

# **Disclaimer**

The content of this Oral History represents the factual recollections and opinions of the interviewed subject as reported to the interviewer. The U.S. Census Bureau neither attests to the factual accuracy nor endorses the opinions expressed herein.



Oral History—

## Martha Farnsworth Riche

This is an interview conducted on January 28, 1998, with former Census Bureau Director Martha Farnsworth Riche [from October 6, 1994 to January 31, 1998]. The interviewer was David M. Pemberton, History Staff, and observers were William F. Micarelli, Census Bureau Chief Historian and Jason Gauthier, History Staff.

**Pemberton:** We'd like you to tell us about the aspects of your background, education, and employment prior to coming to the Census Bureau that prepared you for your position as Director.

**Riche:** I think it all starts with my college education. I got my BA in economics from the University of Michigan in 1960, and my MA in 1961. My field was labor economics, and labor economics is one way that people get into the field of demography, especially because we use labor-force data produced by the Census Bureau. My first job after graduation was with our sister agency, the Bureau of Labor Statistics (BLS), as a management intern in 1961.

The Federal Government was gearing up after the post-war employment cut-backs, as President Kennedy came in with a very activist agenda. I had wanted to join a big firm like Chase Manhattan Bank, but I couldn't get interviews with any of the firms that were hiring economics graduates. When I asked the people at Chase Manhattan why they were not going to interview me, they said because I was a woman, although they were interviewing colleagues who did not have grades as good as mine. If I wanted to work for them, they said, I could be a teller for about 5 years, and then, if I proved myself (i.e., didn't leave for marriage and children), they might consider me for their management program. The Federal Government couldn't afford to do anything like that, as it was a tight labor market.

As a labor economist, the obvious place for me was the Bureau of Labor Statistics, and that's what really set me on the road to getting here. I was there for 15 years, and worked as much, if not more, with Census Bureau data as with Bureau of Labor Statistics data. I used data from the Current Population Survey, but mostly I used data from our economic side, especially the Annual Survey of Manufactures, the Current Industrial Reports, and the Economic Censuses. That's where I became familiar with the value of the Standard Industrial Classification System (SIC) and during my tenure here I put a priority on making sure we replaced it with the new, up-to-date North American Industry Classification System (NAICS). So the BLS was my first experience in this line of work, and I was there for 15 years, longer than any other place I've worked.

**Pemberton:** In which area in the Bureau of Labor Statistics did you work?

**Riche:** In the beginning and at the end I worked on productivity statistics. That's where I really learned about Census Bureau data, because virtually all the data that we used for measuring productivity change in individual industries is produced by the Census Bureau. I also worked for several years in the Office of Publications. There I took a broad view of what the BLS was doing in various articles I wrote for the *Monthly Labor Review*, the BLS's professional journal. I think that's where I learned to take a broad view of what a statistical agency does and who its audience is. I think that is something that I brought to the Census Bureau—which has had a hard time understanding who its audience is. This has weakened the Census Bureau considerably with the people who fund our activities, as we have seemed tone-deaf to many. If I had to take one thing as my primary goal, it was bringing that sensitivity to the audience to the Census Bureau.

**Pemberton:** I would like to return to that a little later on. You worked for the Bureau of Labor Statistics for 15 years, that would be roughly 1961 to 1976.

**Riche:** Yes, that's right, I left there in 1976 and went to Ithaca, New York, because I married an economics professor at Cornell. I was wondering "What on earth can a former civil servant do in Ithaca, New York?" I was just about finished with my Ph.D. at the time, but it was in a field where hiring was not taking place, French literature. That is something people have wondered about—what the connection would be to what I'm doing now with French literature. But I think there is a fairly clear connection and that is that I have always worked on narrative structure. I am always interested in the structure of any activity, whether it is an organizational structure, as I've worked with at the Census Bureau, or whether it is the structure of the meaning of a data set. I always read the data that the Census Bureau produces, and I am always looking for the story the data tell.

I've learned that you always find a job by getting a job in this sense; by doing something, you are out there where people can see you and you can see people, and then, the right job finds you. So, as I was doing a variety of writing or analysis or organizational jobs in Ithaca, I was discovered by an entrepreneur who was starting a magazine called *American Demographics* that was going to be essentially based on Census Bureau data. That is the most direct thing that led me to this job.

I had never thought of Census Bureau data as a commodity, since I had worked with the data at the BLS. But I discovered that there was a great deal of use for the data the Census Bureau puts out beyond what the government does with it. Essentially, *American Demographics* was a magazine that started off by saying, "Now that the Census Bureau has computerized the census and other data, there is going to be a market for it. We don't know who that market is going to be, so we will assume right now that it is going to be everybody." We suspected that the audience was going to be state and local demographers, but it turned out to be largely decision-makers, people making a decision on how to allocate resources or where to direct efforts, whether executives in a private business, university executives, education planners, local officials, or charitable organizations. This is what people use census data for—to help them make good decisions.

**Pemberton:** You were with *American Demographics* from roughly 1978 to 1991.

**Riche:** Yes that's right, I left actually at the end of 1990 and went to the Population Reference Bureau (PRB). I felt that the action in the 1990s was going to be in Washington, rather than in business, as it was in the 1980s. When I left *American Demographics*, I told my leaders that business had done what it needed to do in terms of restructuring and repositioning for the post-industrial, global economy, but one major industry still needed to do it: the government. PRB was a good place to be looking at how to begin restructuring and repositioning in the public sector to meet changing needs. You can view almost any public activity through the filter of population change and get a good handle on future directions.

