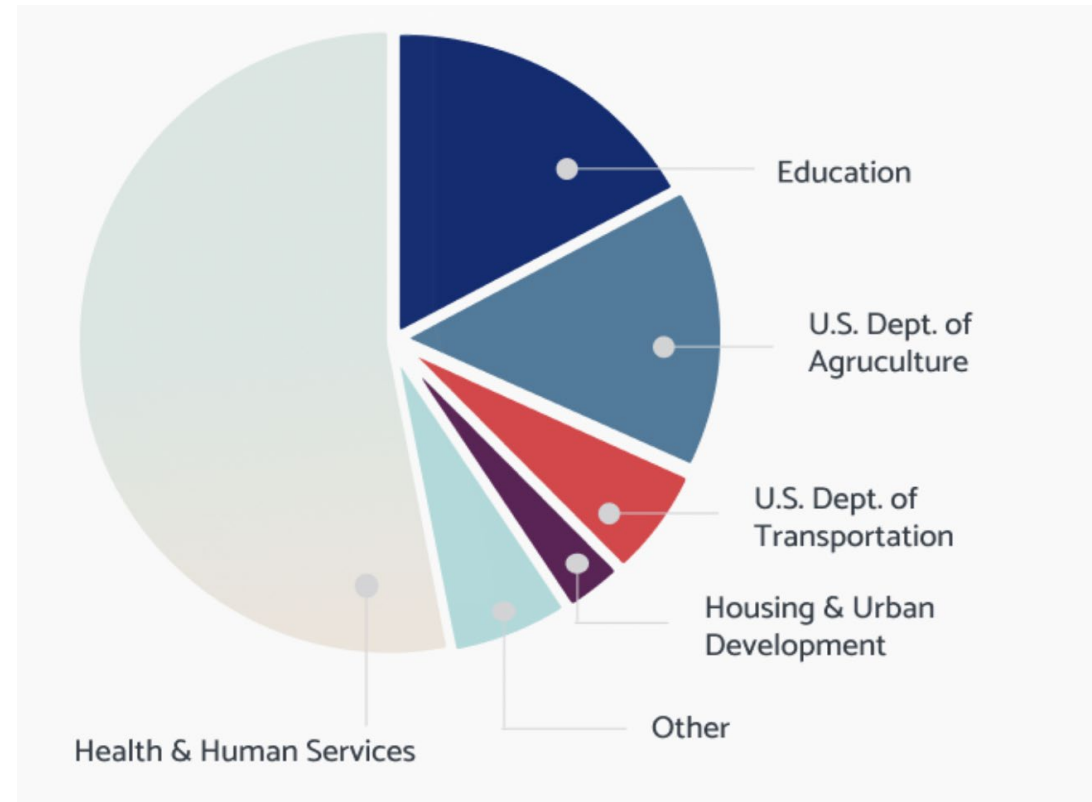**TEXAS CENSUS INSTITUTE**

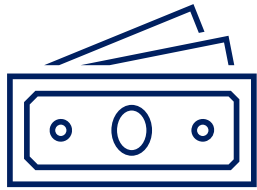Estimated annual distribution for federal funding in Texas = $150+ billion

Funding from 350+ federal programs are distributed to states and communities based on population data.

In 2020 alone, Texas lost $2.8 billion due to the undercount.

By 2030, we estimate that Texas will have lost over $25 billion.

Pie chart labels:
- Education
- U.S. Dept. of Agruculture
- U.S. Dept. of Transportation
- Housing & Urban Development
- Other
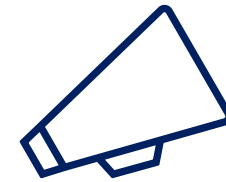- Health & Human Services

Census data is used for…

Money Distribution
Influences roughly $2.8 trillion in federal funds

Influence
Determines apportionment and district boundaries

Planning & Research
Identifies local needs and evaluates impact

Community Resources
Informs policy for underserved populations

Sources:
U.S. Census Bureau (2023) (Retrieved from https://www.census.gov/library/working-papers/2023/dec/census-data-federal-funds.html)
U.S. Census Bureau (2021) (Retrieved from https://www.census.gov/data/tables/2020/dec/2020-apportionment-data.html)

Our Mission

Provide independent, non-partisan, data-driven census policy and program guidance that encourages census participation so all Texans can enjoy a great quality of life.

RESEARCH   **EDUCATION**   **PARTNERSHIPS**

Texas Census Institute

The Texas Census Institute focuses on three pillars to accomplish our mission and increase support, participation, and accuracy of the census.

➔ Research
  ◆ How census data and the undercount impacts our resources, as well as how more accurate (i.e., complete) census data could enrich our economy, infrastructure, water supplies, school and health care systems, and improve life for at-risk populations.

