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The 2010 Census: Implications for Nonprofits

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The results of the 2010 U.S. Census will begin to be released later in December. The importance of the data that is released will have far-reaching consequences for governments, individuals, businesses and organizations, including nonprofits. The most prominent and immediate consequence of the data will be its use in decisions made next year to redraw the political boundaries for congressional and state legislative districts. The new districts will help shape political dynamics for the next decade and perhaps beyond. There will also be a direct impact of the data on state and local governments, as well as businesses and organizations that are recipients of federal government grant programs that use formulas based upon census statistics.

A third important consequence of the new data will be the wealth of information it provides about the nation's economic make-up, providing businesses a rich trove of data that will help them identify changing markets and consumer preferences. A fourth, less obvious result of the new Census data will be found in the revelations and affirmations it provides of current and future demographic and sociological trends in the country. The data released over the next three years will give businesses and organizations the most complete and accurate database about the nation's population – demographically, economically and socially - that has ever before existed. It will potentially aide an organization's future planning in ways that could be truly revolutionary.

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The Census Process

The U.S. Census is one of the first and few functions of the Federal Government that is specifically authorized by the Constitution. Article I, Section 2, as modified by the 14th Amendment, calls for Congress to have conducted every ten years a census of the citizens of the United States in "such manner as they shall by Law direct." The purpose of the provision was to provide a basis of apportioning seats in the House of Representatives as the new country's population grew. In the intervening 223 years, the importance of the decennial Census has assumed relevance far beyond being the basis of congressional apportionment.

The process of counting in 2010 who lives where in the United States was completed this past summer. Seventy-two percent of the nation's more than 116 million households returned their 10-question Census forms by the April 15 deadline. The remaining households were surveyed by door-to-door personal visits from 635,000 census takers.

The official population count, along with the new apportionment by state of the 435 seats in the U.S. House of Representatives for the next 10 years, will be delivered to the President by December 31. Other data resulting from the Census process will be released beginning in April 2011 and be concluded by September 2013.

This past September data from the 2009 American Community Survey (ACS) was released. The ACS has replaced the long form Census questionnaire that was sent to selected households during the Census in 2000 and in previous years. While the ACS is a separate survey from the Census, it certainly complements the decennial Census data. In 2005 the ACS began sending on a monthly basis a 60-question survey – approximately the same size as the long form in 2000 – to 250,000 households per month (reaching 3 million per year). Over a five-year period, approximately 1 in 8 households are surveyed. Each year's survey results are released in the late summer of the following year. The comparative data from the ACS for the period from January 2005 to December 2009 is scheduled to be released December 14, providing more demographic data and trends about every county in the nation than has ever before been available. This information will become a significant resource for all businesses and nonprofit organizations.

Public policy impacts of the 2010 Census results

1. Congressional reapportionment

The most prominent and immediate impact of the 2010 Census results will be the release of data on which will be based the reapportionment of the number of seats in the U.S. House of Representatives that are assigned to each state. After the President receives from the Census Bureau the apportionment population counts for each state, he conveys that

information to the Clerk of the U.S. House of Representatives within the first week of January. Within 15 days after that, the Clerk of the House must inform the governor of each state the number of representatives to which the state is entitled.

A number of consultants and think tanks have issued projections over the past 18 months regarding what the expected apportionment numbers will be for each state. The most recent such projection, issued in October by the consulting firm Election Data Services, makes the following estimates of changes to the sizes of congressional delegations as a result of the 2010 Census:

<u>States expected to gain seats</u>	<u>Change</u>	<u>New delegation size*</u>
Arizona	+1	9
Florida	+2	27
Nevada	+1	4
South Carolina	+1	7
Texas	+4	36
Utah	+1	4
Washington	+1	10
<u>States expected to lose seats</u>	<u>Change</u>	<u>New delegation size*</u>
Illinois	-1	18
Iowa	-1	4
Louisiana	-1	6
Massachusetts	-1	9
Michigan	-1	14
Missouri	-1	8
New Jersey	-1	12
New York	-2	27
Ohio	-2	16
Pennsylvania	-1	18

* The projected new delegation sizes will be in effect for the 2012 elections of Members of U.S. House of Representatives taking office in January 2013.