**Pemberton:** One of the stages of your ongoing relationship with the Census Bureau was your joining the Population Association of America Advisory Committee in 1991. Did you learn anything as an advisory committee member that you had not known as a data user and observer?

**Riche:** Not really, because I had observed those meetings in the past, as they were a good place to catch up. I learned more about what the Census Bureau needed to do to help itself. I learned, for instance, that the Census Bureau was not very good at using advisory committees. It is very hard to get permission to have an advisory committee, and we have to work very hard to keep it. But I don't think the Census Bureau was using its committees very well, and I've worked hard to change that, including assigning Judy Waldrop, my special assistant, to make sure that people here knew what they were trying to gain from every meeting. I was stunned to have people tell me that they could not discuss a given activity with the advisory committee because we had not yet decided what we were going to do. That was very odd, because the purpose of the advisory committees is to get their help in making such decisions. If we listened to our advisors more, we would save ourselves a lot of trouble, especially when the issue is not so much operational but rather perceptual or 'political' with a small "p."

**Pemberton:** You worked with the Population Reference Bureau from 1991 to 1994. Can you tell us how you decided to make the move from the Population Reference Bureau to the Census Bureau and, on the other side, what do you know about the Census Bureau's approach to you to become its Director?

**Riche:** Well, that's a difficult question to answer. First of all, the Census Bureau doesn't make the approach—it's the Secretary of Commerce and/or the White House. When the Clinton administration came into office, I, like many of my friends and close colleagues, knew many people in the administration. So we made our decisions early on whether we wanted to become part of the administration. I decided that I didn't want to. I'm a practical person. I'm like most Census Bureau employees, in that, I want to get the job done and I don't want to be bothered with a lot of politics. I don't like politics because they get in the way of the job, but of course that is the job, managing the politics.

A friend of mine was the deputy director of Presidential Personnel and I said, "You know what I would really like to do is just be your friend, and help you; say, with a nice hot dinner on a Saturday night when you can't get back home." I also said, however, "I care a great deal about the Census Bureau, and I would like to have the opportunity to comment on anyone considered for the position." As a result, I was asked to submit names for the position, which I did. I think that is how I ended up in the job, because I named a couple of people

that I thought would be very good. In the meantime, the Commerce Department and the White House, working separately at times and sometimes together, asked a number of people to become Census Bureau Director, mostly from minority groups, as Secretary Brown's goal was to have the first minority director of the Census Bureau. There are not very many people who are qualified for this job, so the list of minority candidates was not very long. That list was exhausted one way or another, by people that said "no," by people that didn't fit with the Commerce appointees, by people who didn't pass the "vetting" process. After two people accepted the job, and then, for one reason or another were not able to take it, the Administration found itself finishing its first year without a Census Bureau Director. So, in January 1994, the White House asked me to talk to Secretary Brown, because I'm told, I had been so active in recommending other people.

I sent my resume in with some trepidation because I had a feeling they were going to like what they saw and indeed that's what I said to Secretary Brown and his Chief of Staff. They looked at each other and laughed, because when they looked at my resume they said, this is what we are looking for. Then I went through a series of interviews with the Secretary's senior staff, and I liked them very much, so I eventually accepted the job.

I was very honored to serve with Secretary Brown. He was a class act, and I was very fortunate to be part of his team. Everyone on the team was very good at what they did. The Assistant Secretary for Administration was absolutely professional, similarly the Chief of Staff. The Deputy Secretary was a super chief operating officer and is doing a wonderful job right now managing the General Services Administration. (I know this, because our most critical and longest serving regional director has said to me, "I don't know what's come over GSA, but they are a pleasure to deal with for this census.") I also need to mention the General Counsel, who was very helpful in helping me understand what my responsibilities would be and what personal risks I would be taking on with this job. These days, people who take PAS (presidential appointment with Senate confirmation) positions run the risk of having their personal experience become a target for somebody else's political agenda, even though it may have nothing to do with the agency or the individual. Finally, I met with the Under Secretary of Commerce for Economic Affairs to whom I would report. This has always been a problematic relationship and although it eventually worked very well, initially I had too many doubts. So I withdrew myself from consideration.

**Pemberton:** **Would you be willing to tell us a little about the nature of those difficulties, not necessarily the names... ?**

**Riche:** I think it is because very few political appointees in the Department of Commerce have organizational experience. Although this was not true of the Brown team, most Commerce [Department] appointees tend to be politicians, and their goal is to advance the administration's political agenda. That means the Commerce Department has not generally been a good steward of the scientific agencies that it contains, regardless of the administration, as any thorough review of statistical history demonstrates. This is not to say that politicians are necessarily hostile to statistics, but that when it comes to funding new initiatives like the American Community Survey or modernizing old initiatives like industry coding, they are likely to reject them in favor of projects that are politically popular. And they don't accept that statistics are "off limits" to political intervention.

