

**Testimony before the House Subcommittee on Health Care,
District of Columbia, Census and the National Archives**

**“Pros and Cons of Making the Census Bureau’s American
Community Survey Voluntary”**

Testimony Prepared By

Patrick Jankowski
Vice President, Research
Greater Houston Partnership

Tuesday, March 6, 2012

Good morning and thank you Chairman Gowdy, Ranking Member Davis, and distinguished Members of the Subcommittee for holding this hearing. My name is Patrick Jankowski and I am Vice President of Research for the Greater Houston Partnership, an economic development organization representing the 10-county Houston-Sugar Land-Baytown Metropolitan Statistical Area. I am here to talk about the American Community Survey, the importance of that survey to the business community, and the need to maintain the mandatory requirement for filling out the survey.

Before I begin my remarks, I want to acknowledge Congressman Ted Poe, a fellow Houstonian. Congressman Poe, I have been a fan of yours since the ‘80s. I’ve lived in Houston all my life and I remember when you served as a federal judge. When I’d hear about the sentences you handed down, I saw you as a man who understood how to mete out justice. As a fellow native Texan, I know we share the same respect and love for our

state and its history. I suspect we agree on many other issues, and I hope we have the opportunity to work together on those issues in the future. This is one area, however, in which we disagree, and I'll explain why.

As an economic development organization, the Greater Houston Partnership works to create prosperity in our region. The Partnership does that by working with companies to retain and create jobs, to make investments to expand the tax base, to increase general business activity, and to grow local incomes. The Greater Houston Partnership is not unique in this. There are more than a 5,000 economic development organizations in big and small towns across America working toward the same goal—increasing the prosperity and economic well-being of their communities. In essence, I am speaking not just for myself, an economic development practitioner who has worked for 30 years to build prosperity in Houston, but for the entire economic development community across the U.S. We all work toward the same purpose—recruiting business, creating jobs, and growing our tax bases.

Thirty years ago, when I began my career in economic development, a company's relocation or expansion decision was based on two main concerns – real estate and infrastructure. When a business came to look at Houston they would ask, “Do you have a piece of land and is it rail served?” Those were the driving factors in the Industrial Age. Business decisions are now data driven. Before a corporation decides to open a factory or an office, they will examine real estate costs, wage rates, tax liabilities, transportation networks and the social and demographic composition of the workforce. Today, in the

Information Age and the era of global competition, a region's demographics weigh heavily in whether a company decides to invest in one's community and hire your workers.

Let me provide you with some examples as to the role demographic data plays in Houston. When a Japanese company considers opening a plant in our region, they always want to know something about the size of Houston's Asian community. Why? They need assurance that any expat workers they assign to Houston will be comfortable there. When a European company wants to open a research and development facility in Houston, they ask about the number of engineers and scientists that live in the region. Why? They need assurance that they can find the technical talent they need to develop their new products. And when a U.S. firm seeks to open a records processing or customer service operation in Houston, the company often asks about commute times. Why? They want to know how long it will take their employees to get to work and whether this will cause staffing problems at the new operation. For the record, there are now more than 100 Japanese firms operating in Houston, the European firm mentioned above is Vestas Wind Energy, and the questions about commute times comes from just about any company that seriously looks at Houston.

Where do we get all this information? From the American Community Survey. The ACS is one of the most important tools in our kit. By providing good data to corporate decisions makers, those decisions makers can make good choices about where to expand their operations, and when they choose to expand their operations, they create jobs in our

community. The ACS, along with other tools and programs (and a great business climate), helps the Greater Houston Partnership attract dozens of companies to Houston each year.

Last year, we worked with 34 companies that relocated, expanded or retained operations in Houston. These companies announced plans to create or retain nearly 9,000 direct jobs in the region. When the multiplier effect is factored in, there will be another 16,000 indirect and induced jobs associated with these projects. Those companies have also committed to investment nearly \$750 million in the local economy. While the great data that comes from the ACS wasn't the sole determinant in those firms choosing Houston, it helped us make the case that Houston had the workers they needed and was thus the best place for them to expand their operations.