➔ Education & Advocacy
  ◆ An informed and engaged community is key to a successful census. TxCI provides independent, nonpartisan research data to community stakeholders - from elected officials to nonprofits and community activators - helping them be well-informed regarding the importance of the census and educating them in the many ways that census data impact their quality of life.

➔ Partnerships
  ◆ TxCI works with community leaders, policymakers and other stakeholders around the state to share information and activate census engagement..

KEY TAKEAWAY 1

Counting people correctly is essential for:

- planning,
- access to federal funding,
- political representation, and
- closing gaps for our most vulnerable populations

**The 2020 undercount cost
Texas an estimated
$25 billion in federal funds**

The Challenge?

*Understanding the
<u>scope</u>, <u>location</u>, and **impact** of the
2020 Census undercount in Texas when there is
no information of the undercount at the county
level.*

Our Research Questions

- What is the **economic impact** of the undercount in Texas?

- What are the **industries** in Texas that are most impacted to the effects of undercounting?

Our Data

The Texas Census Institute uses:

- The Project on Government Oversight's (POGO) list of federal programs that rely on census data to allocate resources

- 2020 Census Post-Enumeration Survey Results

- 2-digit NAICS classification

Our Methodology

First, we ***assign industry classifications to federal programs***. We use the North American Industry Classification System (NAICS) and assign it by following three steps:

- Validate CFDA codes recorded by POGO.
- Understand the 338 programs' objective and plausible relationships with the industry.
- Identify relevant 2-digit NAICS industry, or sector, the federal assistance program is intended to support the most.

Our Methodology

- Second, we measure the **direct economic impact** on *output* at the industry level in the scenario in which the undercount rate affects proportionally to the federal funds received by a state.

- Third, we measure the **total economic impact** on *output, value added, labor income, and jobs*, using industry-level multipliers obtained with IMPLAN. Their approach is based on Leontief's Open Input-Output Model.

Our Methodology

- Fourth, we ***aggregate industry-level total economic impact results to the state level*** to understand what the state-wide impact would be.

Defining Economic Impact

Economic Impact can be separated into the following categories:
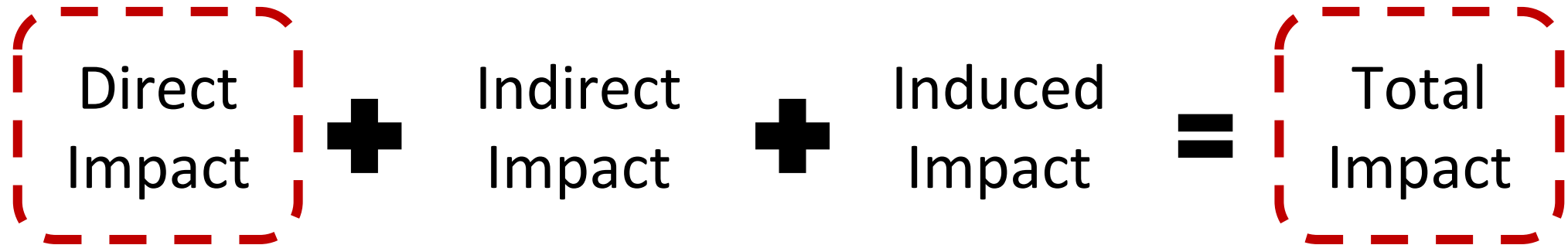
- Direct
- Indirect
- Induced
- Total

And measured, or observed, in terms of the following variables:

- Output
- Labor Income
- Value Added (GDP)
- Jobs

Defining Economic Impact (IMPLAN's Approach)

Direct Impact **+** Indirect Impact **+** Induced Impact **=** Total Impact

Defining Economic Impact (IMPLAN's Approach)

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Direct Impact **+** Indirect Impact **+** Induced Impact **=** Total Impact

Defining Economic Impact

OUTPUT

Intermediate Inputs	Employment Compensation	Proprietor Income	Taxes on Production & Imports	Other Property Income

Source: IMPLAN.

Defining Economic Impact

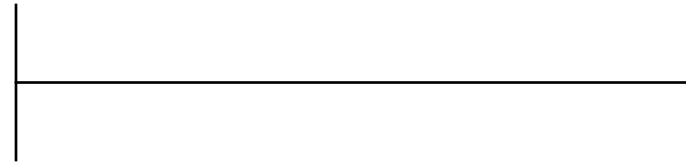**VALUE ADDED**

Intermediate Inputs	Employment Compensation	Proprietor Income	Taxes on Production & Imports	Other Property Income

Source: IMPLAN.

Defining Economic Impact

LABOR INCOME

Intermediate Inputs	Employment Compensation	Proprietor Income	Taxes on Production & Imports	Other Property Income

Source: IMPLAN.

Defining Industries

We use the 2022 version of the 2-digit North American Industry Classification System (NAICS) which contains 20 industrial classifications.