Although none of this characterized Secretary Brown or his team, I didn't know it at the time I was being recruited. So after they failed to find somebody else, they asked me and Everett Ehrlich, the Under Secretary, to give it another try. This time I was very frank with Ev about my concerns, and I felt that he understood them. What we decided was to make this relationship work for the sake of the "children"—in this case, the products of the Census Bureau. But I need to be very clear that it worked because Ev is an unusually gifted people manager, not because the structural problems went away. Both of us had a variety of human relations skills, experiences, and training, so we were able to talk to one another in a clear, straightforward fashion. And we tended to be on the same wave length, often understanding each other without needing to finish our sentences. When we had a gulf in our understanding, we were able to figure out how to communicate across it. Another reason the relationship worked was that both Ev and I had worked in a variety of settings, and tended to explore a variety of strategies. He had spent a great deal of time at the Congressional Budget Office. Both of us had worked in the private sector, me at Dow Jones, Ev at UNISYS, so we both understood fundamentals of organizational effectiveness.

These fundamentals are generally not understood by appointees who come from staff offices on Capitol Hill or from law offices or from political backgrounds, because it's only in large organizations that effective management is prized for itself. (Again, this is not true of exceptional organizational leaders like Secretary Brown, who told me he had never managed more than 40 people before he came to the Department to manage 40,000.) One of the most fundamental principles of effective management is observing the chain of command. People will not follow directions from a superior if they do not think that superior has authority. Ev was very good at observing the chain of command, because he understood that it was important for me to be seen to have authority, as well as to have authority and that is not something that most Under Secretaries generally understand because they don't have that organizational background.

Another problem with the Under Secretary relationship, and this is the one most frequently mentioned outside the Census Bureau, is that they tend to want to run the Census Bureau, because it's the largest part of their budget and they don't know what else to do. Ev is one of the smartest people I've ever met and had quite a number of other things he wanted to do. He understood that with the statistics that came under his purview, he had the portfolio of building a bridge between what microeconomic statistics were saying and the Clinton Administration's economic policy. He was a major player in the Administration's economic policymaking, for example, using our Longitudinal Establishment Data to shape the G-7 (Group of the 7 most industrialized countries) jobs conference, a major activity that took place early in the Administration. He also organized a regular conference call with all the Administration's major economists at the Council of Economic Advisors, the Treasury, and so on, whenever we had an economic data release so they could coordinate their analyses of the data. Probably most important from our perspective, he worked very hard on all kinds of modernization efforts for our national economic statistics, which were desperately needed.

Another reason we got along so well was because we are both economists by training (both at the University of Michigan) and believe in the doctrine of comparative advantage. Although I actually have more understanding of and familiarity with economic statistics at the Census Bureau than most recent directors, Ev understood that I had a knowledge of demographics that he didn't have. So he took the leadership on economics, and I took it on demographics, including the census.

Finally, I was able to learn from him the things that I needed to, which was how to talk in a political way rather than in a professional or a business way. That was the major thing I had to learn about going to Congress. During the first year I was here, we went to important Congressional meetings together until he felt comfortable that I knew what my role was and how to conduct myself in the Congressional arena. By the time he left, I think I knew.

**Pemberton:** **Something tipped the scale, because at one point you said, “Yes,” to the question, “Will you become the Director?”**

**Riche:** Yes, it really was talking with Ev and getting that understanding that not only would he not make my job harder, but that he would make it easier, that he would support what I wanted to do. He understood my goals, and his goals were complementary to mine. Before I accepted the job, I took him the same set of goals I had taken to the Secretary of Commerce, and he wrote, “OK, Ev” on the paper. (As I said, he understood the lack of trust inherent in the relationship.) This was particularly important because the first goal on that paper was regaining credibility for the Census Bureau’s financial statements. When Ev and I took over our jobs, no one, from Congress to the stakeholders, believed the Census Bureau when we said that we had spent all of, or needed more money for some activity, and if we didn’t get it we would not be able to accomplish it. Moreover, our customers did not feel that we were doing a good job for them, because we were not up front with them on how much things cost. I needed the Secretary and the Under Secretary to commit to our financial modernization, because the Department had hamstrung previous directors on the grounds that they were going to do a department-wide modernization. The census was coming, and we simply couldn’t wait any longer.

**Pemberton:** **When you say “customers,” in this case, do you mean the agencies that hire us to take surveys?**

**Riche:** Yes. Many census employees still don’t understand who our customers are; even in our most recent employee booklet, customers are referred to as people who buy data from us, i.e. retail customers. No Census Bureau employee gets a paycheck from those activities, nor do we get serious support in the budgetary arena from data users. Our paychecks come from the Congress, which appropriates money for us, or from agencies that buy products and surveys from us. Those are our customers. We are in a wholesale business, and it’s disturbing to see how many employees still think, perhaps wishfully, that our customers are retail. We certainly provide a public service with data, but we aren’t funded to do that.

**Pemberton:** **You made a decision to come to the Census Bureau. You were familiar with the agency and certainly with the data before you got here. When you arrived as the Director of the Bureau, what did you find in the sense of the organizational structure, the personnel, the morale, the relations with other parts of the government? Was it what you expected, and in what way did you choose to reinforce what you found or change directions?**

**Riche:** Well, I had requested, privately, a very detailed 25-page, single spaced memo from a former Census Bureau employee whose perspective I valued, named Jack Beresford. Jack had left the Census Bureau to run his own company (DUALabs) in the 1970s and 1980s and then his health became precarious. So he returned to the Census Bureau, but with a critical eye based on his business experience. I asked Jack for a very candid assessment of the organizational aspects of the Census Bureau [he was retired at the time], and it allowed me to come in with a detailed agenda.

