

## **NODIS Editorial Concerning ACS Statistics**

The American Community Survey will give us an accumulating sample of good information over the next several years. This is a good idea since waiting every 10 years (as has been the case in the past) information quickly becomes out of date. However, we caution the user about using ACS data released thus far. These statistics are based on very small sample sizes. Until the Census puts into place its program to pool samples over several years, reaching conclusions from the estimates currently available (2001 through 2004) is dangerous without a good understanding of their reliability.

As with any sample, the 2004 ACS statistics are subject to error in representing actual conditions. We feel that annual samples for individual years 2001 through 2004 are too small to report reliable information for Cleveland and other places of comparable size.

Cleveland's estimated 2004 poverty rate of 23.2% puts the City at 12th (tied with New Orleans). The 2003 rate was 31.3% and Cleveland was ranked number one in poverty. So one might think that the City showed incredible improvement in only one year. But in 2004, the 90% confidence interval of 19.4 to 27.0 means that it could be as high as 3rd in the country instead of 12th or as low as 33rd (out of the 70 larger cities included in the report). Is the City number 12 in poverty among larger cities, or is in the top five or ten? Perhaps it is in the second quartile and better off than San Antonio, Cincinnati, Minneapolis, Pittsburgh, and others. We don't know.

The 2003 estimated rate of 31.3% could have been a poor estimate. In the same way, the current estimate could be inaccurate and on the low side. The Census 2000 rate (26.3% - based on 1999 incomes) is a much more reliably accurate rate of poverty because it was based on a much larger sample.

Therefore, we strongly advise that confidence intervals (often but not always provided by the Census Bureau) should be used to assess whether actual changes may have occurred from one year to the next or from one place to the next.

More reliable results will be available once the annual samples are pooled over several years. Beginning with the 2005, survey sample sizes will be much larger than in the previous years of the decade. Replacing the sample census that was part of the decennial (10-year) Census of Population and Housing in the past, the Census Bureau plans to report these reliable and current estimates for smaller and smaller geographic areas as the ACS sampling continues.

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