We found that programs relate to 14 industries directly and to all 20 industries via indirect and induced effects.

Source: U.S. Census Bureau (2024).

Impact on Key Industries

Economic Impact of the 2020 Census Undercount in Selected Texas Industries, FY 2020.

2-Digit NAICS Industry	Output	Labor Income	Value Added	Jobs
62. Health Care and Social Assistance (No-COVID)	$2,421,125,055	$1,464,579,428	$1,492,581,348	22,981
62. Medicare A, B, D, Medicaid, Medicaid Part D-Clawback, and SNAP	*$2,128,224,857*	*$1,287,399,152*	*$1,312,013,487*	*20,201*
62. Health**	*$292,900,199*	*$177,180,276*	*$180,567,861*	*2,780*
53. Real Estate and Rental and Leasing	$457,041,734	$39,978,210	$303,138,960	1,184
52. Finance and Insurance	$377,487,276	$109,147,927	$166,495,498	1,514
54. Professional, Scientific, and Technical Services	$229,363,913	$131,091,641	$155,290,638	1,388
	$1,629,067,877	$602,138,438	$866,419,913	11,401
Total	$5,114,085,857	$2,346,935,644	$2,983,926,359	38,469

Note: The NAICS code corresponds to the 2022 NAICS version. Industries are ordered by the economic impact in output. Other industries are 31-33. Manufacturing, 56. Administrative and Support and Waste Management and Remediation Services, 42. Wholesale Trade, 44-45. Retail Trade, 51. Information, 72. Accommodation and Food Services, 23. Construction, 81. Other Services (except Public Administration), 48-49. Transportation and Warehousing, 61. Educational Services, 22. Utilities, 55. Management of Companies and Enterprises, 92. Public Administration (Government Enterprises), 21. Mining, Quarrying, and Oil and Gas Extraction, 71. Arts, Entertainment, and Recreation, and 11. Agriculture, Forestry, Fishing and Hunting

KEY TAKEAWAY 2

The Economic Impact of the 2020 Census undercount goes beyond industry specific numbers… there is interconnectedness in all the industries.

Overall Economic Impact on Texas

Over the next 10 years, the <u>2020 Census</u> undercount will cost Texas:

$51B+
Output

384K+
Jobs

$23B+
Labor Income

$29B+
GDP

Overall Economic Impact on Texas

In 2030, if the 1.92% undercount remains the same, the consequences are even larger for Texas:

$51B+	384K+	$23B+	$29B+
$57B+	**434K+**	**$26B+**	**$33B+**
Output	**Jobs**	**Labor Income**	**GDP**

KEY TAKEAWAY 3

The impact of an undercount becomes greater over time, even if the percentage stays the same.

Industry Case Study

Over 10 years, the 2020 Census undercount will cost the Construction Industry:

$1.1B+
Output

7.3K+
Jobs

$470M+
Labor Income

$565M+
GDP

CAUTION

County Case Study

Harris County has…

…148,932 workers in the construction industry, with an average annual payroll of $74K and…

…7,461 businesses in the construction industry, with an average of 20 workers each.

CAUTION

Economic Impact

So, yearly, Harris County would lose…

…31,688 jobs in the construction industry and…

…4 workers in each business in the construction industry.

CAUTION

Questions?

Up Ahead for 2024

Partnership Expansion

Regional Partnerships
- Gulf Coast and South Texas (RGV)
- State Partnerships
  - Texas GIO (Texas GIS Office)

National Partnerships
- 2030 Census Advisory Committee, U.S. Census Bureau
- National LUCA Working Group

