
Counting for Dollars: Why It Matters

A fair and accurate 2020 Census is important for many reasons. The census is the basis for equal political representation under the Constitution. Policymakers use census data to identify community needs and to distribute federal program dollars to states and localities based on population numbers or other community characteristics that the census and related American Community Survey measure. Business and industry decide where to locate new plants and services based on census data, creating new jobs and promoting economic growth.

Sometimes, federal dollars are allotted to the states based on the number of people counted in the census; Medicaid is an example. In other cases, census numbers determine if a community is eligible for critical federal program dollars. Examples include city and county population thresholds (50,000 or 200,000) for Community Development Block Grants, and rural area designations for Rural Electrification loans. Still other programs allocate funds based on certain household characteristics, such as average or median income levels. Therefore, each person counted may directly determine funding levels for a few programs, and will influence funding levels for many others.

Unfortunately, certain groups—referred to as “hard-to-count”—are at higher risk of not being fully counted in the decennial census. Some of these groups have been historically underrepresented in the decennial census for decades; some may experience new or increased vulnerability due to major changes in methodology, such as relying on the internet as the primary way for households to respond to the 2020 Census; and some may be reluctant to respond due to current concerns about how their data may be used. Being left out of the census can deprive these groups and their communities of vital public and private resources.

While *we cannot say that each person counted in the census would increase federal program dollars to a state or locality by a certain amount*, census results are of utmost importance to distributing federal funding — and doing so equitably and prudently.

[Counting for Dollars: The Role of the Decennial Census in the Geographic Distribution of Federal Funds](#) is an analysis of the geographic distribution of funds from about 300 federal census-guided programs and is designed to help stakeholders and policymakers understand the extent to which federal financial assistance is distributed on the basis of census-derived data.

As this analysis makes clear, a more accurate census will: (1) ensure that every community, as well as people and households in need, receive the federal resources to which they are entitled under all census-guided programs; and (2) ensure that lawmakers can make more informed decisions about how to allocate federal dollars fairly, prudently, and effectively.

We hope this analysis is helpful in raising awareness of the value of a fair and accurate decennial census, and the dire consequences of failing to achieve that goal.

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