Based on that report, as well as conversations with two former directors (Barbara Bryant and Vince Barraba), I was most concerned about the stove-pipe nature of the organizational structure. I felt the Census Bureau was struggling in terms of duplication of effort or working at cross purposes. As an economist and a futurist, I foresaw that the Federal Government was soon going to be asked to balance its budget, and when that happened, we were going to run into a bunch of problems.

First, we needed a better understanding of our audiences and our relationships, whether customer relationships in terms of our funding, or relationships with people who could regulate what we could do and what we couldn't. Second, we needed to move faster to adapt to the full variety of changes in our professional environment, whether it was computer technology or sophisticated management information tools. As I mentioned earlier, the most serious administrative problem was the 20 to 30 year out-of-date set of financial information and management tools that weren't allowing us to manage any other way. Moreover, our work force was old; it had not been replenished and we were getting into a situation like the one we were in the 1930s.

I started off by looking at the most important area, financial management. Fortunately Harry Scarr, the deputy director, had created a chief financial officer position while he was acting director. The Assistant Secretary for Administration found me a very good candidate from the private sector, which I insisted on, as our career employees lacked the experience to know what to demand of the new tools, and Fred Alt was able to come get things started. I also interviewed a very able person from within the government, Nancy Potok, whom I encouraged to apply for the other new position, which was comptroller. Nancy is now our Chief Financial Officer—she and her team are doing a great job in bringing the Census Bureau's financial tools up to speed.

Across the board, I found that because most of our employees had been here for their entire careers, they were behind on how things were being done in world-class organizations. I think world-class is what the Census Bureau wants and deserves to be. As a result, I brought in a number of other people who would help the Census Bureau maintain that status, and I am very pleased with our Executive Staff. I have been honored by the comments others have made about the quality of our team, including Barbara Bryant, my predecessor, and the recently retired Inspector General, who told the new Secretary that this was the strongest census team he has ever seen.

I also made an effort to have a more diverse executive staff, as a signal to our employees that it is skill that counts, not who you know or what you look like. I think I have done a pretty good job there with the people I brought in, as they are demographically diverse as well as skilled. The employees who might have thought that they would age into those jobs were disappointed, but in this day and age, it is very hard to get enough preparation to merit a senior position if you spend your career in one organization. Certainly the Census Bureau's geographic isolation has contributed to a lack of movement among its employees, and I hope the new Metro line will help them broaden their careers. I have been relentless in urging our employees to seek broadening opportunities, whether going on detail to another organization or simply attending professional meetings downtown. That's how you make the contacts that will get you a job in another agency, and build the breadth, as well as the depth that senior positions call for.



**Pemberton:** You already mentioned the outmoded nature of the financial systems the Census Bureau was using when you arrived. The Commerce Department is instituting a core financial system at headquarters and throughout its subordinate agencies. The Census Bureau is setting up the Census Administrative Management System (CAMS), a major component of that financial system. Please describe the key components of the new CAMS system and how they differ from the older financial system.

**Riche:** Well, computerization and the resultant networks have allowed people to make a lot of changes in the way organizations work. I think the most important change is that they enable managers to manage in real time. That's why I wanted CAMS. I wanted our managers to know in real time how much of the customers' money they had spent so far, how much money they had left, how many activities they had left to do. That's what any modern project manager needs, but we weren't getting information in time for them to make effective decisions. The other important change is that computer-based tools allow an organization's leadership to see its full three dimensions at one time. Worksheets or ledgers only allowed us to see it in a linear, two-dimensional way, so you couldn't see the interrelationships among activities.

In short, we didn't have the record keeping systems or the management systems to let us manage across the organization. Most managers in our business these days are able to get everybody they need for a given stage of a project, and then release employees to take their same skills to another project, even to another directorate. That is absolutely what you need to manage a knowledge-based business where most of our costs are labor costs. That's what CAMS is supposed to allow us to do, to see in three dimensions, in real time, so we can manage all our resources, especially our people resources, effectively.

**Pemberton:** Will CAMS allow the Census Bureau to make more accurate bids in terms of... ?

**Riche:** That is what I am hoping we will have when we complete the 3-year initiation phase. That is what our customers want. Since all our competitors give them a detailed bid, it enrages them that the Census Bureau just gives them a ball-park figure, especially as they believe that we cream off whatever we manage to save for other activities. It is absolutely crucial for keeping our funding.

**Pemberton:** Do you think that a good start has been made on this and that the process will continue in the right direction?

**Riche:** I certainly expect it to. I consider that a job done, and I've checked it off my list. That was my number one priority in coming here, and I've checked it off.

**Pemberton:** In your statement to the employees about the goals that you have accomplished, another one you mentioned was setting up the best Census 2000 plan within the parameters that you had to work with.