Education

Events
- RGV Community Partner engagements (May and August 2024)
- DC Fly in with North Texas Commission (April 2024)
- North Texas Community Partner Engagement (Fall 2024)
- TDC Annual Conference and Population Reference Bureau ACS Panel (May 2024)
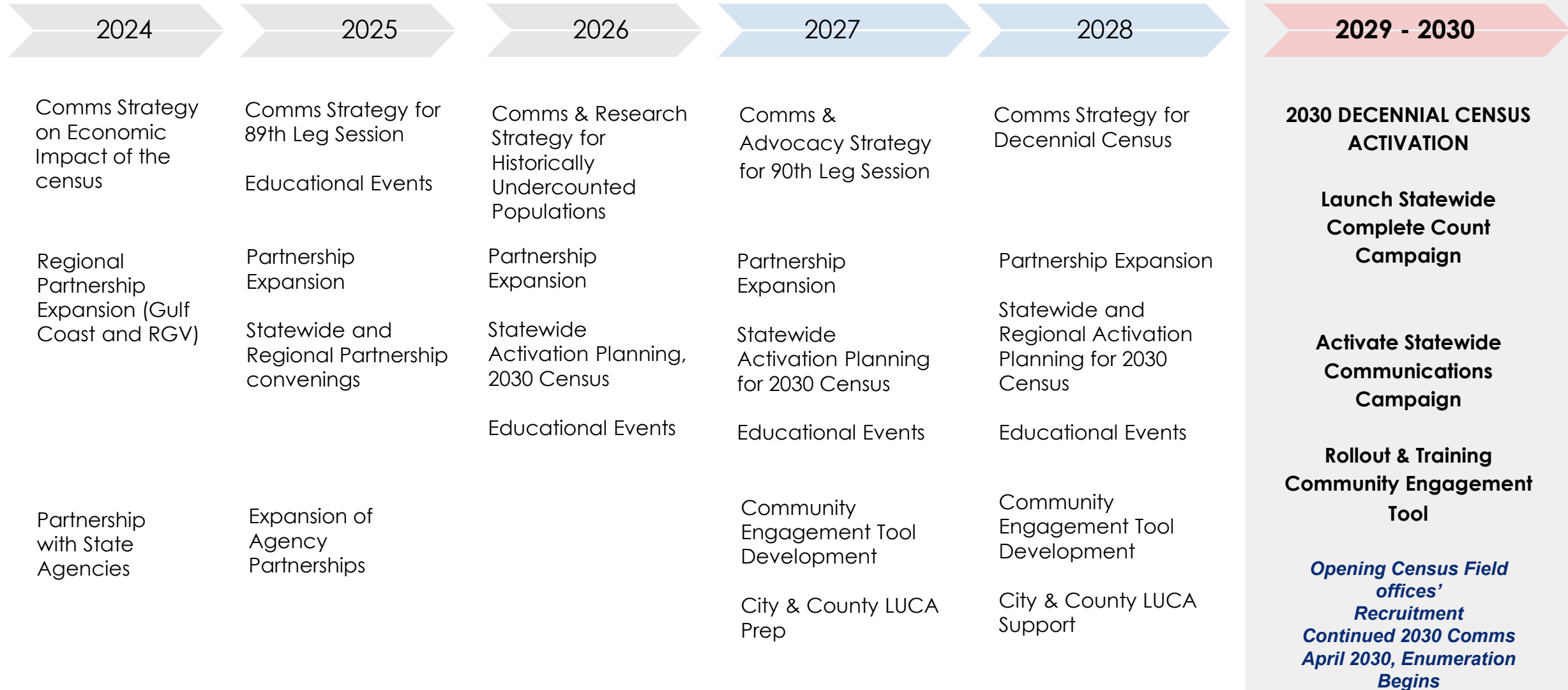
Data Visualization
- Data/Dashboard Rollout: Visualizing funding Implications, District recaps

Research
- Economic Impact of the Undercount on Texas Initiative
- Children's Census Initiative
- LUCA Data Analysis

Our Path to a Complete Count in 2030

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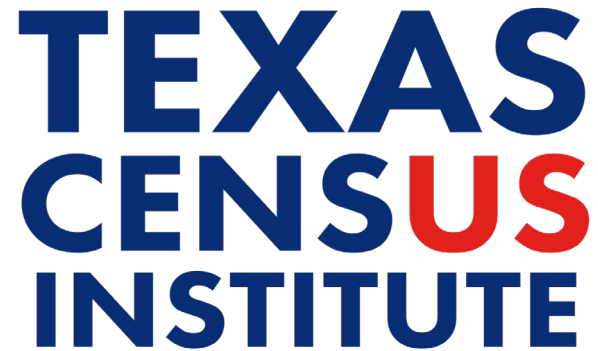| 2024	2025	2026	2027	2028	**2029 - 2030**
Comms Strategy on Economic Impact of the census	Comms Strategy for 89th Leg Session	Comms & Research Strategy for Historically Undercounted Populations	Comms & Advocacy Strategy for 90th Leg Session	Comms Strategy for Decennial Census	**2030 DECENNIAL CENSUS ACTIVATION**
	Educational Events				
Regional Partnership Expansion (Gulf Coast and RGV)	Partnership Expansion	Partnership Expansion	Partnership Expansion	Partnership Expansion	**Launch Statewide Complete Count Campaign**
	Statewide and Regional Partnership convenings	Statewide Activation Planning, 2030 Census	Statewide Activation Planning for 2030 Census	Statewide and Regional Activation Planning for 2030 Census	**Activate Statewide Communications Campaign**
		Educational Events	Educational Events	Educational Events	**Rollout & Training Community Engagement Tool**
Partnership with State Agencies	Expansion of Agency Partnerships		Community Engagement Tool Development	Community Engagement Tool Development	*Opening Census Field offices' Recruitment Continued 2030 Comms April 2030, Enumeration Begins*
			City & County LUCA Prep	City & County LUCA Support	

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On a scale from 1 to 10 stars, how much you learned today on the Economic Impact of the undercount in Texas?

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Contact us!

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