

## **Sterling, Andrew**

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**From:** Gary Votes [garyvotes@yahoo.com]  
**Sent:** Saturday, February 19, 2011 10:21 AM  
**To:** Jon Seidel; Gene Ayers; Sterling, Andrew; Lubbers, Teresa; Ragan Hatcher; Brown, Charlie; edcharbonneau@comcast.net; mwiatkowski@nwi.com; D2ogg1@aol.com; Dan Lowery; Howard Darby\*; Kristi DeLaurentis; Marilyn Krusas; Ted Prettyman; Tom Eaton; Carole Carlson; Carol Smith  
**Subject:** Effect of Census 2010 Undercount on Gary, Indiana  
**Attachments:** Effect of Census 2010 Undercount on Gary.doc

Good morning,

I have analyzed the possible outcome and effects on adjusting the data count on the 2010 census for the City of Gary, Indiana.

As you may be aware, the city of Gary experienced a 22 percent decline in population from 2000 to 2010. The Mayor has called for an appeal to the U.S. Bureau of the Census suggesting that there were people in Gary not included in the census and therefore the actual population is greater than Gary's 80,294 count.

He is correct. The undercount adjustment could add approximately 1,000 to the population of Gary. But the city of Hammond would increase also, based upon the undercount percentage established by the census bureau. Hammond would still be the largest city in Lake County following any adjustments based on undercounts.

The undercount study will be addressed by having the census bureau conduct random sampling to determine undercount percentages throughout the United States. The attached article is based upon the 2000 census undercount and adjustments.

Population count is important because it is a factor in determining the distribution of federal funds over a ten-year period.

Please contact me if you have any questions concerning the paper.

Richard Barnes, Ph.D.  
Gary, IN  
219 938-7360

# Effect of Census 2010 Undercount on Gary, Indiana

Richard Barnes, Ph.D.

The recent population count of the Bureau of the Census from the 2010 census, reported that the City of Gary, Indiana experienced a 22 percent drop in population. In 2000, Gary had 102,746 residents but by the year 2010, that number had dropped to 80,294.

Gary Mayor Rudy Clay announced that he would appeal that figure and ask the census bureau to review those numbers because he felt the city was undercounted in the 2010 census.

“In reality,” said Clay, “Gary has many, many, many more people than that.”

In all probability, Clay is correct in claiming that there are residents in the City of Gary who were not included in the census count. This is referred to as “undercount” by the Bureau of the Census. The problem is that every community and every state experiences an undercount, some more than others.

For the next ten years, federal funding to states based on the 2010 census count may account for a \$4 billion in lost revenue to cities and states.

Thus the question might be, what is the possible adjustment in population count for the City of Gary based upon the statistical formulas used by the Bureau of the Census to correct the undercount?

To allow for adjustments to the census count, the Bureau of the Census uses sampling techniques in each state to measure the percentage of people not included in the census. In 2000, the U.S. Census Monitoring Board estimated an undercount of 1.75 percent. When the final census was complete, it was found that the actual undercount was 1.18 percent<sup>(1)</sup>

If this estimate were used to adjust the 2010 census count, it would mean that the city of Gary would add approximately 947 residents to make the adjusted census 81,241.

However, the 1.18 percent undercount adjustment would also apply to the city of Hammond, raising their final count from 80,830 with an additional 1.18 percent, adding 954 to the Hammond count, or 81,784, still larger than Gary.

Yet these projections may be greater than what the Bureau of the Census may actually find. The census undercount varies by state. In 2000, for example, Alaska was found to have the highest percentage undercount of 2.67 percent while Minnesota had the lowest undercount rate of 0.29 percent.

Indiana was found to have an undercount percentage rate in 2000 of 0.77 percent, below the national average. If this pattern holds true for the 2010 adjustment by the U.S. Census Monitoring Board, the number undercount for Gary and for Hammond would be less.

## Why is this important?

The 2010 census count is important inasmuch as it determines federal funding for programs for the next ten years. The census bureau makes annual readjustment estimates but these estimates were not too reliable for the city of Gary. For example, the 2009 population estimate for the city of Gary was placed at 95,707 when, in reality, it was much lower.

The major federal grant programs most affected by a census undercount are (1) Medicaid; (2) Foster Care; (3) Rehabilitation Services Basic Support; (4) Social Services Block Grant; (5) Substance Abuse Prevention and Treatment Block Grant; (6) Adoption Assistance; (7) Child Care and Development Block Grant; and (8) Vocational Education Basic Grants.

Other federally funded programs could not be included in the 2002 study by Pricewaterhouse Coopers calculations because data on their funding was not available as to how it was affected by undercounts.

**Table 4: Federal Grant Programs and FY 2001 Obligations**  
 [Obligations in billions of dollars; Major programs affected by census undercount]

<b>Program</b>	<b>Obligations</b>
Medicaid	\$130.0
Foster Care	5.1
Rehabilitation Services Basic Support	2.4
Child Care and Development Block Grant	2.0
Social Services Block Grant	1.7
Substance Abuse Prevention and Treatment Block Grant	1.7
Adoption Assistance	1.2
Vocational Education Basic Grants	1.1
Subtotal, eight programs included in study	<b>145.1</b>
Total for major grant programs affected by undercount	<b>\$166.6</b>

Source: Budget of the United States, FY 2002, GAO, and PricewaterhouseCoopers calculations.

### Summary & Conclusions

If the City of Gary wants the U.S. Bureau of the Census to revisit Gary's 2010 population count, it would become part of the study that readjusts the final numbers through their undercount study.

Chances are that the rank/order of the City of Gary would remain the same based on:

- (1) all cities in Indiana would be adjusted based on the state's average undercount percentage;
- (2) Hammond and Gary would both be adjusted based on the same undercount percentage;
- (3) Indiana has traditionally one of the lower undercounts when compared to other states;

There would be no change in the population rank/order of cities in Lake County following an adjustment for undercount for the 2010 census.

Respectfully submitted,

Richard Barnes, Ph.D.  
 Gary, Indiana  
 (219) 938-7360

<sup>1</sup>SOURCE: Budget of the United States, FY 2002, GAO, and PricewaterhouseCoopers. "Effect of Census 2000 Undercount on Federal Funding to States and Selected Counties, 2002-2012" U.S. Census Monitoring Board, (2012, Washington, D.C) pp. 114-134.