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3/10/00

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12

Remarks:

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OMB Guidance On Summarizing and Applying Data on Race
March 9, 2000

- In July 1993, the Office of Management and Budget began a comprehensive review of the standards used throughout the Federal Government to collect and tabulate data on race and ethnicity. This review was in response to increasing criticism from many who believed that four single racial categories--American Indian or Alaska Native, Asian or Pacific Islander, Black, and White-- did not reflect the increasing diversity of the Nation's population. This extensive review involved considerable public comment and the involvement of more than 30 Federal Agencies.
- In 1997, as a result of this review, OMB issued revised standards for federal data collection that include allowing individuals to select more than one category of race, if they believe this provides the clearest reflection of their racial identity. The principle behind these standards is self-identification: 1) choosing more than one category (or staying with one category alone) is entirely voluntary; 2) doing so allows the individual to best reflect his or her racial identity as he or she defines it.
- In response to requests from Federal agencies, OMB has led an interagency group to develop methods and procedures for handling multiple race responses. Today, after considerable public involvement including the civil rights community and active participation of more than 30 agencies (including policy analysts, statisticians, and representatives from law enforcement), OMB has issued guidance to establish consistent practices throughout the government on how to summarize and apply multiple race responses for use in civil rights monitoring and enforcement. ✓
- This guidance allows expression of the racial diversity of our nation, ensures that we maintain our ability to monitor compliance with our nation's civil rights laws, and minimizes the reporting burdens for institutions such as schools and businesses that report aggregate data to the federal government for the purpose of civil rights enforcement.
- On the use of data for civil rights enforcement, OMB's guidance explicitly states "we must ensure that we maintain our ability to monitor compliance with laws that offer protections for those who historically have experienced discrimination."
- Census 2000 will be the first nationwide implementation of the revised standards. There are five main single race categories in Census 2000 and the full list of possible combinations leads to a total of sixty-three categories.
- Every individual counts as one; no individual is counted twice, nor is any individual counted as a fractional part.

How multiple race responses reported by individuals will be summarized for civil rights monitoring and enforcement:

- Businesses, institutions, and establishments often collect racial data from individuals that are then summarized and reported to the Federal government for purposes of civil rights enforcement. Summarizing this data is now more complicated because individuals can identify with more than one race. (The five single-race categories are: American Indian or Alaska Native; Asian; Black or African American; Native Hawaiian or Other Pacific Islander; White.) Therefore, this guidance was developed to assist these entities in reporting data on multiple race responses to the Federal government.
- The guidance reflects the fact that the greatest number of people who select more than one race are expected to pick from one of the following categories: American Indian or Alaska Native *and* White; Asian *and* White; Black or African American *and* White; American Indian or Alaska Native *and* Black or African American
- In some areas of the Nation, there are combinations of more than one race, other than those that are identified above, that account for one percent or more of the population in, for example, a state or congressional district. Thus, the guidance provides for collection of information on such populations. An example would be in the state of Hawaii where it is likely that the number of individuals selecting both Native Hawaiian or Other Pacific Islander *and* Asian may exceed the one percent threshold.
- Individuals not included in any of the categories above categories would be reported in a category called "balance of individuals reporting more than one race."

How individual responses will be applied for purposes of civil rights monitoring and enforcement:

- Individuals who select only one racial category will be counted only once, and in the category they select.
- One minority race *and* White responses are allocated to the minority race. For example, Asian *and* White responses are allocated to the Asian category for civil rights monitoring and enforcement purposes.
- In instances where individuals select two or more minority races, the guidance provides for the following allocation methods:
 - First, if the enforcement action is in response to a complaint, the agency should use the race that the complainant alleges the discrimination was based on.
 - Second, if the enforcement action is based on allegations of a pattern of discrimination, the agency will conduct a thorough analysis of effects on each minority group alleged to be affected by the pattern of discrimination.

II. Allocation Guidance: Federal agencies will use the following rules to allocate multiple race responses for use in civil rights monitoring and enforcement.

- Responses in the five single race categories are not allocated.
- Responses that combine one minority race and white are allocated to the minority race.
- Responses that include two or more minority races are allocated as follows:
 - If the enforcement action is in response to a complaint, allocate to the race that the complainant alleges the discrimination was based on.
 - If the enforcement action requires assessing disparate impact or discriminatory patterns, analyze the patterns based on alternative allocations to each of the minority groups.