2. The Electoral College

The significance of the size of new delegations to the House of Representatives goes beyond their impact in Congress. The number of votes a state casts in the Electoral College, which formally elects the President, is determined by its number of the state's U.S. Senators and Representatives. Based upon the Election Data Survey projections, Texas would have 38 votes in the Electoral College for the 2012 Presidential election, rather than the 34 it had in 2008. By contrast, New York's Electoral College vote would be 29 instead of the 31 votes cast in 2008.

3. Congressional Redistricting

Forty-three states are expected to have more than one representative in the U.S. House.* Congressional district boundaries must be redrawn to reflect the new apportionment of seats resulting from the 2010 Census data. Determining the boundaries of congressional districts is the responsibility of each state government.

The method and criteria for how those boundaries are drawn are determined in accordance with a state's constitution and statutes, but there are also federal guidelines that must be followed. A series of federal court decisions in the 1960s established the concept of "one man, one vote," directing that each district must be of comparable size to other districts. Further, the Voting Rights Act of 1965, as amended in 1982, places constraints on the states as to how minorities are treated in drawing congressional boundaries.

In most states the legislature has the primary authority to draw congressional boundaries by passing a law required to be signed by the governor. Those legislators and governors in office in 2011 will have that responsibility. In 8 states a bipartisan commission is responsible for redrawing congressional district lines.

Based upon the above-cited projections of Election Data Services for the new apportionment of the U.S. House of Representatives, the results of the November 2010 state legislative elections show that Republicans will have the upper hand in redrawing the boundaries for at least 193 congressional seats in 18 states. Democrats will have control in the boundary redrawing processes for an estimated 98 seats in 11 states. The remaining 137 seats are in 14 states where the boundary drawing authority is either too divided to provide either party an edge or the responsibility rests with a bipartisan commission.

4. State Legislative Redistricting

State legislative boundaries must also be redrawn as the result of the 2010 U.S. Census results. The processes vary widely from state to state. In 13** states the authority to draw new state legislative districts is vested in commissions made up of or appointed by elected officials. In the remaining states the legislatures have the principal boundary-drawing authority,

* The 7 states expected to continue with 1 seat in the House of Representatives are Alaska, Delaware, Montana, North Dakota, South Dakota, Vermont and Wyoming.

** The 13 states with authority vested in commissions to draw state legislative districts are Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Missouri, Montana, New Jersey, Ohio, Pennsylvania and Washington.

though there are provisions in some states for commissions to advise the legislature or to develop new state legislative boundaries if the legislature cannot agree upon a plan. Next year, 25 state legislatures will be controlled by Republicans*; 15 legislatures by Democrats**. Among the remaining states party control is divided in 9 of them; Nebraska has a unicameral legislature (one chamber) whose members are elected on a nonpartisan basis.

Implications for nonprofit organizations

All nonprofit organizations are affected by the political makeup of the Congress and the state legislatures, even if lobbying is not among their activities. For starters, nonprofit organizations are defined by the tax laws, which in turn are products of legislative actions. Taxes will be an active topic in most legislative bodies in 2011 and beyond, so the attitude of legislators toward laws that permit nonprofits to be tax-exempt will be of paramount concern. Redrawing the congressional and state legislative districts will impact who is elected from those districts in 2012, and ultimately what laws are enacted – or not enacted.

For nonprofits with public policy concerns in the Congress, the new apportionment of seats in the U.S. House of Representatives will have a profound impact. For instance, a trade association whose membership is strongly based in the south and west may find its potential influence over the course of legislation in Congress will be stronger as the number of representatives from those states increases. In turn, an association whose membership is strongly centered in the Northeastern and/or upper Midwestern states could have its influence in Congress diminish. Within individual states, the redrawing of state legislative districts will potentially result in comparable consequences. Political party power shifts that may be enhanced by new boundaries will increase the political implications for nonprofit organizations with legislative agendas.

Economic impacts

The economic impacts of the 2010 Census results will be just as important as the political impacts, though they will likely receive less immediate media attention. Over \$446 billion was distributed in Fiscal Year 2008 to states, localities, non-profit organizations, businesses and individuals in using formulas based upon census data, according to a Brookings Institution study conducted earlier this year. This represents over 31% of the more than \$1.4 trillion distributed in that budget year in federal domestic assistance in the form of grants, direct loans, loan guarantees and direct payments.