**Riche:** Yes, I am very proud of our plan. Although I am a Democrat and am a member of the Clinton administration, I am essentially here as a member and representative of the professional community. Our plan is really the professional community's plan. The outline was developed by the National Academy of Sciences' Panel on Census Requirements. I had been involved in the work of that panel, and had even been asked to be the study director. I turned it down because I wanted to continue what I was doing at PRB, so I recommended Barry

Edmonston, who did a wonderful job. The panel delivered its report a week after I began work here. I thought, “These experts have spent a lot of time looking at the problems of doing a census in the twenty-first century, as well as the needs for it.” They had consulted the best people in the country, and I was confident that they had done the best possible review. So I said to the Census Bureau staff, “Let’s go with it.” and that is what we did.

The Census Bureau has been very creative in fleshing out all the elements of the Academy’s outline. Of course we used a lot of consultants, reaching out to the very best people wherever they happen to be, so I would say that this is the best plan the nation’s professional community can come up with for how to take a census.

Now you know, as do I, that not everybody is interested in the best plan the professional community can come up with. Politically-motivated people have been picking it apart, and proposing instead to revert to elements that we have already tried, assessed, and found ineffective, as well as beyond the budget. (Unlike recent censuses, Congress has only given us about 80 percent of our funding requests during my term.) So I think it is important for the professional community to support the Census Bureau’s plan. First, people delegated by the professional community basically created the plan for Census 2000—it is not respectful of those people’s lengthy, unpaid service for fellow professionals to say to people outside the professions, “I have a better idea.” Second, the professional community needs to present a united front in public, so the public has confidence that professional judgements is needed to create the best plans. My concerns was that some individuals in the professional community continued to critique our plan in nonprofessional settings after we had completed it.

So, I had to find ways to make public the very real consensus that existed in the professional community, especially over the plan’s statistical innovations. I consulted with one of my most valued advisors, Kathy Wallman, the Chief Statistician of the United States, and together we thought that it would be a good idea to alert the American Statistical Association (ASA) on behalf of its members. At the time, individual ASA members who were asked to comment or testify in an oversight capacity would start by saying that they liked the plan and then give the bulk of their statement over to criticism. That’s the natural thing for professionals to do, in that we can continually think of better ways to do things, even after the time for making a decision has passed. However, I learned from the 1990 Census experience that testimony, or newspaper commentary, should not be confused with discussing a paper in a professional setting. Politicians, especially members of Congress, interpret critical comments as rejections of a particular tool, rather than suggestions as to better ways to use the tool. They conclude that the professional community does not agree on what to do, and that leads them to ignore professional judgement altogether. They did that in 1990, and I was determined not to let that happen again.

So, I asked the president of the American Statistical Association, Dr. Lynn Billard, to consider forming a blue ribbon committee to make a statement on behalf of the association about the scientific validity of the tools we were planning to use. This had only been done once before in the history of ASA, on something the Bureau of Labor Statistics had done. Lynn thought it was very appropriate, especially because the ASA was founded in the 19<sup>th</sup> century essentially over census statistical issues. She appointed a panel that spent the summer looking at the methods at issue, and then, came out with a very effective statement.

People asked why we needed another statement after three panels of the National Academy of Sciences said that our plan was the right thing to do. The reason was that those who were opposed to what we were doing on political grounds were using isolated critiques from individual statisticians to say that the statistical community did not agree. However, those critiques based not so much on statistical grounds as on ideological or other grounds. They were saying it was more important to maintain tradition than to have a more accurate census, or it was more important to have a fail-safe census than to have an accurate census. They were essentially substituting other goals for the goals Congress had given the Census Bureau after the 1990 census: be more accurate and spend less money. I understand their goals and their concerns, but the goal-setting process was over and we had to move on. By having the American Statistical Association make a statement about statistical science, we essentially took the argument that statisticians did not agree about using more statistical tools off the table.

Similarly, we needed all our advisory committees to make general statements of support about our plan because many of the people charged with political oversight (sometimes willfully, sometimes not) interpreted the specific critiques we asked our committees for as a rejection of the whole plan. It was an important part of my job to make it clear that the professional advisory committees and community thought we were on the right track, as well as the stakeholder advisory committees.

**Pemberton:** **The primary bone of contention, although there have been several, including the questionnaire design for Census 2000, seems to be related to the introduction of sampling for nonresponse follow-up and for “correcting” the undercount. Briefly, could you summarize for us what you had to contend with in your efforts to try to persuade some people, who were generally uncertain about sampling and its benefits, of the value of the plan for Census 2000, as it was developed under your tenure?**

**Riche:** One of the most important parts of my job was thinking about how we as a scientific organization could communicate to nonscientists the effectiveness and value of what we do or propose to do. I have given more time to this than to anything else. In regard to our Census 2000 plan, we had to communicate what the benefits of sampling would be, and what the cost of not sampling would be, and we had to do this on one page so decision-makers would read it. We spent a year or more quantifying such things as the effects on labor costs on response rates and on accuracy at every level of geography. It took over a year to come up with an effective and credible depiction of the costs and benefits of each proposed approach—partly because we had no staff experienced in doing this kind of “what if” communication.

The final result was a table that showed what the savings would be in terms of less labor for various degrees of sampling for nonresponse follow-up, and what the offsetting costs would be of hiring people for integrated coverage measurement. (For communication purposes, I distinguished these two forms of sampling as “sampling to get the job done,” i.e. to save time and money, and “sampling to do the job right,” i.e. to improve accuracy.) It also showed us what the effects on accuracy would be. It showed that at the national level the two forms of sampling in our plan would yield an expected error rate of 0.1 percent, compared to 1.9 percent if we did not use sampling. At the state level the error rate would be 0.5 percent, at the Congressional District level the error rate would be 0.6 percent, and at the census tract level the error rate would be 1.1 percent—all less than the estimated 1.9 percent without sampling.