Allocation for enforcement purposes should not be confused with various allocation methods under consideration for "bridging" to past data collections as described in OMB's Provisional Guidance on the Implementation of the 1997 Standards for Federal Data on Race and Ethnicity. These bridging methods would take advantage of information being gleaned from Census 2000 and other experimental work being carried out by the statistical agencies. The principal purpose of allocation for bridging is to conduct trend or time series analysis.

Guidance on Aggregation and Allocation of Multiple Race Responses for Use in Civil Rights Monitoring and Enforcement

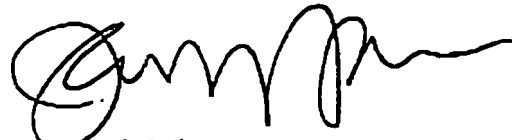
I. Aggregation Guidance: Census 2000 will provide 63 categories of data on the population by race; these data will be available by April 1, 2001, at the national, state, local, and census tract levels. Data collected by Federal enforcement agencies often are provided by businesses and institutions in aggregate form. To facilitate agency efforts to work with data on race, an aggregation method is presented below. This method keeps intact the five single race categories, and includes the four double race combinations most frequently reported in recent studies. The method also provides for the collection of information on any multiple race combinations that comprise more than one percent of the population of interest. Based on data from Census 2000, responsible agencies will determine which additional combinations meet the one percent threshold for the relevant jurisdictions. A balance category is provided to report those individual responses that are not included in (1) one of the five single race categories or four double race combinations or (2) other combinations that represent more than one percent of the population in a jurisdiction. The following *example* illustrates this guidance.

1	American Indian or Alaska Native
2	Asian
3	Black or African American
4	Native Hawaiian or Other Pacific Islander
5	White
6	American Indian or Alaska Native <i>and</i> White
7	Asian <i>and</i> White
8	Black or African American <i>and</i> White
9	American Indian or Alaska Native <i>and</i> Black or African American
10	> 1 percent: Fill in if applicable ¹ _____
11	> 1 percent: Fill in if applicable _____
12	Balance of individuals reporting more than one race
13	Total

¹Based on Census 2000 data, agencies will determine the race combinations that meet the one percent threshold. For example, in Hawaii there may well be combinations of race groups that meet this threshold such as Native Hawaiian or Other Pacific Islander *and* Asian, or Native Hawaiian or Other Pacific Islander *and* White, or Native Hawaiian or Other Pacific Islander *and* Asian *and* White.

data if an agency chooses to do so. The guidance does not involve methods that require either fractional or double counting of individuals, or arbitrary allocation of responses to one minority group versus another.

4. **Implementation process:** OMB will continue to work closely with the enforcement agencies and the civil rights community to assess these methods as they are implemented over the next few years and to consider the need for future modifications. The guidance provided in this Bulletin will be reflected in the Provisional Guidance on the Implementation of the 1997 Standards for Federal Data on Race and Ethnicity that will be available from OMB later this year.
5. **Inquiries:** Inquiries concerning the information in this Bulletin should be directed to Katherine K. Wallman, Chief Statistician (202-395-3093).



Jacob J. Lew
Director

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

March 9, 2000

OMB BULLETIN NO. 00-02

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Guidance on Aggregation and Allocation of Data on Race for Use in Civil Rights Monitoring and Enforcement

1. **Purpose:** This Bulletin establishes guidance for agencies that collect or use aggregate data on race. It also establishes guidance for the allocation of multiple race responses for use in civil rights monitoring and enforcement.
2. **Background:** The Office of Management and Budget (OMB) announced revisions to the standards for classification of Federal data on race and ethnicity in a *Federal Register* Notice of October 30, 1997 (62 FR 58782-58790). Revisions to these standards followed a lengthy process that included considerable public involvement and active participation from more than 30 Federal agencies. The revised standards require, among other things, that agencies offer individuals the opportunity to select one or more races when reporting information on race in Federal data collections. The five minimum race categories are American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, and White.

Census 2000 will be the first nationwide implementation of the revised standards. Data from Census 2000 will capture more accurately the increasing diversity of the Nation's population. Results from Census 2000 will display the full range of single and multiple race reporting by the American people.

As the revised standards for collecting and presenting data are implemented, we must ensure that we maintain our ability to monitor compliance with laws that offer protections for those who historically have experienced discrimination. In addition, we must minimize reporting burden for institutions such as schools and businesses that report aggregate data on race to Federal agencies.

In response to requests from agencies responsible for monitoring and enforcing civil rights laws, OMB has led an interagency group to develop guidance. This guidance addresses the collection of aggregate data when agencies request information from businesses, schools, and other entities. The guidance also addresses the allocation by agencies of responses, whether individual or aggregate, for use in civil rights monitoring and enforcement.