* Alabama, Arizona, Florida, Georgia, Idaho, Indiana, Kansas, Maine, Michigan, Minnesota, Missouri, Montana, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Wisconsin and Wyoming.

** Arkansas, California, Connecticut, Delaware, Hawaii, Illinois, Maryland, Massachusetts, New Jersey, New Mexico, New York, Rhode Island, Vermont, Washington and West Virginia.

Most of the census-guided assistance goes to state governments through such programs as Medicaid, which alone accounted for 58% of the \$446 billion total in 2008. Highway planning and construction was a distant 2nd at 8% of the total. While smaller, many other important grant programs were guided by census-data in 2008, such as \$233 million in U.S. Department of Energy grants that went to many private sector entities and \$207 million for the National Foundation on the Arts and Humanities, much of which ended up supporting nonprofit organizations in the arts and humanities.

The importance of the Census count by state and community is underscored by an analysis done by the Census Bureau on the economic effect of the estimated 3 million individuals who were undercounted by the 2000 Census. The Bureau estimated that the 58 largest counties affected by the undercount were deprived of \$3.6 billion in funds, or \$2,913 per undercounted person.

The economic impacts of the 2010 Census on nonprofit organizations are several:

1. Nonprofit organizations that are eligible to be direct recipients of government grants will be impacted by distribution formulas tied to Census data. When such data changes, so will the amounts of grant funds available for certain categories or geographical areas.
2. Members of nonprofits that receive or whose businesses might be involved with government assistance programs will be potentially impacted by any changes in formulas dependent upon census data. To the extent such changes impact the economic health of certain companies or professions, the nonprofit organization representing them will be potentially affected.
3. A less obvious impact of the relationship between the new Census results and government assistance formulas dependent upon Census data will be the extent to which some programs become more expensive and how that reality resonates with legislators. Reducing the cost of government will be a top priority for Congress and the state legislatures in the foreseeable future. Thus, Census-based formulas could be changed, thereby reducing available funds for programs upon which some nonprofits and their members depend.

Demographic and Sociological Trends

Perhaps the most interesting implications of the forthcoming data from the 2010 Census will be the revelations about demographic and sociological trends in the country. These are trends that will have impacts on politics as well as the decisions in the marketplace. They will affect nonprofits in several ways, including the future political landscape in which organizations advocate their public policy positions to legislative bodies, the nature and location of an organization's future membership and the marketplace for the customer or client base of a nonprofit's members. In addition to the Census data, the American Community Survey comparative data for 2005-2009, scheduled to be released December 14, will provide a comprehensive picture of many trends at a county level. In some cases, existing trends will be affirmed and reinforced, while in other cases new trends will be revealed. Among those expected trends are:

1. The continuing ethnic diversification of the U.S. population will have more profound effects on politics and the marketplace in the coming decades.

The U.S. Census Bureau estimates that one-third of the nation's people are part of a racial or ethnic minority. Currently 44% of all children are minorities, a figure that will grow to over 50% by 2023. By 2042 the majority of all Americans will be those who have been previously categorized as minorities. The largest minority group, categorized by the Bureau as Hispanics, is now estimated at 15% of the total population and expected to grow to 30% by 2050.

2. The share of the U.S. population that is 65 years or older will grow sharply.

In the Census results of 1990 and 2000, the population 65 years and older was just under 12.4%, up from 11.2% in 1980 and 9.2% in 1960. The 2010 Census is expected to show that seniors are at least 13% of the population, with a projection that the numbers will grow to over 16% by 2020 and exceed 20% by 2050.

3. What was once the "typical" American household of a married couple with children will continue to become quite untypical.

In 1960 over 75% of American households consisted of married couples and 45% were married couples with children. The percentage of households with married couples is now about 50% and dropping. The share that is married couples with children is less than 25%. By contrast, 26% of households in the 2000 Census consisted of persons living alone, and that figure is expected to be decidedly higher when the 2010 figures are released. This phenomenon is not limited to the U.S. Recent population statistics in Germany reveal a similar trend.

