OVERSIGHT OF THE 2000 CENSUS: EXAMINING THE CENSUS BUREAU'S ADVERTISING CAMPAIGN

HEARING

BEFORE THE

SUBCOMMITTEE ON THE CENSUS

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

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OVERSIGHT OF THE 2000 CENSUS: EXAMINING THE CENSUS BUREAU'S ADVERTISING CAMPAIGN

TUESDAY, JULY 27, 1999

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE CENSUS,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:13 a.m., in room 2247, Rayburn House Office Building, Hon. Dan Miller (chairman of the subcommittee) presiding.

Present: Representatives Miller, Ryan, Maloney, Davis of Illinois, and Ford.

Staff present: Jennifer Safavian, chief counsel; Chip Walker, communications director; Jo Powers, assistant press secretary; Timothy Maney, chief investigator; Lara Chamberlain and Esther Skelley, professional staff members; Erin Yeatman, press secretary; David McMillen and Mark Stephenson, minority professional staff members; and Jean Gosa, minority staff assistant.

Mr. MILLER. Good morning. The subcommittee will come to order and we will proceed. Mrs. Maloney is on her way. We will proceed with opening statements, and then we will proceed with Dr. Prewitt.

I think today may be a first, the first time the Subcommittee on the Census has had a hearing to focus solely on advertising for the upcoming census, for this will be the first census in which the Census Bureau will use paid advertising to let America know the importance of being counted. I am excited about this campaign and fully support it. In fact, I introduced legislation which would have added $300 million to the advertising and outreach budget. The Census Bureau has expanded the advertising program but they have told me that the full $300 million was not needed. Therefore, in fiscal 2000 the Census Bureau received nearly $200 million for advertising promotion and outreach.

Although I am a strong proponent of the advertising and outreach campaigns, I am also a strong proponent of vigilant oversight by Congress. Unfortunately, this subcommittee has experienced some difficulty in getting some information about the exact expenditures by the Bureau on their advertising and outreach programs.

Dr. Prewitt, I am sure you are prepared to answer questions related to the advertising budget. From reviewing your opening statement, it looks like there is some confusion. I understand the allocation for the Bureau to be used for marketing communication and

partnerships is $199.5 million. But in your opening statement you listed $111 million.

Additionally, I would like to know, for example, how much is being paid to Young and Rubicam and how much is being paid to the subcontractors. These are tax dollars and the American people have a right to know. As everyone on this subcommittee agrees, we must do everything possible to promote awareness in the census and the importance of being counted. I am a firm believer in advertising. I have been told that in 1998 there was an estimated $200 billion spent on advertising in the United States. If you have a product and you want someone to buy it, you advertise. Those products can be tangible like cars or intangible like the political ideas the members of this subcommittee sell through their own political ads.

Let me, for a minute, touch on the basic civic nature of the census. I know Dr. Prewitt agrees, as I do, that ideally people should participate in the census not for the Federal dollars that it may or may not bring to their communities. We now know from the General Accounting Office that is a small amount, less than 1 percent of Federal dollars are actually tied to the census figures. We hope most people would participate because the Founding Fathers determined that the distribution of political power among the States would be determined by "an actual enumeration shall be made within 3 years after the first meeting of the Congress of the United States and within every subsequent term of 10 years in such manner as they shall direct by law." This is what we know today as the decennial census.

Unfortunately, it has now become necessary to convince people not only to participate in the census but also to simply vote on election day. As a public servant, this loss of civic responsibility disturbs me greatly. Yet, as greatly as I bemoan the loss of civic responsibility, being a politician I understand political realities. I know that Young and Rubicam have conducted focus groups to determine just how we can motivate people to participate in the census and that the Constitution and civic responsibility rate on the bottom of the list in motivating many people to participate.

I would be curious to hear more about this disturbing trend from our panelists and if there is anything we can do to promote the civic importance of the census, rather than the financial gain.

I am also particularly interested in how the ad campaign will be targeted to the hardest to count in our Nation. After all, we need to reach the hardest to count if we are to have a more accurate census than 1990. I know, for example, that some ads developed for the dress rehearsal on the Menominee Reservation fell well short of their mark, so much so that the ads were offensive to the very group they were intended to motivate. I am interested in what was learned from these mistakes and what other things you were able to learn from the three dress rehearsal sites. I would think that had there been more community involvement, these problems could have been avoided. I hope today that we will hear how local communities have been involved in the development of the advertising strategy. Along these same lines, I understand that the Census Bureau is paying media specialists in each of the regional offices. How does the relationship between the media specialists and Y&R work?

I am also interested in the campaign to reach those in rural areas of the Nation who provide their own unique enumeration challenges.

Additionally, at today's hearing I would like to focus on how Y&R intends to localize its ad campaign. We all know and have discussed many times before the importance of localizing the census. Whether it is hiring local residents to help count their communities or community-based advertising, if the Bureau is not successful in its local outreach, the census will not be successful.

I look forward to hearing more from our guests today as we explore the multimillion dollar ad campaign, "Census 2000: This is your future, don't leave it blank." And now I recognize the ranking member, Mrs. Maloney.

[The prepared statement of Hon. Dan Miller follows:]

STATEMENT OF CHAIRMAN DAN MILLER (FL-13)
SUBCOMMITTEE ON THE CENSUS HEARING

July 27, 1999

I think today may be a first. The first time the Subcommittee on the Census has had a hearing to focus solely on advertising for the upcoming census. For this will be the first census in which the Census Bureau will use paid advertising to let America know the importance of being counted. I'm excited about this campaign and support it fully. In fact, I introduced legislation, which would have added $300 million to the advertising and outreach budget. The Census Bureau has expanded the advertising program, but they have told me that the full $300 million was not needed. Therefore, in fiscal year 2000 the Census Bureau will receive nearly $200 million for advertising promotion and outreach.

Although, I am a strong proponent of the advertising and outreach campaigns, I am also a strong proponent of vigilant oversight by Congress. Unfortunately, this subcommittee has experienced some difficulty in getting information about the exact expenditures by the Census Bureau on their advertising and outreach programs.

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Additionally, I would like to know, for example, how much is being paid to Young and Rubicam (Y&R)? and how much is being paid to the subcontractors? These are tax-dollars and the American people have a right to know.

As everyone on this subcommittee agrees, we must do everything possible to promote awareness in the census and the importance of being counted. I'm a firm believer in advertising. I have been told that in 1998 there was an estimated $200 billion spent on advertising in the United States. If you have a product and you want someone to buy it, you advertise. Those products can be tangible like cars or intangible like the political ideas the Members of this subcommittee sell through our own campaign ads.

Let me for a minute touch on the basic civic nature of the census. I know that Dr. Prewitt believes, as I do, that ideally people should participate in the census not for the federal dollars that it may or may not bring to their communities. We now know from the General Accounting Office that it is a small amount, less than 1% of Federal dollars, which are tied directly to census figures.

We would hope most people would participate, because the Founding Fathers determined that the distribution of political power among the several states would be determined by, "an actual Enumeration shall be made within three Years after the first Meeting of the Congress of the United States, and within every

subsequent Term of ten Years, in such Manner as they shall by Law direct."

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Additionally, at today's hearing, I would like to focus on how Y&R intends localize their ad campaign. We all know, and have discussed many times before, the importance of localizing the census. Whether it's hiring local residents to help count their communities or community based advertising, if the Bureau is not successful in its local outreach the census will not be successful.

I look forward to hearing more from our guests today as we explore the multi-million dollar ad campaign: Census 2000 -- This is Your Future Don't Leave it Blank.

Mrs. MALONEY. I want to thank the chairman for calling this hearing and tell him how much I have enjoyed working with him. We have often disagreed on a lot of the merits but it has been a pleasure working with him on this and many other issues. I did want to share with him that the Census Monitoring Board had a meeting in New York City at Young and Rubicam where they went over the entire ad campaign, and I was fortunate to be there and to see it. It was very, very encouraging. The subcontractors also spoke and put forward their presentations. I know that Young and Rubicam did an award-winning series on making people aware of abused women that I remember to this day. It was a magnificent work of talent and commitment. I hope we will see the same and I believe we will in the ad campaign that they have put together.

The ad campaign is a tremendous concern to many Members in my party. They were concerned that it might not be sensitive in a foreign language to the feelings of the people or to the Indian reservations, but what I saw was just really inspiring and I thought it was just terrific and I know we will hear more about it today.

I have long remarks, as usual, but I am going to just put them in the record. But I do want to say that we were concerned when the mail response dropped. It fell from 75 percent in 1980 to 65 in 1990 and it is expected to drop to 60 percent in 2000. So, we clearly have a problem, and this is one of the main reasons that the decision was made to mount a very aggressive paid advertising campaign for the 2000 census to increase this projected response rate above the 61 percent level. And it is a significant departure from the past and a very significant dedication of resources. Well over $100 million will be spent on advertising. That includes TV, radio, print, outdoor, and I look forward to hearing more about it.

Let me say at this point, Mr. Chairman, that I am pleased that you called today's hearing and there are a number of other issues on which the subcommittee could have hearings and I hope they also would be addressed. You and your staff had 20 private briefings with Bureau personnel and made a total of 100—I have them right here—125 separate requests for information that I have in my hand, and I think the public has a right to know about the status of the decennial census and an open hearing on that issue should be held as another way to provide this information to the public. Given the differing opinions on the census operations from within the committee, it would be best to have a full public hearing on all preparations for the census so that the American public can hear the facts and decide for itself how the census is coming.

For example, the results of conducted census dress rehearsals have been in for some time, yet we have never held a hearing on them. What was learned from these rehearsals and how has the Bureau adjusted its plans from the findings of the rehearsals? We should also have a broader hearing on how the Census Bureau is progressing toward meeting the milestones for the 2000 census. We should give the Bureau Director a public opportunity to keep the Congress informed as we count down to census day, which is only 249 days away.