So it took a comprehensive but clear summary of costs and benefits to get our plan to a level where people could understand it in terms of the joint goals the Congress set after the 1990 Census: more accurate and less costly.

**Pemberton:** **Is the report we are talking about here the July Report to Congress?**

**Riche:** No, but it was included in that report. The report I'm talking about is a one-page document that was basically a spreadsheet. On that spreadsheet, we showed different alternatives we were looking at within our design, and compared them to limiting sampling to its previous evaluation role. My point is that it was necessary to quantify, for people in a visible and comprehensive way, the benefits to them of our making this move. A representative from a district that has a serious undercount might benefit from greater accuracy, while someone dealing with budget or appropriations might benefit from lower costs. Expressing our plans in terms of costs and benefits to others, i.e. to important audiences, is really marketing, and the Census Bureau was still not accustomed to marketing. When we were questioned on aspects of our plan, we would give everyone the same answer, and that was the answer we would give our colleagues in the professional community. That's fine when you are talking with your colleagues, but you need to talk to people in terms of their role or interest. During the design phase, most people outside the Census Bureau are interested in either the cost of the census or the results of the census.

We had to translate sampling into in those terms. We had to then develop a narrative, or a set of messages that would enable all of our people to talk about what we were proposing to do in terms that people would understand and that would address their concerns, and that would be consistent no matter who was talking. So, very early on, Phil Sparks, Ev Ehrlich, and I talked about what a clear message was going to be. I had done a 12-city town meeting tour that summer just to talk to people about statistics. The Commerce Department was under siege from Congress, which wanted to abolish it, and they were talking about putting the Census Bureau in places that would not have been good for statistics. Of course, I talked about the forthcoming census, so I heard what people really wanted to hear about the decennial census—it's always best to couch your message in terms of what people want to hear. So when Ev said to me and Phil Sparks, our wonderful communications director, "We still do not know how to talk about our census plan," I said, "Yes, but we know what we have to say, and we know the order in which we have to say them."

First, we need to tell people we are not going to do the census for them or to them, we are going to do it with them. The concern I heard expressed over and over again was that the Census Bureau was going to do a census that was not going to work well in people's communities, and they wanted to play a part. So I said that we have to have a partnership strategy. The second thing I heard was that people didn't answer the Census because we were not respectful of their time, we were not respectful of the realities of their lives. We couldn't drop a form that looked like an SAT test or a tax form into a box full of junk mail and expect people to notice it, let alone respond. They said we had to keep it simple, and relate it to people's lives. I interpreted that as a need to market the census to the public, i.e. to tell people what the census means to them (not to us or the Congress, the direct customer), and to keep it simple. Third, a smaller number of people wanted to be assured that we were going to use high tech efficiently and effectively. They wanted to be confident that we weren't going to spend a lot of the taxpayers' money, but were going to make the best possible use of technological innovation. The fourth strategy was one that relatively few people were concerned about, but those who were intensely concerned, and that was our proposed use of

statistical sampling. People had to understand why we planned to use it and what it was going to add. We had to talk about those four strategies, in that order, because it reflected the number of people who were concerned.

The four-strategy “message memo” came from this meeting and we are still using it 3 ½ years later to talk about the census plan. I was just reviewing a speech the Secretary of Commerce is going to give before the National Congress of Mayors tomorrow, and the Secretary is going to say, “I have four strategies,” and there they are. I tried to get everyone in the Census Bureau to put our public communications into those four strategies, because otherwise we lose people very fast. The Census is so complicated, it is so big, that people need a framework in which to hear about it in a way that they can understand and care about. This is totally different from our interior communications, where people need to hear who is going to do what, and in what order.

**Pemberton:** **The decennial census is by far the largest single program that the Census Bureau has. Has this marketing approach been applied to other aspects of Census Bureau operations and could you give us an example**

**Riche:** You have to continually think in terms of marketing, I know it is difficult for most employees to understand, but those who are developing new programs are acutely aware of it. The most important program we are marketing right now is the American Community Survey. We will not get to do the American Community Survey, which is going to be a benefit to the public and to the Census Bureau, if we don’t market it. It will be a benefit for the Census Bureau because it will create a large annual constituency as opposed to a large once-a-decade constituency, especially since we will be delivering the data online in a user-friendly way. Frequently, at the end of an appropriation session, Census monies disappear to other agencies because they have constituents and we don’t.

The American Community Survey did not have many fans when I came here. It was seen as a threat by most of the other statistical agencies, in that it would conflict with data they produced. Meanwhile, the stakeholders, like myself, who saw the benefits of moving the long form to a separate survey were afraid it would never get fully funded after the census was over, and then we wouldn’t have any of the data we needed. To get funding to keep moving forward, we have had to think how to market the American Community Survey and, of course, that has meant finding out what the benefits to others might be and communicating them in benefit-oriented terms. We have had a number of meetings with other representatives from other agencies. We have invited them to work with us so they would get what they needed, and as a result the statistical community is pretty committed to this survey. The stakeholders are still worried about the funding, and we need them to be supportive.