4. Urbanization in the U.S. is leveling off.

According to the 2000 Census data 79% of the U.S. population lived in urban areas. This continued an urbanization trend that began in 1900 when only 40% of the population was urban, continuing to 64% in 1950 and 75% in 1990. A 2009 Census Bureau estimate based upon data from the American Community Survey lowered the urban percentage to 76.5%. Future projections of urbanization trends will be complicated by a changing definition in the 2010 Census and beyond in what is considered urban vs. rural. Nonetheless, it is clear that the surge to urban areas among the US population has slowed as new employment opportunities move increasingly to less congested areas of the country.

5. The “clustering” of people to live in communities with people like themselves will continue to become a pervasive factor in the country’s politics and affect the economic marketplace as well.

Hidden within the data from the 2010 U.S. Census and the American Community Survey will emerge a trend that is already influencing all of the other trends: the growing movement of people who choose to reside in communities populated by people who think and believe as they do. Migration within the United States has been a prominent factor in shaping the nation’s demographics since the beginning of our history. But, that migration most often was driven by a search for economic opportunity. Now, we are witnessing a trend that began noticeably in the late 1960s and early 1970s, and has escalated prominently in the past 20 years, where people increasingly choose communities in which to live that are populated by others whose lifestyles, income status, education level, religious beliefs and political persuasions are similar to their own.

An increasing amount of academic and media attention has recently addressed this phenomenon. One of the more prominent examinations of the trend is *The Big Sort*, a 2008 book by journalist Bill Bishop. Bishop notes that this demographic shift within the country will have a profound and long term effect on the politics of the country, the products and services consumers buy, the magazines and books people read, the television and movies they watch, and the way they spend their free time. It will also have an impact in the workplace as people spend time with fellow workers who are more like themselves than not. As people spend more time with others whose views and beliefs are much like their own and have less exposure to people with contrasting views and lifestyles, their own attitudes about politics and products will be reinforced. This is echoed in *The Big Sort* by J. Walker Smith, Executive Vice Chairman of the marketing consulting firm Yankelovich, who observed:

“We’re going to have a nation of self-focused collectives. And the only universally shared American value is going to be the willingness to let people live in their collectives in the ways they want to live.”

Michael Barone, author of *The Almanac of American Politics*, wrote an illuminating piece on this trend in the Fall 2009 issue of the journal *National Affairs*. His article, entitled "Americans on the Move," notes that population migrations today differ from those of the past in that people are "escaping cultural diversity in search of the comfort of like-minded neighbors." He goes on to state that "the accumulated data make it plain that Americans are moving to where they can find neighbors they deem like-minded, to communities with appropriate schoolmates for their children, and to places that offer agreeable shopping, restaurants, churches (or lack thereof), and entertainment." Calling the trend "assortative migration," Barone says it "has the effect of isolating us from the larger variety of America and allowing us to spend most of our time in attitude-reinforcing cocoons." It is ironic indeed that as the nation as a whole grows in its overall diversity, many states, localities and communities are becoming less diverse.

This trend is already having and will continue to have a significant impact on the political polarization that now characterizes the public policy process. Further, it will impact the consumer marketplace in terms of the goods and services people choose to purchase or not purchase. And, the trend will ultimately affect the membership complexion of nonprofit organizations and the customer and client bases of those members.

Conclusions

A 2009 white paper produced by Advertising Age on the expected results from the 2010 Census stated: "The concept of an 'average American' is gone, probably forever. The average American has been replaced by a complex, multidimensional society that defies simplistic labeling." Not only is this observation true for the nation as a whole, but increasingly for many of its segments. Long-held stereotypes of various business and professional groups have been changing, more profoundly than we perhaps have realized. The data that will emerge from the 2010 Census results and trends revealed by the American Community Survey report (comparing 2005-09) will confirm this. For nonprofits, this new information resource can be a powerful tool for better understanding the changes taking place now and in the future among its constituents and the interests served. However, it also presents nonprofits with a two-fold challenge to: 1) absorb and analyze the new data and trends as it relates to their interests; and 2) factor into future planning how their constituencies have changed and can be expected to change in the years ahead.

The new Census data will give new meaning to an overused but still appropriate quote from *The Wizard of Oz*: "Toto, I've a feeling we're not in Kansas any more." Indeed, we certainly are not.