I also want to really commend in all sincerity the chairman and the House leadership on the markup last week of the Commerce-Justice-State spending bill in the subcommittee. The majority ac-

cepted the consequences for its lawsuit against the abuse of modern scientific methods by providing the funding needed to conduct the census with an outdated method. Although I think it is rather strange or odd to call the entire census an emergency that was, "unanticipated spending," I am sure the Director is happy as well as Members of Congress, all of us who care about getting the money to conduct the census. We don't care whether it is labeled emergency or not, most of us. We really need to get the money so we can get the ad campaign out there and get all the pieces in place to make the census happen. But we really cannot celebrate. The House funding bill has a very long way to go before it passes, and the Senate version of the Commerce-Justice-State bill also passed last week without the $1.7 billion required by the Republican lawsuit. Because it has a long way to go, I am very concerned about how the uncertainty in funding is impacting census preparations and hope to ask the Director his feelings about it. Nevertheless, the start in the House is very, very encouraging and I thank the chairman for his leadership.

The error rate, as we all know, was over 10 percent; 26 million people were miscounted. There were 8.4 million people missed, 4.4 million people counted twice, and 13 million people were counted in the wrong place. To make matters worse, the people missed and the people counted twice were very different. The people missed were disproportionately minorities, American Indians, Hispanics, African Americans, and Asians, as well as the urban rural and poor.

I tell you the people counted twice tended to be fortunate enough to have two homes, to be affluent, to live in the suburbs. The majority won its apportionment case in the courts and as a result, the census is going to cost an extra $1.7 billion. Yet even after spending an extra $1.7 billion and even after increased efforts are made to count people using means like this advertising campaign that we are discussing today, there is one inescapable fact that there will still be a large undercount if modern scientific methods are not used. Luckily, we will be getting a much more accurate count for all purposes, although an apportionment such as redistricting of congressional seats and State legislative seats and the distribution of Federal funds since the Supreme Court's decision allowed the use of modern scientific methods for these purposes.

Believe it or not, that was the abbreviated form of my opening statement. I always have a lot to say about the census, but I always like to hear from the Director and I feel that this ad campaign is particularly challenging to motivate the people to want to be counted, to be part of the census that is coming to us.

Thank you for calling this, Mr. Chairman.

[The prepared statement of Hon. Carolyn B. Maloney follows:]

OPENING STATEMENT -- HON. CAROLYN B. MALONEY
July 27, 1999

Thank you Chairman Miller.

The mail response rate for the decennial census has been steadily dropping since the mail-out/mail-back procedure was first implemented in 1960. It fell from 75% in 1980 to 65% in 1990, and is expected to drop almost to 60 percent in 2000. Clearly, we have a problem.

This is the main reason why the decision was made to mount an aggressive paid advertising campaign for the 2000 Census -- to increase the projected response rate above the projected 61 percent level.

It is a significant departure from the past, and a very significant dedication of resources. Well over $100 million dollars will be spent on an advertising campaign that includes TV, radio, print media and outdoor advertising. At its peak next spring, the Census will be the most publicized event in the nation.

I want to commend the Chairman for holding this hearing. The Census Bureau will be spending a lot of money on a new idea in 2000 and it's only right that Congress review the advertising campaign to make sure that money is being spent wisely and well. The public has a right to review decisions involving the census.

Let me just say at this point, Mr. Chairman, that while I am pleased that you called today's hearing, there are a number of other issues on which this Subcommittee should hold hearings, and I hope that you will see to it that they are addressed.

You and your staff have had 20 private briefings with Bureau personnel and made a total of 125 separate requests for information, copies of which I have here in my hand. The public has a right to know about the status of the decennial census, and an open hearing on that issue is the best forum in which to provide it.

Given the differing opinions on the Census operations from within this committee, it would be best to have a full public hearing on all preparations for the Census, so that the American public can hear the facts and decide for itself how the Census is coming.

For example, the results of a conducted census dress rehearsal have been in for some time, and we have yet to hold a hearing on them. What was learned from the rehearsals and how has the Bureau adjusted its plans from its findings?

We should also have a broader hearing on how the Census Bureau is progressing towards meeting the milestones for the 2000 census. We should give the Census Bureau Director a public opportunity to keep the Congress informed as we count down to Census Day, which is only 249 days away.

I also want to commend the Chairman and the House leadership on the markup of the Commerce-Justice-State spending bill in subcommittee last week. The Majority has accepted the consequences for its lawsuit against the use of modern scientific methods by providing the funding needed to conduct the census with outdated methods.

Although I think it is a little odd to call the entire Census an emergency that was "unanticipated spending," I am sure the Director is happy to get the money whether it is labeled emergency or not.

However we can't celebrate just yet. The House funding bill has a long way to go before it passes, and the Senate's version of the Commerce-Justice-State bill also passed last week without the $1.7 billion required by the Republican lawsuit and because it has a long way to go I am very concerned about how the uncertainty in funding is impacting Census preparation and hope to ask the Director his feelings about it. Nevertheless, the start in the House is encouraging.

The error rate for the 1990 census was over 10 percent -- 26 million people were miscounted. There were 8.4 million people missed; 4.4 million people were counted twice; and 13 million people were counted in the wrong place. To make matters worse, the people missed and the people counted twice were quite different.

The people missed were disproportionally minorities -- American Indians, Hispanics, African-Americans, and Asians -- as well as the urban and rural poor. The people counted twice tended to be affluent suburbanites.

The Majority won its apportionment case in the courts, and as a result the census is going to cost an extra $1.7 billion. Yet, even after spending an extra $1.7 billion, and even after increased efforts are made to count people using means -- like this advertising campaign we are discussing today -- there is one inescapable fact that there will still be a large undercount if modern scientific methods are not used.

Luckily, we will be getting a much more accurate count for all purposes other than apportionment, such as redistricting of congressional and state legislative seats and distribution of federal funds, since the Supreme Court's decision allowed the use of modern statistical methods for such purposes.

Again Thank you Mr. Chairman.

Mr. MILLER. Mr. Ryan.

Mr. RYAN. I, too, want to thank you for coming today, Dr. Prewitt. We had a field hearing in my home district, Racine, WI, on the census, in which the ranking member and the chairman came to testify, and what we discussed among many other things was the fact that in southeastern Wisconsin, I represent a large, growing constituency of Hispanic Americans. I have been meeting with a lot of leaders in the Hispanic community to talk about the census and other things. There is a bit of a fear. There is some trepidation out there about the participation in the census. What we have learned from talking to a lot of leaders in the community, from African-American communities as well from my area, is that we have to find a good creative way to address the concerns of the census that people will have when asked to participate in the census.

So, I am very interested in hearing your remarks on Young and Rubicam's strategy for addressing these concerns, especially with Hispanic Americans, to make sure that we get full participation as much as possible with that. That is something that I think is vital to ensuring a successful census, so I hope we can have some good discussion on that.

Also, I want to share my colleague's concerns or her mention of the fact that this has now become an emergency. Personally, I don't think we should have done the emergency designation. I think that is wrong. It is bad budgeting in my opinion. I serve on the Budget Committee and work on these issues but I do know that we have to do this. I am a big supporter of making sure we have the $1.7 billion from the lawsuit, but I would be interested in your concerns and your reaction to the fact that this last week was now designated as emergency spending. That is something I would also like to hear your reaction toward, and I look forward to hearing the further panel testimony.

With that, I yield back the balance of my time.

Mr. MILLER. Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Chairman. And I want to thank you, first of all, for convening this hearing today to examine issues regarding the Census Bureau's advertising campaign. I think this is a timely hearing because we are about to undertake an enormous challenge of getting the most accurate census that we can.

I have always supported the goal of advertising as a way to increase participation rates in the 2000 census, for we know that advertising has proven to be an invaluable educational tool to reach people when used properly and appropriately. The examples by Philip Morris and Nike are all too familiar. Their ability to flood markets and draw in potential customers through advertising has been unmatched. In 1990, we relied solely on pro bono public service advertising, which failed to reach many people. One of the lessons learned from 1990 is that we have to invest money into where we want to get the returns from. I am pleased to work with all of my colleagues in making that investment real. While the investment in advertising must be significant, the overriding goal must be to count every American citizen. Unfortunately, the approaches used by some advertising firms, especially those that may not have

the expertise, the experience and the understanding of certain cultural nuances of different communities and different population groups, may not be sufficient for reaching communities uptown.

For example, in the last census for the city of Chicago, the undercount was 2.4 percent. The undercount, though, for African Americans was estimated at between 5 and 6 percent. In short, jingle bells may be effective uptown but may not reach a soul on the West Side of Chicago. Therefore, our approach in tactics becomes critical.

I am pleased that the Census Bureau has committed 28 percent of the total advertising budget for small disadvantaged firms. However, the key remains to ensure that those small disadvantaged firms have a history and a record of being able to reach those hard to count, hard to reach populations. I recount my own experiences of having worked in communities for years. Oftentimes, people who were getting the money to come to reach the people came to me to ask me how to reach the people that they were being paid to reach. I mean, I have trained so many people over the years who were getting fat until it becomes humorous at times, when you think about it, because I am from so and so and so and I am out to do a community outreach program. Can you tell me how to do it? Well, I mean, why are you getting paid to do it and not me if I am the one who knows how to do it.

So, I simply want to make sure, Mr. Chairman, and Mr. Director, that the firms that we employ in this advertising are actually people who know something about the communities and the people that they are trying to reach. And I don't want to see it just glossed over. I don't want to see the same people who don't really know what they are doing with these markets end up with the resources that when the deal goes down, we still end up with a big undercount.

With that said, I thank you, Mr. Chairman. I look forward to what you have got to tell us, Mr. Director, and the rest of those who will testify. Thank you very much.

Mr. MILLER. If it is a single vote, let's go over and vote real quick and come right back and proceed. We would all like to hear. Sometimes in the hearing you can keep it going. If you don't know, we will take 10, 15 minutes, whatever it takes to go over and vote and come back. We will stand in recess till then.

[Recess.]