3. **Guidance for aggregation and allocation of multiple race responses for use in civil rights monitoring and enforcement:** The attached guidance is designed to be straightforward and easy to implement. It provides consistency across agencies responsible for enforcing civil rights laws, and does not preclude the use of more detailed

Questions and Answers on Aggregation and Allocation of Data on Race 3/10/2000

How do you avoid the problem of double-counting?

It is important to keep in mind that in reporting responses to the race question, the Census Bureau is going to release data that reflects all 63 possible race combinations; these categories are mutually exclusive and no one will be 'double counted.' Likewise, all of the categories used in aggregation and allocation methods are mutually exclusive, and the allocation rules assign individual responses to one and only one category. All distributions in these methods add to 100 percent.

Will multiple race responses diminish the number of some minority groups? And could that have any effect when it comes to voting rights or enforcement of civil rights law?

Before the revised standards for data on race and ethnicity were issued, racial data were provided for only four categories—American Indian or Alaska Native, Asian or Pacific Islander, Black, and White. Certainly there will be some effect on the number of responses in these single race groups, given that some individuals will now select more than one race. We do not expect these effects to be significant.

The aggregation and allocation methods were designed to ensure that we can continue to monitor and enforce civil rights laws. Therefore, we will be able to maintain the same level of aggressive civil rights enforcement that has been a driving principle in this Administration. We will continue to have the necessary tools to do so. We believe this guidance outlines a methodology that achieves all of our goals: (1) to allow an expression of the racial diversity of our nation; (2) to ensure that we maintain our ability to monitor compliance with our nation's civil rights laws; and (3) to minimize the reporting burdens for institutions such as schools and businesses that report aggregate data to the federal government.

There had been some concerns expressed by minority groups and, as was suggested in one newspaper, "the method chosen will affect millions of dollars that flow into communities based on their racial composition." Is this true? If not, what will be affected?

Federal dollars are allocated on the basis of total population counts for an area, not on the number or percent of a particular minority group counted in an area. Therefore, regardless of the method chosen, allocation of Federal dollars remains almost entirely unaffected. In fact, there are some statutory or regulatory programs that use the counts of American Indians or Alaska natives for funding.

Perhaps this misperception is related to the undercount in the 1990 Census; minority groups often comprised the undercounted populations. Thus, Census 2000 "Be Counted"

communities have been working particularly diligently to encourage their minority citizens to answer the census so that Federal funds are allocated fairly and appropriately. The count of a particular racial group has nothing to do with a community or state receiving Federal funds.

You've talked about the value of this exercise as helping people with multiple race backgrounds to "self-identify." A lot of time and effort has gone into revising the standards on data for race and ethnicity. Is there any other more concrete benefit the government can point to as a result?

We believe the Census 2000 data will enhance our understanding of the racial and ethnic composition of our population. For the first time, people will not be forced to deny a part of their heritage by being asked to choose only one race. There really were two benefits to changing the standards for data on race and ethnicity—one was at the individual level and the other was from a broader, policy perspective. On an individual level, it no longer seemed reasonable for Federal government data collections to force individuals to choose only one race when answering race questions. Offering people the opportunity to select one or more races is the best way to allow people to report their heritage and background.

From a policy perspective, we know that there are racial and ethnic disparities in areas such as health, education, income, housing, and employment. Having more detailed racial information will enhance our understanding of the effects of certain programs on particular racial groups. For example, race as well as income are key factors in analyzing and improving access to health care.

What is the effective date of this guidance?

The effective date of this guidance is March 9, 2000. Implementing this guidance for civil rights monitoring and enforcement, however, will begin in earnest in calendar year 2001 when Census 2000 data on race first become available. Perhaps as early as 2002 but more likely in 2003 or 2004, employers, schools, and other entities will begin to see reporting forms that reflect this guidance.

When will race data from the census be available?

Under the Voting Rights Act, the Census Bureau is required to provide the states with racial and ethnic data for small geographic areas to be used for the redistricting process specified in P.L. 94-171 by April 1, 2001. After discussing and consulting with stakeholders and advisors, including the Department of Justice, the Census Bureau has decided to meet the needs of redistricting by providing the sixty-three categories of data on race in combination with Hispanic/Latino categories tabulated for both total population and people of eighteen years of age or over. Other products will be released on a flow basis from June, 2001, through September, 2003.

How will Census 2000 count individuals of Hispanic or Latino origin?

The Census provides a separate question for whether a person is or is not Hispanic. This "ethnicity" question is thus unaffected by changes to the race question.