**Pemberton:** **We are in the test stage of this survey right now. Next year we will be into the actual implementation stage.**

**Riche:** That’s right, and that’s why we need a substantially larger appropriation. All three summers that I was here I did town meetings around the country. It’s been hard to explain the statistical innovation in the census, but very easy to explain the American Community Survey. I have always felt it was a winner because people understand its benefits right away. So we have to get the Congress to understand them too. It is hard to sell the benefits of the census long-form questions to Congress, even though they legislated them, just because the Con-

gress mostly cares about drawing political lines. (One member told me, “I wasn’t here then,” i.e., when those data collections were legislated.) But, replacing the long-form with a rolling sample survey is a good idea from the public’s point of view, in that, they get current data for their communities.

**Pemberton:** **From your tone of voice and enthusiasm, it sounds to me that you believe that your approach to marketing the American Community Survey is working.**

**Riche:** Yes, it is working for the public and for the professional community. Our next step is marketing to the Congress.

**Pemberton:** **There are several other programs that are significant departures from the Census Bureau’s previous activities. The introduction of the North American Industry Classification System (NAICS) is part of our Nation’s outreach effort to the rest of North America. It is also a major step toward bringing our industrial classification system into the twenty-first century.**

**Riche:** The SIC system was so old when I got here, that if you asked what the fastest growing industry in the United States was, I would tell you it was “all other.” If we want to continue to be a world economic leader in the twenty-first century, we have got to understand our economy. Essentially, we are doing a very good job of measuring the 1970 economy. To measure the 2000 economy, we need to measure services as well as we measure manufacturing, but Congress has not provided the funding. We measure manufacturing very well but, of course, manufacturing was our major set of industries when the SIC was being elaborated forty-some years ago. Under the old system, big service industries, like hair dressing and direct marketing, are considered a single industry. So modernizing this essential tool was fundamental to modernizing the measurement of our economy.

We did not get the funding to update the SIC code for well over a decade or two, “we” meaning the Federal statistical system. So, I was determined to do it “by hook or by crook,” and that’s what it took. The Congress refused to fund our requests, as they refused all updating requests, such as updating the poverty-level measure. (The staff director of the House appropriations subcommittee asked one of our people, “Why do you keep asking for these things, since we never fund them?”) So every year we didn’t get funding, I cut something else to fund the NAICS initiative internally, and we are doing the 1997 census on the new system. Without my insistence, I don’t think the two other agencies involved would have kept moving on as they didn’t get funded either. Of course that is what a director is for, to set direction and to allocate resources across all of our activities to implement that direction. Unfortunately, we don’t have anything else left that I would be willing to cut out, so this is as far as modernization can go right now until the Congress starts to care about it. At least we are measuring the 1970 economy in 2000 terms.

**Pemberton:** **You were speaking about domestic agencies...**

**Riche:** The Bureau of Labor Statistics and the Bureau of Economic Analysis. It has been a wonderful three-agency effort to make the NAICS happen. The U.S. team worked very well with its counterparts in Canada and Mexico, both of which have consolidated as opposed to fragmented statistical agencies.

**Pemberton:** I was also going to ask you about International cooperation. This seems to have been relatively successful.

**Riche:** It was very successful, and I think it's the groundwork for more and more cooperation, which we really needed if we are going to be an important world actor. The leadership on international statistics is largely European, as the U.S. is handicapped by its decentralized statistical structure and domestic focus. We are only going to make a significant contribution via cooperation. In my view, the most significant achievement of the Clinton administration has been the formation of the North American Free Trade Agreement (NAFTA), which will be a key to our long-range economic success. The Census Bureau has done its part in getting a NAFTA-wide economic classification system.

**Pemberton:** Another area in which a major change has taken place is in the Census of Agriculture. The Census Bureau has taken this census since its inception in 1840. Recently, the Census Bureau transferred responsibility for this census to the Department of Agriculture. How did that process take place?

**Riche:** It really took place as so many things do, around the dollar and around constituencies. Did Congress give us the money to do the 1997 Census of Agriculture? No. Our appropriators do the appropriations for the Departments of Commerce, State, and Justice, not the Department of Agriculture. And the Agriculture Census that the Census Bureau had asked funding for was not the Agriculture Census that the Commerce Department needed. The Commerce Department needs the Agriculture Census as input into the national income accounts, and we could do a census for that purpose with the amount of money the appropriators were willing to give us. So I think the appropriators were right. But the Commerce Department's needs and the agriculture community's needs were two different things.

To do the Census of Agriculture with our appropriation, we would have redefined farms as those with \$1,000 more a year of revenue. This would have satisfied our (i.e. Commerce's) needs, but not the needs of the agricultural community, and, using their extensive political clout, they were not going to let us do it. But to meet their needs, i.e. to measure all the farms, we would have had to seriously damage the basic economic statistics by taking the money to do it from the other economic censuses. We were not willing to do that, nor was the Agriculture Department willing to give us the money we needed to measure farms with less than \$1,000 a year of revenue. I was sorry about that; I was hoping until the last minute that we could get them to give us the money.