Mr. MILLER. Now I am sure there will be no more votes for the rest of this hearing. We have got our one vote out of the way and we can proceed without interruption. As other Members are coming back, they said it would be OK to proceed. So, if you would like to proceed with the opening statement.

[Witness sworn.]

STATEMENT OF KENNETH J. PREWITT, DIRECTOR, BUREAU OF THE CENSUS

Dr. PREWITT. Thank you. Thank you, Mr. Chairman. Mrs. Maloney, Mr. Ryan, Mr. Davis when he returns, we appreciate this opportunity to appear before you today to discuss issues related to the paid advertising campaign. I would also like to sort of do something slightly unusual. As I look around the room, this is the first

time I appear before your committee, Mr. Chairman, when Mr. Hofeller was not here. I miss him.

Mr. MILLER. I will tell him.

Dr. PREWITT. Thank you very much. Since I last testified before you on June 9, census operations have kicked into full gear and they are progressing very well and on schedule. Over 180 million questionnaires have already been printed, representing over half of the total volume. 130 local offices are open, space has been leased for an additional 380 and the remaining 10 will be leased later this summer. By the end of this week, we will begin processing and formatting the address tape for use in labelling questionnaires. We have issued 32 dress rehearsal evaluations, approximately 22,000 partnerships, and have about 255 TV, print, radio billboard ads and so forth now in production, as obviously will be discussed later today.

In your invitation letter, Mr. Chairman, you asked that I address the process by which we awarded the advertising contract to Young and Rubicam, the coordination between the partnership groups and the advertising campaign and the advertising budget breakdown, and I will address these topics in that order. First, the process for awarding the contract. Census 2000 is the first census for which the Bureau has used paid advertising. From 1950 to 1990, we worked with the Advertising Council of America to design and disseminate public service announcements. Based on their own evaluation of the 1990 census advertising, the PSAs did not reach the hard to count populations in a strategic or effective manner. Ads often ran at offpeak hours because the decision, of course, rested with the local television and radio stations. Based upon this evaluation, the Census Bureau concluded that to reach the right people with the right message at the right time, it would be necessary to contract for a paid advertising campaign. Once this decision was made, we studied the advertising contracts issued by various other Federal agencies, including those to the Armed Forces, the U.S. Postal Service, the Treasury Department, and so forth, and we consulted widely with professionals in the advertising industry and, of course, within our own Bureau and with the Commerce Department. We brought in experts from the U.S. Armed Forces Joint Recruitment Advertising Program and the advertising firm of J. Walter Thompson. We then established a source selection procedure, including, of course, the designation of a source selection official, who was the Bureau's principal Associate Director for programs. And we went through the numerous steps to ensure a fair and open competition.

Many of these steps went beyond the normal Federal contract requirements. These included publishing the draft statement of work and holding a presolicitation conference. We issued the request for proposals using input from industry and response to our draft statement of work. Proposals were due in late June 1997. We received 11 proposals and my written testimony details the chronology of events that took place during this period. To ensure that the best proposal was selected, we also consulted with the Census Bureau's racial and ethnic advisory committee and others to identify a diverse group of 11 advisors with expertise in government contracting, advertising and outreach to minority audiences. The

advisors attended all oral presentations and briefed the technical evaluation team. That process reduced our candidates from 11 to 4. We then invited the four candidates to make oral presentations, which they did approximately 2 years ago late August 1997 in a quite extensive process. Based upon those oral presentations, we scored the performance based upon the criteria in the RFP and the technical evaluation. Y&R, Young and Rubicam, received the highest technical score, which was significantly above the other competitors.

After that, there were additional impact, risk, legal and administrative reviews, indeed one in particular that I'd like to mention because it does go to the question that Congressman Davis has put on the table, which is the special attention to working with the Office of Small and Disadvantaged Business Utilization. They found that Y&R had the most aggressive plan for subcontracting to small, small and disadvantaged and women-owned firms. We hoped that the creative work, advertising space or time supplied by these firms will improve the mail response in communities with historically low mail response rates. Y&R's plan far exceeded the mandatory requirements for subcontracting set in the RFP. Indeed, our own goal was higher than the Federal obligation. Y&R's response to the RFP then set a yet higher goal than we had set and I think you will hear later today that they've now exceeded their own goal. So we're well, well above the marker that we had established for ourselves with respect to contract subcontracting to the small, small and disadvantaged, and women's firms.

In late September 1997, the source selection officials selected Y&R and the award was made on October 10, 1997. We believe the award process was a great success. It employed innovative methods, was completed ahead of schedule, and there were no protests. Success can also be measured by the fact that Y&R and its partners, the Bravo Group, G&G Advertising, Kang & Lee, and the Chisholm-Mingo Group and Y&R Puerto Rico have, we believe, developed an excellent campaign. You'll find in my written testimony further chronology of these events.

The second question, Mr. Chairman, you addressed to me in your letter of invitation to appear before you today has to do with the coordination between the partnership groups and the advertising campaign. This is an important issue because paid advertising is just one piece of the Bureau's integrated marketing strategy for census 2000. In addition to the paid advertising campaign, the other pieces of the integrated marketing strategy include partnerships, the direct mail package, media services, promotions, and special events. Each of these pieces has its own strengths and by working in concert will reach, and we hope motivate, everyone to participate in census 2000.

Partnership is the most important of these other pieces. The Census Bureau is forming partnerships with other Federal agencies, State, local, and tribal governments, community-based organizations, religious organizations, and businesses to draw on the unique knowledge, experience, and expertise of these partners. Most of the partnerships are being coordinated out of the regional offices. There we have 400 of our 642 partnership positions, including specialists, partnership coordinators, and support staff to man-

age these relationships. And of course these partnership specialists will eventually be assigned to our local offices. We plan to complete hiring by the end of the summer. We have already formed approximately 22,000 partnership agreements, as I have mentioned, with State, local, and tribal governments, businesses, national and community-based organizations. You specifically asked about coordination between the advertising and partnership program.

First, we are retaining the contributions of the advice of our regional office staff. Y&R has visited each of the 12 regions and met three times with regional directors, and one of the regional directors has been part of the approval process for creative materials from the very beginning. We maintain active communication between the regional staff by informing them of the goals, schedule and content of the advertising campaign through briefings, newsletters, Internet, videos and delivery of the advertising campaign materials. We have also asked the regional offices to identify critical media in their area by having them compile a list of all media outlets for hard to enumerate populations and asking them to list, in priority order, specific outlets that can be purchased.

Fourth, we will provide to all regions for use in the partnership program a tool kit of creative materials, many of which derive from the advertising program. These include logos, tag lines, graphics, drop in articles, fax sheets, CD-roms containing pictures of persons from all walks of life and races and ethnic groups, hand bills, posters, television and radio scripts, informational videos and so on.

I stress that this is quite important. I was in Oklahoma last week meeting with a publisher of an Oklahoma Indian newspaper that reached all 39 of the Oklahoma-based tribes. He reported to me that his newspapers had a major article on the census each month and I said, "That's really very impressive. Who's writing those for you?" And I was somewhat embarrassed to learn he said, "Well, your own staff of course," which is to say he is simply taking our drop-in media articles and putting them into his news outlets. That's happening all over the country. That's independent of the paid advertising, so we have two separate media campaigns, the one that we're managing ourselves with the regional and local offices and, of course, the paid advertising campaign of Y&R.

Finally, I would like to say that Y&R, in negotiating media buys, will obtain value, added value opportunities, some of which will be used in our grass roots promotion and partnerships. These may include promotional tie-ins with local events and festivals, local news coverage, television, radio or print interviews with census representatives, local concert appearances and remote disc jockey appearances. All such activities would be available to the regions and under their control for the use in the partnership program.

You also asked me, Mr. Chairman, to address the advertising budget breakdown. Let me say as I move into that part of this testimony, I apologize if there's been some confusion, as your opening comment referenced. I fail to see confusion because your letter specifically asked me to address the advertising budget breakdown. The advertising breakdown is the $111. The $199 is the advertising, plus promotion and partnership. So I'd be happy to talk about anything you want me to—but at least in your letter that I am now trying to respond to, you ask only about the advertising budget. So,

I don't see any confusion at all between what I put into my written testimony and your reference.

The overall paid advertising budget under our current working plan is $166 million. Of this amount, $8.4 million was spent in fiscal year 1998. $47.2 million is budgeted for this fiscal year and the President is requesting $111 million for fiscal year 2000. Of the $166.6, we expect that approximately 64 percent, or over $160 million, will be devoted to media buys; that is, to pay for television, radio, and print slots. Four-fifths of the media buys will occur in fiscal year 2000. We must be in a position to begin making these buys on October 1.

Mr. Chairman, you're obviously a professor of marketing. You know better than I that there are critical moments when you can get into media markets. We hope to launch our fall awareness campaign in November and in order to be in the November market, we have to purchase on October 1. Major long-term advertisers will have already bought a significant portion of the fixed media inventory, so we're competing within what is the residual, that is, what is left over from what the long-term buys have already purchased. Short-term advertisers can only begin buying the remaining inventory at the beginning of each month. We will be competing against many other purchasers. If we cannot begin buying on October 1, we will not be able to purchase the slots we need to get the right message to the right people at the right time. Any delay in fiscal year 2000 funding would have a serious negative impact on our advertising campaign. Ironically, it could return us to the 1990 situation when we could not control the timing of TV and radio spots. So, we will have invested an enormous amount in a paid advertising campaign, which then will end up in off hours because we could not purchase on the schedule that we have set out for ourselves.

As Y&R will testify later, we intend to spend $71 million of our advertising budget in the single month of October and day one and day two are very important in terms of those media buys.

I have said that 64 percent of our advertising budget is media buys. The rest breaks down as follows. Labor 16½ percent, production 14½ percent, research, creative, and miscellaneous operating expenses just under 5 percent.