What will happen to the counts of Hispanics /Latinos?

The counts of Hispanics/Latinos will not be affected by this guidance. Hispanic or Latino origin data are collected separately from race in Census 2000.

How will agencies and data users compare the Census 2000 racial categories (63 in total) to the traditional four categories for purposes of research and longitudinal studies?

OMB, Census, and representatives from other Federal agencies have been working to develop appropriate statistical methodologies to "bridge" data from the 63 categories in the 2000 Census back to the four "traditional" categories, for purposes of research and longitudinal studies. Appropriate bridging methods will likely vary, depending on the intended use of the data.

The aggregation guidance lists five single race categories and four double race categories. How did you choose these nine categories? For aggregate reporting forms, can more than nine race categories be used if any agency so desires?

The five single race categories are the minimum race categories specified in the revised standards. The four double race categories—American Indian or Alaska Native *and* White, Asian *and* White, Black or African American *and* White, and American Indian or Alaska Native *and* Black or African American—were the four most common multiple race responses in several research studies done prior to revising the standards. The four double race categories are based on *national* averages; that is, they may not be the four most common double race categories for a particular state or local jurisdiction but are the four most common when looking at our Nation as a whole. Yes, agencies can report and analyze more than nine categories if they so choose.

Do you think the four double race categories might change after Census 2000 data are tabulated?

No, we don't think so, but it is a possibility. From all research available thus far, the vast majority of multiple race responses will comprise two selected races, one of which is a minority race and one of which is White. However, if, after Census 2000 data are tabulated, we find that any of the four double race combinations we have identified are not among the most common, we will revise the implementation guidance accordingly. All of our partners both in the Federal agencies and in the civil rights community know that as Census 2000 data become available, some of our current thinking about specific implementation guidance may change.

Looking at the aggregation guidance, who determines what racial combinations are “

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greater than one percent?"

Based on data from Census 2000, each agency will determine which additional combinations meet the one percent threshold for the relevant jurisdiction.

Since the use of the "greater than one percent" category will vary, will it create inconsistencies across agencies?

The federal agencies who collect these data will work together to ensure appropriate coordination on data collection efforts that are applicable to more than one agency.

What is the 'balance' category and why do you need it for aggregating purposes?

The balance category includes all individuals who marked more than one race and who are not reported in any of the other multiple race categories. For example, if 0.04 percent of an employer's work force selected three categories (i.e., Asian *and* Black or African American *and* White— and 0.01 percent of this same work force selected three other categories (i.e., American Indian or Alaska Native *and* Asian *and* White), these numbers would be reported in the balance category. This number will likely be very small and should not in any way negatively affect an agency's ability to enforce civil rights monitoring or enforcement.

By combining some responses into a "balance" category, aren't you masking a lot of the nation's diversity?

No. The Census Bureau will report all 63 possible racial combinations in its data file to be released on April 1, 2001. This guidance is designed to address how employers, school districts, and other stakeholders should report aggregate data to the federal government for civil rights enforcement purposes. The baseline data (reflecting 63 categories) will remain available.

Could you explain how data in the balance category might be used for civil rights monitoring and enforcement?

Recall that the Census Bureau will report all 63 possible racial combinations in its data file to be released on April 1, 2001, and a balance category will not be used to present those data. However, if, for example, an agency is analyzing local level Census 2000 data for voting rights enforcement, the aggregation method provides a means to summarize the data for the most common population groups. This would necessarily result in a very small balance (or remainder) category. The original Census 2000 data will be available for use if it is needed in a specific instance to determine the composition of the balance category.

Will this methodology make it easier for employers to manipulate their race data for civil rights reporting purposes?

No. Employers will continue to have an obligation to accurately report the racial composition of their workforce. This guidance provides employers with a simple methodology

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for accomplishing this task, in the context of employees having an option to indicate more than one race category on the data collection instrument.

In other uses of Census 2000 data, sometimes analysis is based on the “race of the household” or “race of the family.” How will Census Bureau determine the race of the household or family?

For analysis purposes only, Census Bureau considers Person 1 as the “householder.” For Census Bureau statistics that create variables for *household race* or *family race*, the race of the householder (Person 1) determines the *household race* or the *family race*. Note that some agencies look at Census data and use either the race of the householder (Person 1) or the race of the spouse to determine the *household race* or *family race*.

What kind of input did you receive before making this decision? Who was involved?

We worked very closely with federal agencies — who in turn reached out to community groups, civil rights groups, and stakeholders — to develop this guidance.