The survey's role in making good business decisions becomes even more important when one considers the population shifts over the past decade. Between the 2000 and 2010 Census, four U.S. metros added more than a million residents, six added more than half a million, another four dozen added more than 100,000 and another 51 metros lost population. That's more than 100 metros with significant population shifts over a decade. Without the detailed data available through the ACS, we wouldn't know what shifts were taking place in race, ethnicity, age, income and education profiles of these metros.

Which brings me to my concern about making participation in the ACS voluntary. The U.S. Census Bureau has conducted tests that determined that response rates drop

significantly when the survey becomes voluntary. And with a lower response rate the quality of the data declines significantly. As the quality of the data declines, the business community's ability to make sound hiring and investment decisions declines as well. To maintain the quality of the data with a voluntary survey, the bureau would need to increase the sample size, increase the number of mailings, and engage in more telephone interviews and one-on-one meetings. This would dramatically increase the cost of conducting the ACS at a time when the federal government is already under considerable fiscal constraint. The fiscally responsible action to take, if Congress wants to continue providing its citizenry with good data upon which to make sound business decisions, would be to keep the mandatory requirement of the American Community Survey. For all these reasons, I respectfully ask that the mandatory requirement of the ACS remain in place.

Chairman Gowdy, Ranking Member Davis, and distinguished Members of the Subcommittee, thank you for allowing me to speak on this issue. I welcome any questions that you may have.

Patrick Neal Jankowski

Curriculum Vitae

Overview

Currently manage a 7-person research team which provides all demographic, economic and business analysis for the Greater Houston Partnership, a 2,000-member community development organization. Responsibilities include:

- Researching local business, economic and demographic patterns,
- Conducting economic impact analysis for business relocations, special events, and regional trends,
- Preparing and posting economic and demographic data to the organization's website www.houston.org
- Creating proposals and materials used in the organization's regional marketing efforts,
- Providing city-to-city comparisons of key economic and demographic indicators—population, workforce, infrastructure, business costs, etc
- Conducting international research and analysis (*e.g.*, air cargo and waterborne trade stats, Houston company operations overseas, foreign contracts signed, etc.) in support of the organization's international outreach efforts,
- Identifying companies that have announced plans to relocate to the region,
- Maintaining a database a 15,000 local companies and 60,000 individuals,
- Speaking to business and community groups on the state of the economy, the process of economic development, the future of the region, etc.
- Managing a library, in electronic and hard copy format, of historic and current economic and demographic data on the state and local economies

Selected Highlights

- Current steering committee member for the National Academies' Committee on National Statistics *Workshop on the Benefits (and Burden) of the American Community Survey* to be held in Washington D.C. in June '12
- Participated in briefings of U.S. House and Senate staffs on the uses of the American Community Survey by the economic development community. (March '11)
- Provided the research support that lead to the relocation or expansion of more than 500 companies in Houston over the past 25 years, accounting for more than 250,000 jobs and \$35 billion in additional economic impact for the region,
- Delivered the economic and demographic analysis used in the Greater Houston Partnership's 10-year strategic plan for the region, a plan that includes creating 600,000 new jobs, growing foreign trade to \$225 billion by 2015, and facilitating an additional \$60 billion in business investment,
- Served on the research team that identified that more than 3,000 Houston companies doing business globally and determining that two out of every five jobs in the region are tied to international trade,
- Conducted the first significant research on the role of undocumented workers in the region, which determined that at that time that undocumented held one in ten jobs and contribute more than \$27.3 billion to Houston's gross regional product

- Received the Greater Houston Conventions & Visitors Bureau's first ever community research award (July '08)
- Conducted economic impact studies on the impact of a Houston tourist information center (November '10), Continental-Airlines merger, (July '10), BAE Systems facility closure in Sealy (November '09),
- Developed model for calculating the return on investment for city and county investments in local economic development programs
- One of four participants in HoustonPBS Elevate Lecture series moderated by Susie Gharib of PBS Nightly Business Report on outlook for U.S. and local economies
- Prepared GHP's Economic Outlook and job's forecast (December '10 and December '11)
- Currently serving as president of The Houston Economics Club, the Houston Chapter of the National Association for Business Economics
- Currently serving on the Board of the Council for Community and Economic Research
- Made over 150 presentations on the Houston regional economy in the past five years