Mr. Chairman, I have tried to rush through my prepared testimony in response to the three questions that you put to me in your invitational letter of July 16. May I just add to that that your opening statement addresses quite different kinds of questions. I am very interested in those questions, as you know, the issue of civic disengagement, decline in civic participation, Mr. Ryan question's about the Hispanic population, the problem of confidentiality, the problem of our language program. These take us beyond the invitation letter itself, but I leave it to you if you'd rather me take another 4 or 5 minutes to try to address some of the questions that your opening comments put on the table.

Mr. MILLER. If you want to address them now, fine.

Dr. PREWITT. I am taken with them and I would like to. I would like to start, if I could, with the one that you addressed on the basic civic nature of the census as follows.

As Congresswoman Maloney mentioned, we have experienced a 10 percent dropoff in the mail response rate each year since 1970;

1970 was an 85 percent response rate; 1980 was a 75 percent; 1990 was a 65 percent. That's awful that the American people will not take 10 minutes, which is the average time for the household to complete this questionnaire, and do it. When we began doing our planning for 2000, our own research suggested that response rate could drop as low as 55 percent. Now, how do you reverse that kind of civic disengagement? We have all kinds of analyses of why that is so, but at root it is because a large number of the American population are disengaged from all kinds of civic activities. Voter turnout is down. Cooperation with INS is down. The purchase of U.S. Savings Bonds are down. All of those have been dropping over the last three or four decades.

I believe, as you do, that census 2000 is an opportunity to try to create a civic ceremony in the American society that pulls us all together. The way to do that, I think, is to focus on the response rate decline. So, we intend later this summer, and I mentioned this often to your staff and in other kinds of public settings, we begin testing this idea. We would like to launch a campaign that is focused on the response rate. Now, the response rate, by the way, in 1990 was 65 percent in the aggregate across the country. That varies widely. We have communities where the response rate was 90 percent. Mr. Davis was talking about Chicago. The mail response rate in Chicago, I believe, was 52 percent in 1990.

So we have a wide variation. If every community in the United States were to increase its response rate by 5 percent, that is, from whatever it was in 90 to that plus 5 percent, our aggregate response rate would be 70 percent. What that means, from the point of view of patriotism and civic responsibility, is we will have reversed one of the most critical declines in civic engagement in the society.

Now, we can't budget for that. It would be very imprudent. And in 1990, we budgeted for a 70 percent response rate, and by April 23rd we had only gotten 62 percent. And we had to come back to the U.S. Congress for an emergency supplemental just to finish the census in 1990. So, all of our planning is based upon the best research we have available, which is a lower response rate. A 61 percent response is our targeted response rate. I would like to run the census in such a way—I don't mean just me personally—we would all like to collectively run the census in such a way that the society does not respond to that 61 percent response rate, but somehow gets up to the high 60's or the 70's.

We are hoping that the Y&R campaign will be a major part of that. But it's not the only part. And Y&R itself has done its own research on what it can do about the response rate.

And I will stop at this in a second. Just three or four more sentences. The beauty of the response rate as a vehicle for talking about civic participation is that it is measurable. It's obvious. And it is obvious in and for every community. We in real times, starting March 28th, will be able to tell every jurisdiction in the United States what their mail response rate is on a 24-hour basis at the end of every day. Your response rate is now up to 47; it's now up to 52; it's now up to 58, and use that as a mechanism to try to create as much excitement as we can. Like think of a ticker tape, you know, every day reporting the national response rate across the

nightly news or around the Times Square ticker tape or what have you. If we can get the country to focus on the response rate, we might be able to turn this into a civic event.

Now, I say that because that's not the problem that Y&R was charged with. Y&R was charged with a different problem.

Y&R was charged with a task of: We have had a declining response rate in particular population groups, and you go out and do some research, which we will find out how to motivate. They went out and did research and their research said the way to motivate people is to say there's something in it for you. So, the advertising campaign is based upon that premise. That's what their research did, that's what the contract suggested and so forth.

So, as we try to move this now into a different vocabulary, a vocabulary of a civic responsibility, of a civic ceremony, it will begin to slightly change the message, exactly as your opening statement indicates. Let's not make the message only about what is in it for you, but let's also make it about what is your responsibility for the country.

I promise you, Mr. Chairman, there will be a lot of attention to that message before this census is finished and you will begin to see that in September, October. I've been meeting with the mayors, meeting with city commissioners and so forth exactly on that issue. I just want to protect Y&R. That was not the task they were given 2 years ago. They were given a different task, and they have to be measured against the task that they were given.

So that would be my first comment in response to your comments.

If I can turn quickly then to Mr. Ryan. Mr. Ryan, you asked about the Hispanic issues, not just in Racine but in your own area across the country. I think you will hear from Y&R that we have a very, very active, of course, Hispanic advertising campaign in language. About half of our advertising campaign is what we call end language and end culture that's really focused upon the hard to count, but this is specifically designed for in culture sensitivities and in language advertising and print media and so forth.

In addition, of course, as you know from other hearings, we have quite an extensive language program, quite separate from the advertising campaign and the questionnaire and the telephone assistance guides and so forth, all of which are designed. The entire program that we addressed for the Hispanics, including Y&R, but also including partnerships, promotion and so forth, hits the confidentiality issue straight on.

We simply have to get that population group to believe in the confidentiality of the data or we will not get high response rates. We are very preoccupied with that question. Indeed, if you have the entire Y&R creative in front of you, you would see a very disproportionate attention to confidentiality in the Hispanic compared to the African American and so forth. It's also high in the Asian because they are concerned, in some respects, as the Hispanic. So we are trying to address these kinds of issues.

Let me then stop, Mr. Chairman, and ask you—you should never have let me go on. There's a lot in my head.

[The prepared statement of Dr. Prewitt follows:]

PREPARED STATEMENT OF

KENNETH PREWITT

DIRECTOR, U.S. BUREAU OF THE CENSUS

Before the Subcommittee on the Census

Committee on Government Reform

U.S. House of Representatives

July 27, 1999

Mr. Chairman, Mrs. Maloney, and Members of the Subcommittee:

Thank you for this opportunity to appear before you today to discuss issues related to the paid advertising campaign for Census 2000. Since I last testified before this Subcommittee on June 9, census operations have kicked into full gear and they are progressing very well and on schedule. Over 180 million questionnaires have already been printed, representing over half of the total volume; 130 local offices are open, space has been leased for an additional 380, and the remaining 10 will be leased during the summer; by the end of this week, we will begin processing and formatting the address tape for use in labeling questionnaires; we have issued 32 Dress Rehearsal evaluations; approximately 22,000 partnerships have been developed; and our advertising campaign creative materials are now in production.

In your invitation letter, you asked that I address: 1) the process by which we awarded the advertising contract to Young & Rubicam (Y&R), 2) coordination between the partnership groups and the advertising campaign, and 3) the advertising budget breakdown. I will address these three topics in that order.

Process for Awarding Contract

Census 2000 is the first census for which the Census Bureau has used paid advertising. From 1950-1990, the Census Bureau retained the services of the Advertising Council of America to design and disseminate public service announcements (PSA's). Unfortunately, based on evaluations of the 1990 census advertising, PSA's did not reach targeted hard-to-count

populations in a strategic or effective manner. Furthermore, ads often ran at off-peak hours because decisions about when to air PSA's rested with local television and radio stations. Based on the evaluation of the 1990 advertising effort, the Census Bureau concluded that in order to reach the right people with the right message at the right time it would have to contract for a paid advertising campaign that was originally estimated at approximately $100 million. To help us reach a final decision and provide guidance on how to write the contract requirements, the Bureau contracted with Gilbreath Communications, Inc. Gilbreath recommended a very extensive multi-media advertising campaign extending over a multi-month period.

Once the decision was made to contract out the advertising campaign, the Bureau studied the advertising contracts issued by various other federal agencies, including branches of the Armed Forces, the U.S. Postal Service, and the Treasury Department. In addition, the Bureau consulted with the American Association of Advertising Agencies and the Advertising Research Foundation. The Bureau put together an advertising team consisting of Census Bureau staff with experience in marketing, decennial censuses, field operations, and contracting; the team also included a Commerce Department procurement lawyer and, in a consultative role, experts from the U.S. Armed Forces Joint Recruitment Advertising Program and the advertising firm of J. Walter Thompson.

The Census Bureau used formal Source Selection Procedures, including the designation of a Source Selection Official, who was the Bureau's Principal Associate Director for Programs, and the establishment of a Source Evaluation Board. Between November 1996 and June 1997, the Bureau went through numerous steps to ensure a fair and open competition. Many of these steps went beyond the normal federal contract requirements. These included publishing the draft statement of work and holding a presolicitation conference. We issued the request for proposals (RFP) using input from industry in response to our draft Statement of Work. Proposals were due in late June 1997; eleven proposals were received and the award was made on October 10, 1997.

Here's a detailed chronology of events in this first period:

Nov. 1996	Draft Statement of Work (SOW) published in Commerce Business Daily (CBD)
Dec. 1996	Draft SOW mailed to 500 firms, including 200 minority firms identified by our Public Information Office
Feb. 28, 1997	Pre-solicitation conference held at the Census Bureau attended by approximately 250 people representing about 160 firms
March 20, 1997	Announcement of forthcoming Request for Proposals (RFP) published in the CBD
May 13, 1997	RFP issued via Internet and mailed to more than 800 firms

To ensure that the best proposal was selected, the Bureau consulted with the Census Racial and Ethnic Advisory Committees and others to identify a diverse group of eleven advisors with expertise in government contracting, advertising, and outreach to minority audiences. The advisors attended all oral presentations, which I will describe later, and briefed the Technical Evaluation Team, which consisted of an expert in government advertising contracts and the two top officials in the Census Bureau's Census 2000 Publicity Office. Separate teams were established to evaluate past performance and cost issues. The technical evaluation was conducted from late June to late July 1997.

After considering cost and past performance, the Technical Evaluation Team recommended that four companies, including Y&R, be chosen to participate in the competitive oral presentations. Oral presentations were conducted in late August 1997. Bidders were allowed two hours to present their ideas for conducting the national advertising campaign to achieve the goal of increasing mail response rates, explain their creative and media plans, address the tasks to be performed during the campaign, present evaluation plans, and discuss measures to contain costs. The Bureau also asked bidders to present their approach for campaigns aimed at two target groups--young, single African-American males and young, single Hispanic males born in the United States.