Agriculture has a large statistical budget, because the appropriations committee is very responsive to its equally large constituency. I have been told that when the Council of Economic Advisors looks at spending on statistics every year in the President's budget it brings tears to their eyes to see how much money is going to agriculture statistics and how little is going to fundamental economic and population statistics at the Census Bureau and the Bureau of Economic Analysis. That is why it is important to have a constituency. Basic statistics don't have a large constituency, but agriculture statistics do. Shifting to our method would have left many states with no farms in them, statistically. That would have meant that all of the money that goes to state agriculture colleges, coop extension, and other things that are based on the number of farms would have ceased to come. So that constituency got the Agriculture Department enough money to measure virtually all farms. (The American Community Survey has the potential to do this for the Census Bureau: create a large state and local constituency for our data.)

**Pemberton:** Another area that is an important responsibility of the Director of the Bureau is the relationship between this agency and other statistical agencies. Can you speak to this.

**Riche:** Well, let me just say up front that I am in agreement with my former boss, Janet Norwood, who has really been my mentor, that the BEA, the BLS, and the Census Bureau should be consolidated into one statistical agency. That is what all of the world's top statistical agencies have done, and our failure to accomplish it is probably why the U.S. statistical system no longer ranks among the top statistical systems internationally. BLS in the Labor Department and the Census Bureau and BEA in the Commerce Department receive funding from within their departments fairly grudgingly because the Cabinet Secretaries of course are interested in their own agendas, not statistics. Neither agency would rank stewardship of the Nation's fundamental economic and population statistics very high in their mission. The threat to consolidation, from our point of view, is that many see consolidation as a way to save money. There is very little saving in consolidation, as these three agencies have been so squeezed for funding since 1980 that none of us have enough money left to duplicate one another. So that is our fear, that Congress would see consolidation as a way to save money and that is the reason that some of my colleagues are wary of it.

In lieu of consolidation, we need to work together much more. I have taken the position within the Federal statistical community that the Census Bureau wants to partner. I can tell you from being a former Bureau of Labor Statistics employee that Federal statisticians tend to be wary of us, to say, "Census always wants to take over." But I said we would partner, and being a very good citizen in the Federal statistical system has definitely advanced statistics in general.

Other people have talked about consolidating all the Federal statistical agencies not just the general purpose ones. That will not happen. In the early part of the twentieth century, there was a major push to consolidate all the agencies. It failed because the constituents of single-topic agencies like the Department of Agriculture, the Department of Education, or the Department of Transportation saw that money would be diverted from their interest for general purpose statistics. That's what was about to happen with the census of agriculture, and the Department of Transportation where statistics are extremely well financed by legislation. If the head of a consolidated agency looked at priorities and resources, she would allocate resources very differently from the way they are now, and those single-issue statistics would probably not get anywhere near the current level of resources they do. That's why a big consolidation proposal will fail: they have constituencies, we don't.

**Pemberton:** Can you tell us a little bit about the roll Congress plays in this potential consolidation? Tell us about how you and your colleagues at the Department of Labor have approached the switch in party control of both the House of Representatives and the Senate since your confirmation as Director. How have you done this; have you modified the strategy; have you basically stuck to the same kind of approach? Have you been able to identify the Congresspersons who are receptive to hearing your presentation?

**Riche:** We had to make a 180 degree turn, starting with the census. Normally, congressional controversy over the census is geopolitical; i.e., geographic, not partisan politics. In 1990, it was the cities versus the suburbs and the Northeast/Midwest versus the Sun Belt. That is very



much the way the controversy was played out in 1980 as well, so our strategy was to go to representatives from the geographic areas that were going to gain funds or representation through improved census techniques. But instead, it has become a partisan political issue, and the opposition people represent the very states that would benefit from a more accurate census. I think they fear that although their states would get more representation, they would not be the people elected when the district lines were redrawn because the additional people we count would tend to be from the minority populations. Given that the Republican House majority is very small, the national leadership is very concerned as well.

I had expected to spend my time with the South and Southwestern people; instead I find that it is the people in the minority caucuses that support our efforts to count everybody. I have not gotten a lot of support from Democrats in general, perhaps because so many represent the Northeast/Midwest. It doesn't benefit those states to have minorities counted because the states most severely affected by the undercount are in the Southwest and the South, and tend to vote for Republicans. So we really have come up against the worst of all possible worlds in terms of marketing a census that accounts for everybody. However, we have found unlikely support among a few moderate Republicans from the Northeast. They are not gaining themselves, since the Sun Belt is where the problem is most severe, but they are doing the right thing. I would say that some Northeast Republican moderates and the minority caucuses are our allies, as well as most Democrats from big cities. That's nowhere near a majority of the Congress.

On the issue of statistics in general, although we have made a considerable effort to engage members of Congress, we have had little or no successes. We were able to find a few champions in the Senate for the American Statistics Survey, and that was very helpful at key times in getting funding. We have not been able to find any champions on the House side. There it has been all retail—trying to find people who care about specific statistics.

In general, most members come to Congress from political office in state and local government. For them, statistics generally mean a constraint on directing resources to places where they will benefit politically. That is one reason they don't like statistics. The other reason is that their constituents write letters saying that our data collection is a nuisance or a burden, not that statistics are helpful. That's why I've worked very hard to get the Census Bureau to deal more respectfully with the public, who provide us with data, and to market the benefits the public will receive from the resultant statistics.

**Pemberton:** Thank you for taking the time to talk with us; we appreciate it. That is a good place to end our interview. Thank you Dr. Riche.

**Riche:** Thank you, Dave.