Media

- Editor and author of *Houston Economy at a Glance*, monthly newsletter focusing on economic trends in the region
- Contributing Editor for *Opportunity Houston Magazine*
- Observations and analysis about the local, regional and U.S. economies have appeared in articles or broadcasts by the Daily Court Review, Houston Business Journal, Houston Chronicle, HoustonPBS-Channel 8, KHOU-Channel 11, KTRK-Channel 13, KPRC Channel 2; Fox 26 Houston, KTRH-740 AM, La Voz, Univision, Los Angeles Business Journal, Lubbock Avalanche-Journal, KROI 92 FM. The New York Times, Newsweek, Reuters and San Antonio Light

White Papers - Authored

- "Potential Tax Revenues from Unauthorized Workers in Houston's Economy," (Jan '12) [presented for discussion at AJC Immigration Summit in Houston]
- "Economic Impact of Undocumented Workers on the Houston Region's Gross Domestic Product" (Jul '06) [Published June '08 in *Applied Research in Economic Development*]
- "Potential Impact of Avian Flu on Houston" (Apr '06) [internal document used for program planning purposes]
- "Enron in Perspective" (Jan '06) [document provided to the media during Key Lay trial]
- "Estimated Economic Impact of the World Series on Houston" (Sep '05) [internal document used when responding to media questions during the series]

Expert Witness Services

- Provided expert witness analysis, reports and testimony in cases involving auto dealerships in Houston, Fort Worth and Dallas.

Economic Impact Analysis

- Expert in use of Regional Input-Output Modeling System-II (RIMS-II), the Bureau of Economic Analysis tool used for measuring the economic impact of corporate relocations and expansions, military base closings, stadium construction, industry shuts downs, etc.
- Expert in use of Impact DataSource model for measure the fiscal impact of relocations and expansions to the region
- Familiarity with the impact models of Regional Economic Modeling, Inc. (REMI), the U.S. Federal Reserve (Fiscal Impact Tool), and Impact Datasource

Research Specialties

- Regional economic and demographic trends
- Economic impact analysis
- Air borne and waterborne foreign trade statistics
- Wage and labor availability in U.S. markets
- Office, industrial and housing cost comparisons
- Metro cost of living comparisons
- State and local economic development incentives
- Property tax abatements
- Company profiles
- Federal and state statistical programs
- Local history

Education

University of Texas at Austin, B.A. in Economics, Dec '80

Memberships

National Association for Business Economics, Council for Community and Economic Research (current board member), The Houston Economics Club (current president), Texas Economic and Demographic Association, Commercial Real Estate Research Forum, Houston Economic Analysis Panel

Employment History

- Greater Houston Partnership
 - Vice President, Research, Apr '03 to Present
 - Research Manager, Jan '99 to Mar '03
 - Senior Research Analyst, Jan '93 to Dec '98
 - Research Analyst, May '88 to Dec '92
- The Churchill Group, Account Executive, Jan '86 to May '86
- *Houston City Magazine*, Business Writer, Sep '86 to Apr '87
- *Houston Magazine*, Assistant Editor, Apr '82 to Sep '82
- *Houston Business Journal*, Energy Writer, Sept '81 to Mar '82
- *Houston Magazine*, Staff Writer, Mar '81 to Sep '81
- *The Daily Texan*, Staff Writer, Aug '78 to Dec '80

Education

University of Texas at Austin, B.A. in Economics, Dec '80

St. Thomas High School, Houston, May '76

Memberships

National Association for Business Economics, Council for Community and Economic Research (current board member), The Houston Economics Club (current president), Texas Economic and Demographic Association, Commercial Real Estate Research Forum, Houston Economic Analysis Panel, Leadership Houston

Interests

Public speaking, writing, state and local history, camping

Personal Information

[REDACTED]

Contact Information

Patrick Jankowski

[REDACTED]

Committee on Oversight and Government Reform
Witness Disclosure Requirement – “Truth in Testimony”
Required by House Rule XI, Clause 2(g)(5)

Name:

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2009. Include the source and amount of each grant or contract.

I have received no grants or contracts since Oct 1, 2009.

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

The Greater Houston Partnership, of which I am the Vice President of Research.

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2008, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

I have received no grants or contracts since Oct 1, 2008.

I certify that the above information is true and correct.

Signature:

Patrick Janowski

Date:

March 2, 2012