At the conclusion of the oral presentations, the advisors were asked to describe the strengths, weaknesses, and risks of each of the proposed offers. The Technical Evaluation Team evaluated and scored the presentations based on the criteria in the RFP and the technical evaluation plan. Y&R received the highest technical score, which was significantly above the other competitors.

There were additional impact, risk, legal, and administrative reviews after this point. One important review I will mention here was conducted by the Office of Small and Disadvantaged Business Utilization, which found that Y&R had the most aggressive plan for subcontracting to small, small and disadvantaged, and women-owned firms. We hope that the creative work, advertising space, or time supplied by these firms will improve mail response in communities with historically low mail response rates. Y&R's plan far exceeded the mandatory requirement for subcontracting set in the RFP. To date, they have exceeded their goals.

In late September 1997, the Source Selection Official selected Y&R and as I said earlier, the award was made on October 10, 1997. The award process was a great success; it employed innovative methods, was completed ahead of schedule, and there were no protests. Success can also be measured by the fact that Y&R and its partners--the Bravo Group, G&G Advertising, Kang & Lee, the Chisholm-Mingo Group, and Y&R Puerto Rico--have developed an excellent campaign.

Here's a detailed chronology of later events in the contract process:

June 26-July 28, 1997 Written proposals received and evaluated

August 26-29, 1997	Oral presentations after eliminating non-competitive bidders After each oral presentation, the Technical Evaluation Team (TET) and advisors framed questions for the q&a period After the q&a, the TET and advisors discussed strengths and weaknesses of proposals TET re-scored bidders based on oral presentations
Sept. 15, 1997	Evaluation teams made final report to Source Evaluation Board (SEB)
Sept. 25, 1997	SEB submitted "best value" recommendation to Source Selection Official
Oct. 10, 1997	Award made to Young & Rubicam

Coordination Between Partnership Groups and Advertising Campaign

Now, I will turn to the second issue I was asked to address--coordination between partnership groups and the advertising campaign. This is an important issue because paid advertising is just one piece of the Census Bureau's integrated marketing strategy for Census 2000. In addition to the paid advertising campaign, the other pieces of our integrated marketing strategy include partnerships, the direct mail package (advance letter, questionnaire, and thank/you reminder postcard), media services, and promotions and special events. Each piece has its own strengths and by working in concert will reach and motivate everyone to participate in Census 2000.

Partnership is the most important of these pieces. The Census Bureau is forming partnerships with other federal agencies, state, local and tribal governments, community-based organizations, religious organizations, and businesses to draw on the unique knowledge, experience, and expertise of these partners. Most of the partnerships are being coordinated out of Regional Offices. The Census Bureau has filled over 400 of the 642 partnership positions (including partnership specialists, partnership coordinators, and support staff) to manage these relationships and we plan to complete hiring by the end of the summer. We have already formed approximately 22,000 partnership agreements with state, local, and tribal governments, businesses, and national and community-based organizations.

We are taking several approaches to ensure coordination between our advertising and partnership programs.

Input from Regional Staff. First, we are obtaining input from regional office staff. Y&R has visited each of the 12 regions and met three times with the Regional Directors, and

one of the Regional Directors has been part of the approval process for creative materials from the beginning.

Communications with Regional Staff. Second, we are keeping regional staff informed of goals, schedule, and content of the advertising campaign through briefings, newsletters, Internet, videos, and delivery of the advertising campaign materials.

Regional Office Role in Media Selection. Third, we have given the regional offices a role in identifying critical media by having them compile a list of all media outlets for hard-to-enumerate populations and by asking them to list in priority order specific outlets that should be purchased.

Promotional Materials for Partnership. Fourth, we will provide to the regions for use in the partnership program a tool kit of creative materials, many of which derive from the advertising program. These include logos, taglines, other graphics, drop-in articles, fact sheets, a CD-ROM containing pictures of persons from all walks of life and race and ethnic groups, handbills, posters, television and radio scripts, informational videos, and so on.

Added-Value Opportunities for Partnership Activities. Fifth, in negotiating media buys, Y&R will obtain "added value" opportunities, some of which can be used in grass roots promotion and partnerships. These may include promotional tie-ins with local events and festivals; local news coverage; television, radio, or print interviews with census representatives; local concert appearances; and remote disk jockey appearances. All such activities would be available to the regions and under their control for use in the partnership program.

Advertising Budget Breakdown

Now, I will turn to the third topic you asked me to discuss--the advertising budget breakdown.

I will present the budget broken down in two ways--by fiscal year and by cost category.

The overall paid advertising budget under our current working plan is $166.6 million. Of this amount, $8.4 million was spent in FY1998, $47.2 million is budgeted for this fiscal year, and the President is requesting $111 million for FY2000.

Of the $166.6 million, we expect that about 64 percent, or over $106 million will be devoted to media buys, that is to pay for television, radio, and print slots. Four-fifths of the media buys will occur in FY2000. We must be in a position to begin making these buys on October 1. Major long-term advertisers will have already bought a significant portion of the fixed media inventory. Short-term advertisers can only begin buying the remaining inventory at the beginning of each month. We will be competing against many other purchasers. If we cannot begin buying on

October 1 we will not be able to purchase the slots we need to get the right message to the right people at the right time. So, as you can see, any delay in FY2000 funding would have a serious negative impact on our advertising campaign.

I have said that about 64 percent of our advertising budget is media buys. The rest breaks down this way: labor 16.5 percent, production 14.6 percent, and research, creative, and miscellaneous operating expenses just under 5 percent.

Mr. Chairman, that concludes my testimony. I will answer any questions you may have.

Mr. MILLER. Being both former professors, it's a tendency to talk as long as you have.

Dr. PREWITT. Exactly.

Mr. MILLER. Let me clarify a couple of things. Is the $166 million for the advertising spread out? The current fiscal year there's $47.2. What was the original plan, it was $100 million, do you remember?

Dr. PREWITT. The $100 million number comes from the—now, I've lost their name, I have it in my testimony. I've forgotten it for a moment. We consulted with the firm way back in 1997 to do the work on 1990. And that $100 million floated at that time. This should be approximately in that area.

So you're right. We talked about $100 million, but never as a budget number, at least not once we were into the real 2000 planning.

Mr. MILLER. I am glad and I look forward to the next panel—that good research will be coming up with the right message, that politicians come up the message for civic responsibility, but that may not be the one that sells to accomplish what our common goals are on this common issue.

I was pleased about your discussion. I would like to talk some more about the integrated marketing strategy. Now, Y&R, they are just doing advertising prior to the April 1 date, is that right, the $166 million or maybe through the month of April?

Dr. PREWITT. No. We changed after the Supreme Court decision which also then led to the increased advertising budget. We did two things. One, we put more in consultation with Y&R. We put more upfront money in the awareness campaign. But we also added a motivation campaign for the nonresponse followup period.

So, they will certainly still be running print and advertising, a different kind of message, which is now a message that said someone is going to be knocking on your door. Don't forget, at 61 percent, a response rate, we're talking about $46 million households who have to be tracked down and gotten the cooperation of. So we want an advertising campaign to focus on that. So that will run into April, May and June.

Mr. MILLER. So they will be having a direct advertising campaign for the nonresponse followup?

Dr. PREWITT. That's correct.

Mr. MILLER. Do you know what the breakdown of that is or maybe they can give that.

Dr. PREWITT. Ask them.

Mr. MILLER. They will have it. OK. When you get into these other issues of the logo and direct mail package, how much of that is in-house versus Y&R? I mean, the fliers or the brochures or posters and that type of thing, will that be done in-house or will you be using Y&R, and how do you make sure you coordinate the message and everything?

Dr. PREWITT. There are really three pieces to think of. There is a paid advertising campaign to Y&R. There is our own media, promotion work partnerships and so forth. Then there is a lot of stuff that's just happening. I saw a marvelous video the other day of buses in Orlando. They have taken three city buses and completely enveloped them in census messages. Now, that's something that

came out of the Orlando Regional Transit Authority, in cooperation with our partnership specialist.

That's advertising. They're beautiful, they're lovely, they're striking. But that doesn't come out of Y&R. That doesn't even directly come out of us. That's something that the Orlando people want. So you've got to keep in mind that there's going to be a huge outpouring of media materials that are generated. I met the other day with Henry Cisneros and we were talking about, you know, the campaign in Hispanic television, and Mr. Cisneros is sitting there telling me about the pro bono stuff he is going to put on. He cut his own TV ads for Univision and is sharing those with Telemundo.

So, it's going to be messy at the edges. There's no way that we can totally control all of the things. The Census Bureau, itself, has media specialists in each one of the offices. In each local office, they will be feeding local print media, local videos and so forth all of the time to the local outlets, which will be separate from Y&R.

Mr. MILLER. Are these newly hired positions just for the decennial or——

Dr. PREWITT. These are decennial positions.

Mr. MILLER. So, these are just for the decennial?

Dr. PREWITT. Yes.

Mr. MILLER. So, they will be developing marketing materials?

Dr. PREWITT. It's also responding to press inquiries. We get lots and lots of press inquiries about the census, of course, which are not specifically marketing, it's like the drop-in articles. I saw a beautiful video the other day that our media people did on confidentiality. And we're shipping that to thousands of outlets and hoping they will run a 20- or 30-second clip on it in their north coverage.

Mr. MILLER. We're going to have more time. We're going to go a couple rounds this way. We will just go to Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Chairman. Dr. Prewitt, I always enjoy your testimony for a number of reasons. It's kind of like you're back in the classroom and you've got a professor who's really seriously into what he's doing. So, I know that you're seriously into your work.

But you've mentioned, not only today, but on other occasions, the importance of having enough money to do the work. But you've also talked about the timeliness of having the money. How impactful would a delay be in terms of planning for the work to be done? I mean, if the money is, say, a month off, are you a month late in terms of operationalizing some of the planning that you've got to do?

Dr. PREWITT. Mr. Davis, as a professor, I try not to engage in hyperbole and use exaggerated language and so forth. But I can tell you a month's delay in money at this stage would simply be a disaster for census 2000.

One example, for the last year we have been on what we internally call the road to July. The road to July was getting our address label in place. If we don't have our preliminary cut on the address label in the next 3 days, the entire schedule of the census suffers. We have got to get that address label completed to be on our schedule by the end of this week.

We're on schedule to make that. If you suddenly said to me, "Oh, we will wait another month," that means we would not mail in March of next year. In order to mail in March of next year, we've got to do the particular cut of that label tape today. The census is full of those kinds of things, where everything is on a very, very tight schedule. Slip any one of them by 3 or 4 days and the entire process slips 3 or 4 days.

The money cuts into this as follows: Starting fiscal year 2000 by October 1st, we then are staffing these 520 local offices. You can't tell someone we're not sure when we're going to start your payroll: "We would like to start it on October 1st, but it may be October 10th, it may be October 21st, we will let you know as soon as we can."

When you're dealing with temporary employees, they're gone. You put them on payroll and then you have to let them go, they're gone. You won't get them back. So October is a critical month for staffing these local offices. And as I said, it's a critical month for the advertising campaign. We're on a ramp-up process. You don't get 860,000 employees by next April unless you're starting that process now. And we're on that process. And we really will suffer if there are serious delays, that's all I can say.

Mr. DAVIS OF ILLINOIS. So the money is critical?

Dr. PREWITT. The money and the timing, right, right.

Mr. DAVIS OF ILLINOIS. I've heard it suggested that in the 1990 undertaking, that PSAs may have had just the opposite effect of what was desired. Could you shed a little bit of light on that for me?

Dr. PREWITT. Surely. Surely. That's actually a fascinating hypothesis. It was first addressed and mentioned in a National Academy report. And the logic is sort of as follows, that if you do a reasonably good advertising campaign, increased awareness contributes to response rate. Then, if that awareness campaign is lumpy in the population groups it hits, then it helps some population groups more than other population groups.

We were at the mercy of the local markets. So, if we had a very good advertising campaign, let us say in one city, but a poor one in a different city, because the local TV and radio people didn't want to use it, then the city where we did not have one, if it happened to be a city with a large number of African Americans or Hispanics by definition, their awareness levels are lower. So, in that sense, an untargeted media campaign could actually result in a higher response rate among those population groups that already had response rates reasonably high. That is a preaching to the choir problem.

So that's the logic of the 1990 PSAs—it's not that they weren't good, they were good, and they created awareness. But the awareness was uneven as best we were able to construct afterwards.

Mr. DAVIS OF ILLINOIS. In negotiating the contract with Young and Rubicam, how much emphasis was placed on this whole question of the hard-to-count population groups at risk?

Dr. PREWITT. Exclusively; that is, we from the very beginning expected the advertising campaign to address that problem, which is to say we do not need a heavy advertising campaign to get the standard suburban, over-50 homeowner to sort of send in a ques-

tionnaire. They're going to do it. So why waste taxpayer dollars trying to tell them to do something they're going to do anyway? So, the entire advertising campaign is focused upon the hard-to-count populations. And all of the RFP criteria and the evaluation criteria stressed that.

If I can just add a sentence. Getting the response rate up among the hard to count is as important as solving the final differential undercount problem. We do not think that we can advertise our way out of the differential undercount problem, that's the last 3 or 4 percent. We do think we can advertise our way into a better, across-the-board response rate, which will by definition pull up the response rate of the hard to count.

So, when we talk about hard to count, we include hard to count in terms of getting an initial response back from them, as well as the final differential undercount problem.

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Chairman. I know that my time is up.

Mr. MILLER. Let me make a comment about the money issue. As you know, for the past few years, as far as the appropriation process, Congress has been very responsive to getting the money—if I'm not mistaken we had a problem last October 1 and we made sure in the CR, I forget what it was, but we did provide for it. And I think we need to make sure that we work with the subcommittee on appropriations, on which I serve, to make sure that we will have it. If we go with the CR, probably in the past 20 years we've probably had a CR probably 90 percent of the time, so it will not be an unusual experience. So we need to make sure that we provide provisions, because I recognize that for the advertising, as discussed earlier, that date is critical, so that should not be a problem. But let's make sure we keep on top of that issue.

Mr. Ryan.

Mr. RYAN. Thank you, Dr. Prewitt. There are two things I wanted to ask you. One, I was very intrigued when you mentioned that you could do an immediate 24-hour turnaround on getting back to a community to tell them how their response rate is going. How far of a breakdown will you do? For instance, come March 29th, will you be able to tell us how Racine County responded or the city of Racine, which is a town of 84,000 people, responded to the census so we can get in the newspaper, look, you know, we only had a—30 percent response, come on, let's get going? Will you be able to break it down to communities like that, rural areas like that?

Dr. PREWITT. No. Congressman Ryan, we're working to break it down.

Mr. RYAN. You are?

Dr. PREWITT. Yes. It's also for the sake of this campaign. We're not sure what to call this campaign yet, we're thinking about calling it 1990 plus 5, but we're not certain. We're still working on it. But we need it as a Census Bureau, because we have to target our nonresponse followup enumerators to those areas, so that's why we're trying to break it down to them.

From a public relations point of view, it's enormously important to tell a mayor, run that bus in this area, get your volunteer workers out to knock on doors. I will give you one example. I have appeared on lots of talk shows lately. And I've asked every talk show

host that I've met with, and we're now trying to create this as a national campaign, everyone who calls in to your talk show from March 25th to April 5th, the very first question you should ask them is, did you mail your form in? Just imagine if every talk show host starts saying that. Then they can start saying, "Well; if you're from such-and-such an area, we know only 82 percent of you or 28 percent of you or whatever mailed it back in." So, we're really working to target in a way to mobilize.

Mr. RYAN. Now, on to your media buy. You mentioned that the media buy will be commensurate with those historical areas that have lower response rates. Are you using just 1990 figures for that, or are you going back a couple of decades to look at areas that are historically unresponsive? Then, are you matching your Young and Rubicam media buy with that?

Dr. PREWITT. Oh, no, the Census Bureau has, as you well appreciate, decades of nonresponse kinds of analyses. And we incorporate all of that into our research, including even projections about where population groups have moved. So you can't just rest on 1990 data because, after all, there are whole neighborhoods who have been completely transformed since 1990.

Mr. RYAN. Right. What I'm trying to get at, I think it's very valid and important to target your media buy to those areas that based on the available information you have, you think will be fairly unresponsive, but also my concern is for those towns and cities, you know, below 100,000 people. In Wisconsin there are only two cities above 100,000. It's my concern that the media buy may miss some of those areas, some of those more rural areas that may not with your data show as high of an unresponsive rate but still, nonetheless, have a fairly significant unresponsive rate. If the media campaign misses those areas, we may see a tilting going the other way.

So, how will this address that?

Dr. PREWITT. Certainly. That's an appropriate question, Congressman. The targeting is based upon two sort of interactive models. One is demographics, population groups who are nonresponsive. The other is geographic areas where we have low levels of response. And we now have to intersect the kind of demographic analysis with the geographic analysis. If in a place like Wisconsin there are certain geographic areas that have been disproportionately nonresponsive, let us say, then we would use that as our model rather than just kind of a demographic model.

They obviously are working within a limited budget. They have to take that model and map it against how successful they think advertising will be, and what the reach will be of this particular local newspaper versus that local newspaper or this radio outlet versus that radio outlet. They are doing that and they will obviously explain that to you when they're here.

It's not a full answer to your question, because finally you are making tradeoffs, and if we have to tradeoff an area where we think the response rate is going to be 40 percent to one where we think it's going to be 65 percent anyway, then we're going to go after the 40 percent, because that's the only way to intelligently use the resources.

Mr. RYAN. Given the fact that this is brand new, this advertising is brand new, we haven't done this before, hopefully the goal is to

raise all areas, as you said, everywhere plus 5, so it's not plus 10 over here and still, you know, plus 2 over here?

Dr. PREWITT. Right.

Mr. RYAN. So, hopefully it will do that. I was wondering if you could furnish us with your media buy when you have your flight schedules, you know, planned out.

Dr. PREWITT. Yes, sir.

Mr. RYAN. Also just as a local flavor, I noticed you said Wisconsin. When you're doing your advertising up there, you've got to throw more nasal into it. It's Wisconsin. So please don't do that when you're doing your advertising; Wisconsin.

One more thing, I noticed from the letter there was a little bit of a misunderstanding. The letter that was sent to you for the testimony was to ask you for your advertising budget breakdown. I know that there was concern as to whether that addressed the marketing, the communications, the partnership budget.

Just to settle all of this misunderstanding that seems to be around here, could you provide us with a specific budget justification and breakdown for your advertising market, your marketing budget, your partnership budget, all of those things and the subcategories in your budget with the money that we're appropriating? You may not be able to do this right now at this time.

You know, that's what we do. We appropriate money. So if you could provide us with the specific category breakdown on that budget, I would very much appreciate that.

Dr. PREWITT. Well, certainly. Let me give you the rough cuts now and then if you want more detail.

Mr. RYAN. OK.

Dr. PREWITT. The total—the 2000 budget is $199 million as was mentioned; $111 of that is advertising, the remaining $88 then is in partnership and promotion. Approximately $70 million is partnership, and the remaining $18 million is promotion. I ran through that too quickly, $18 promotion, $70 partnership, $111 advertising, totaling to the $199.

Mr. RYAN. How do you break down the $111, off the top of your head, radio, TV?

Dr. PREWITT. Yes; 65 percent of that is in media buys. And I will let Y&R distribute the media buy part of that budget across the different outlets.

Mr. RYAN. Has Y&R given you a rough draft of what their flight schedule is going to look like?

Dr. PREWITT. Yes.

Mr. RYAN. They have. Could you provide us with that as well?

Dr. PREWITT. Surely.

Mr. RYAN. Thank you, that's all.

Mr. MILLER. Mr. Ford.

Mr. FORD. Thank you, Mr. Chairman, and to my good friend, Mr. Ryan. One thing you can do, Mr. Director, is to make sure you count them when there's a doggone Green Bay Packers home football game. You will probably get everyone there in Wisconsin or however you're supposed to say it.

Mr. RYAN. The problem is if you go, Harold, and knock on somebody's door during a Sunday when the Packers are on and it's in

the middle of the game, no one is going to answer the door. You're going to get shot. You can't interrupt the Packers game.

Mr. FORD. I hear you. I'm with you. We don't have a football team. We have UT football and we do the same thing up in Knoxville. But, Dr. Prewitt, you were kind enough to come to Memphis not long ago and people are still talking about that visit. You were able to fire up a lot of the community organizations and neighborhood associations and really explain to us all the importance of the census. We heard a lot about it. There's been a lot of politicization of the issue, as you well know, a lot of partisanship on both sides.

I think you have done a splendid job in trying to manage some of the politics. We may have differences of opinion, those of us here on this panel about how you're going about conducting the business and whether it's the most effective way, but I think one thing that can be said with safety and certainty is that your interest is ensuring that we get a fair and accurate count in the year 2000.

You recognize the importance for all communities and all States throughout the Nation. I did not get a chance to catch your opening statement, but I would imagine it was probably something along the lines with what you shared with us in Memphis some few months ago.

I guess, if I could, I would really like to sort of give you an opportunity to maybe elaborate on your thoughts on the status of census 2000. Are we on track? Are we meeting some of the milestones that you all have set? How well do you think Y&R is working with different communities in promoting? How have the outreach activities been conducted and are they meeting your satisfaction or, more importantly, the goals that the census 2000 staff has set out to meet? So, if you wouldn't mind elaborating on that to sort of give us an overview again of how things are going.

Dr. PREWITT. Certainly, Congressman Ford. And I might start by saying that was really, for me, a very, very useful visit to Memphis. Many of my visits are useful, but that was particularly useful, because I sort of saw for the first time what kind of eclectic, if you will, community organization it takes. You simply need people from all kinds of different avenues and backgrounds. I mean, I still remember the first question that was put to me when we opened up for audience participation, and it had to do with counting the prison population, and I suddenly realized, there's a whole group out there that is particularly courageous. It was a very nice little technical question, what if someone is only in for the weekend?

Mr. FORD. I don't want you to give the impression there are a lot of people in prison in my district.

Dr. PREWITT. Sorry, but you're right. My point is there are thousands and thousands of highly specific issues that have to be addressed in order to do this—in order to do this well.

To your larger question, remarkably, the Census Bureau is absolutely where it would like to be for this month.

If they're in part because of congressional support, it's there because we got a Supreme Court decision early enough to create a single design that we think is responsive to what the U.S. Congress and the courts want us to do. And on all of the big issues, opening up the offices, getting our address label work done, finishing our local review of addresses with our jurisdictions, getting the adver-

tising campaign underway, having our partnership specialist, on lots of the key operational things which have to be in place by this day in order for everything else to follow. We're on schedule.

I think it's a remarkable tribute to the Census Bureau. Certainly not to me, but to the quality of the people who are there. I can tell you in response, Mr. Chairman, since you've been concerned about some of these responses, our budget people have worked all day Saturday and all day Sunday for the last 5 weeks in trying to be as responsive as they can to two separate sets of questions, some of which came from Chairman Miller through the GAO and some of which came from Chairman Rogers, and quite different sets of questions. The only way we can try to get the answers to those out was to work all day long, not 5 days, but 7 days.

That's what we did. I worry a little bit, quite honestly, about the stresses and strains we're putting on our staff at this time to deal with things that are not directly operational, because I'm going to need those people working every weekend in November, December, January, and February. We will all be working every weekend in those key months.

So, I am hoping that there will be some kind of space that we can kind of gather up or regather our energies as we go into the tough operations. On the big operations, we are on schedule. That's the good news; well, there are footnotes to that I should say, for example, a particular thing we're working on right now is getting our telephone lines into our local offices. That's dealing with contractors and service providers.

Right now, that's a bottleneck. We will solve that in 2 or 3 weeks but every week there's a different bottleneck. That's the one we're working on right now. I don't mean to say there's nothing that's problematic, but it's bits of pieces at this stage.

Mr. FORD. I realize we will hear from them later, but how would you, at this point, grade Y&R's performance and have they met the expectations articulated by you early on?

Dr. PREWITT. Right. You will hear, Congressman Ford, I have now sat through, I guess, a total of, oh, I would say probably somewhere between 35 and 40 hours of presentation of their early creative based upon the research. I went to focus groups. I watched their interaction with the focus groups. I have now seen their early creative. They had about 189 major ideas, that's now down to 111. I watched that screening process.

I would say that this is very high-quality professional work. It is targeted to groups we want to reach. It's in 17 different languages. About half of it is either in language or in cultural sensitivity. It's focused very directly. They have a very elaborate kind of marketing model in mind. So, the Census Bureau has been very pleased with that contract.

I'm happy to say that on the record. And if we weren't, I would be sharing that with you, because we're as responsible for the quality of this work as, of course, they are, because it's our contract. But, no, the work is high quality.

Mr. FORD. Thank you again. Whatever time I have left, I yield back. Thank you, Mr. Chairman.

Mr. MILLER. Thank you. We will do another quick round, if you want to, fine; if you don't, we will move on to the next panel.

But I have a couple of questions. First of all, with respect to Y&R, you said their task is really targeted to the hard-to-count populations. As we talked about the integrated marketing strategy, there's a lot of things that are going to affect the response rate.

Comment specifically on what the goals and objectives are, so when we get ready to talk to them, we will know. How do you plan to evaluate their effectiveness? I remember back in marketing days, 50 percent of your advertising was a waste, which 50 percent was it?

Dr. PREWITT. Right.

Mr. MILLER. And we look forward to talking with them about that issue. But how will you, because a part of partnerships and everything else will contribute to it? Is there a way to measure it? Do you have any plans for the way to measure the effectiveness?

Dr. PREWITT. We obviously have plans. That doesn't actually mean it's the most effective way to measure this as conceivably thought up. We have led a contract to a major private contractor to evaluate the impact of the advertising campaign. They will be in the field collecting survey data in November. That is just prior to the arrival, we hope in public, of the media campaign. They will be asking awareness campaigns, where did you hear about the census and so forth and so on.

As you know, once you're in the middle of something like this, it's very, very difficult to parse out. "Where did I hear about it? Did I see an ad? Did my mayor make a speech? Was there a town meeting? Did a neighbor tell me?" At a certain point, the messages all feed into this. This is not, from the point of view of the Census Bureau, a problem. We think saturation and repetition is going to be key to response rate.

So we want someone—and this is going to happen—a given respondent, to see an ad on the television that comes from Y&R. Then, they're going to see a bus driving around with census on it, and that's going to come from the local count committee. They're going to get in the utility bill a reminder to fill in the census form that's going to come from the partnership effort. And then, they're going to hear a sermon on census Sunday. We are now planning something called census Sunday, where we're going to get every church in the country to stress the importance of the census.

Now, all of those things are going to create, we hope, a saturation environment with respect to the census. And we will, at the final analysis, have a very difficult time saying Y&R contributed this much. When we let the contract, we certainly put to them, did they have any models which would specifically say what increase in response rate did they think their advertising campaign would create, and they came back with a model.

Now, I can't go to the bank on that model. It would be an imprudent act of the Director to say I'm confident that that will happen. That's the mark that we're going to hold them to. If the overall mail response rate in 2000 is lower than 1990, then we will have to say the advertising campaign did not do what we expected it do to.

If it's 4 or 5 percent higher, we will say it did do what we expected of it, but we can't know for certain that was the only thing

that did it. And we will be in that bind. We are letting out a special contract to try to evaluate.

Mr. MILLER. Let me ask one question about partnerships, and, that is, you've got, what, $70 million for the partnership program basically, and you've got $20-some thousand already, and you expect 1,000 more. I think each congressional office may become a part. But you have 500 people working in it. I mean how effective is it going to be? Is it just a marketing gimmick? I mean you have 500 people working on these tens of thousands of partnerships. Is that enough resources we're putting into it and with the limited number of staff you have for it?

Dr. PREWITT. Yeah, each local office will have a partnership specialist, and they will be doing all day long nothing but partnership kind of work. We will have as, you know, a local office in each of the congressional districts. Much of the partnership work is local. Now there's also a kind of national partnership. We've got people out in Suitland who do partnership work, and they're signing partnership agreements with NAACP, Urban League, MALDEF, the Chamber of Commerce, and so forth. It's very hard, Congressman Miller, for me to tell you what percentage of those are going to turn into something.

A lot of them will only be a signed paper. I know that. The question is, if some reasonable proportion of them actually go out and do something, if the Catholic church carries the confidentiality message to the Hispanic population, that's a very major consequence. If Good Will Industries—and we have a major partnership agreement with them—reaches into its constituency, that's important, because that's a hard to count constituency. So what percentage of those 22,000 will actually do something important and big? All of them will do something. They will put notices in their newsletters, and so forth, and that's fine.

Some will do a lot more, and we only have to hope that the proportion of them that do a lot more will boost that response rate.

Could we do with more partnership specialists? Well, if you ask that question to 12 regional directors, every one of them will say, yes, they really feel they're under stress and strain. We had to, of course, at the headquarters make a decision about what the budgetary restrictions would be.

There's also a management task. We care deeply about the partnership program, the media outreach, but we also have a whole set of operations that have to be managed, which is mail out, mail back operation, the update leave operation, the coverage improvement operations and so forth. So, we have to worry a little bit about what is the effective use of our management strategy and structure to maximize the overall consequence.

I will put it this way; 642 partnership specialists is not an inappropriate number. It could be larger, it could be slightly smaller, but it's not a bad number to go into the census with. I'm not discomforted about them being too low a number.

Mr. MILLER. So you have 435 congressional districts each having one?

Dr. PREWITT. Correct.

Mr. MILLER. The rest are going to be targeted to the hardest areas?

Dr. PREWITT. Of course.

Mr. MILLER. So, an area like Mr. Davis' district is a hard to count, he may have two or three?

Dr. PREWITT. Two or three. And they're all in language, every one who needs it has a language skill, they're almost exclusively—they're all exclusively, by the way, African American, Hispanic, Asian American, American Indian. I mean, a very high percentage of them come out of the difficult to count demographic groups.

Mr. MILLER. So, again they're targeted hard to count?

Dr. PREWITT. Extremely targeted.

Mr. MILLER. Mr. Ford, do you have any more questions?

Mr. FORD. Just one last one to followup really on what the chairman has asked. Some folks have suggested that we triple this census 2000 budget. In listening to you talk about some of the stresses and strains imposed upon your staff right now, I know it's difficult for you to talk about that in this setting, but to the extent that the chairman would allow you to expound on that point, just in general, if you would just maybe magnify the stresses and strains and what we could do, if indeed we reach a point where you feel your staff is burned out. We're in practice right now. When the game really starts, I want the legs to be as fresh as you do.

So, as we talk about increasing this budget, is that something we ought to take seriously, more seriously than perhaps we are, because right now it seems to be more political than based on facts. And listening to you today leads me to believe that perhaps this conversation or this dialog ought to take on a new level of seriousness.

Dr. PREWITT. Well, I appreciate the question, Congressman Ford, because it is serious. We would have to talk about the particular way in which the budget might be increased. Take just the advertising budget. As I think the Y&R people will testify, there is a point that it is redundant, it's saturated. As you know, based upon the creative that you've done, you can only do so much media buy. And if you don't now have time to increase the creative, then doing additional media buy doesn't buy you anything. So there is a saturation point on that. That's different from the stress and strain, but I think when we've talked in the past about whether the advertising budget should be $300 instead of $100 million, that was kind of the conversation we were having. And I think the chairman has acknowledged in his own opening remarks that it seems to be that we're not at a bad place. I believe I can attribute that from your comment.

The larger question you ask about the strains on the staff, I'm concerned about it. I don't want to leave the impression that I think we're at the edge of burnout, because I don't think we are, there's enormous energy and commitment to the census among the professional staff. We have been pushed very, very hard. We were on two separate tracks, as we well know, up until January 15th and the Supreme Court decision. It is extremely difficult to maintain two separate tracks, and then we had to very quickly fix on a particular track that satisfied as many of the purposes of the census as possible, get that budgeting process done and so forth.

And, quite honestly, Congressman Ford, we've not been cut any slack by any of these processes; that is, I would hope that the U.S.

Congress and other agencies that have to exercise their oversight responsibilities—not for a minute do I deny that we are spending a lot of public money. We have a real responsibility to tell the public how we are spending those dollars, but nevertheless we have to actually do it and we're now doing it, and it would be extremely useful if there could be a bit of an understanding about what we're trying to do as we're trying to explain.

We spend a lot of time trying to explain it, rather than actually managing it and moving the operations forward. To put additional tasks on our design at this stage, as I've testified in front of this committee before, is, I think, not prudent. I would now not add any additional tasks.

We had a hearing before this committee not too long ago about counting overseas Americans. That would have been a serious additional task to put on census 2000 at this stage of the game. For that reason, I had to recommend against it. I actually met since then with the coalition, the Overseas American Coalition at great length, talking to them about this, in trying to talk through their problems and our response and so forth. I think we made headway with that particular group.

But at this stage, to say go out and do that task would really strain our operations, as I tried to explain to them. So, whatever it is that adds a whole new operation to the census would be, I think, really imprudent at this stage.

Mr. FORD. Thank you, Mr. Chairman.

Mr. MILLER. Let me clarify something, Mr. Ford. Are you saying we shouldn't be providing oversight, having been concerned about the $4½ billion they were going to spend this year? We really have a responsibility. I'm on the Appropriations Committee subcommittee too, but we need to know as we go through this appropriation process to justify this very large sum of money, as do any of the committees.

Mr. FORD. No, I don't have any problem with it. I was only asking as it related to the Director's comment concerning the stresses and strains on the staff and whether he went in a direction that he wanted to go, but I would have no problem with us demanding accountability. I would join you in that.

But I would also hope you would join me if the Director comes back to the committee and says more resources are needed to complete this task. I would hope all of us would have a willing ear and perhaps are willing to vote that way as well and hold them accountable for every dollar he spends.

Mr. MILLER. As you know, we provided about $200 million more than the President has asked in past appropriation requests.

Mr. FORD. The President isn't always right. I agree with you on that, too. If he comes back and says more money is needed, I'm going to trust him more than I trust the President. He's on the front line. That was my only point, Mr. Chairman.

Mr. MILLER. All right. We do have a serious responsibility for oversight of Federal taxpayers dollars. I hope no one is inferring that we shouldn't, you know, have an oversight responsibility.

Dr. PREWITT. Certainly I'm not, sir, as you know.

Mr. MILLER. OK. I think we need to move on. Thank you. Thank you, Dr. Prewitt. We will probably see you in September on a hearing. So, we will proceed to the next panel. Thank you very much.

Dr. PREWITT. Thank you.

Mr. MILLER. If Ms. Dukes and Mr. Chisholm will come forward, please. This is an oversight hearing, so we get sworn in under the rules of this committee.

[Witnesses sworn.]

Mr. MILLER. Let the record note that you answered in the affirmative. Welcome, and thank you very much. We've been looking forward to this hearing for some time and we haven't had it until now because we wanted to make sure everything was a little better organized as we move along. I know there was a meeting earlier in July with the ranking member, who participated, and some of my staff were there, and they were very pleased.

I'm sorry you don't have any things you could show us today, but I understand some legal restrictions on that, and we will see that at a later date. But I know you each have opening statements. If you would like to proceed, who would like to proceed? Ms. Dukes could go first.

Ms. DUKES. Yes, please.

Mr. MILLER. Ms. Dukes.

STATEMENTS OF TERRY DUKES, EVP, ACCOUNT MANAGING DIRECTOR, YOUNG AND RUBICAM, NEW YORK; AND SAMUEL J. CHISHOLM, CHAIRMAN AND CEO, THE CHISHOLM-MINGO GROUP, INC.

Ms. DUKES. Thank you, Mr. Chairman and Mr. Ford, thank you very much for inviting me here today. You asked me to address five issues and I will. First, the overall coordination with subsidiary firms representing minority groups, the development of the campaign message, lessons learned from dress rehearsal, learnings from our focus groups and finally the difference between diverse America and in-language and in-culture programs.

First, on the coordination with the subsidiary firms, we're actually functioning as one team. As Dr. Prewitt mentioned, the team consists of Y&R as prime contractor; the Bravo Group, which is an independently managed Y&R agency dedicated to reaching Hispanics; Kang & Lee, which is also an independently managed Y&R agency but dedicated to the Asia communities and the single largest buyer of Asian media in the United States; G&G Advertising, focusing on the American Indians and the Alaskan Natives; and Chisholm-Mingo Group—Sam is with me today—dedicated to the African American market.

And this team operates under the management umbrella of Y&R, but all focusing on a common goal of increasing participation in the census. Our operating structure is built around cross agency functional teams. For example, we will have a media team that consists of representations from all of the agencies. It's led by Y&R, but all of the agencies have their media people on the team, and the way they work is together they will determine the media objectives, they will then go off and independently develop ideal programs for their audiences against those objectives, cost out those programs, come back, look at what those programs are costing relative to the

finite budget we've been given and then begin the process of determining where it makes the most sense for the overall success of the program to start making adjustments.

So, in this sense, we are operating against results and not allocating buckets of money toward specific tasks, if you will. So, we're operating as one team against a common goal.

Second, development of the campaign message. Well, in everything we are doing as a collective team, we're taking a very disciplined approach, which means that basically we have check points and course correction all along the way. We begin with the segmentation model, which informs the media strategy, which then informs the creative that we will produce. Now, what creative says has to be relevant to the audience we're talking to. So, we began to develop that message by looking at history, looking at the historical response rates of the census, what were some of the challenges to participation that were encountered.

We used existing research from the Census Bureau. We went to their library and we used other outside forces, of which one was certainly Roper talking about the mood of the Nation, and one of the things we learned in the Roper research is this disengagement in specific responsibility, so we saw that as a serious issue.

Certainly there are numerous barriers to individuals completing the census form, but the primary is that the census has become irrelevant. It's negatively tied to government, its intentions are misunderstood and its benefits are unknown. This is what our respondents told us as we were trying to understand what kind of messaging would motivate them.

So we concluded that our task needed to dispel the notion that the census was Uncle Sam's head count. We needed to position the census as a personal empowerment tool, and we had to importantly make census personally relevant. Thus we came up with the creative strategy that answers the question, "What's in it for me?" We call that the benefit strategy.

We tested this strategy. We tested it against reapportionment. We tested it against it's your civic duty, patriotic responsibility, and we tested it against a confidentiality message as well. This benefits message was found to be most universally appealing across all the target audiences, much more so than the other messages I mentioned.

And one of the interesting outcomes as we tested this is that we learned that there was a hierarchy of benefits that were important to or relevant to specific target audiences. So, the advertising will reflect the benefits that were fed back to us as important to these audiences; for example, education, health care, roads and highways.

So, taking that strategy, we went into the dress rehearsal, and what did we learn? Remember I indicated that the messaging and the media strategy were informed by segmentation model, and Dr. Prewitt referenced it in his earlier remarks. The most important finding from the dress rehearsal was the validation of the segmentation model that we call and have trademarked the likelihood spectrum.

Now this model is based on a sliding scale of community and civic involvement factors used as a means of predicting the likeli-

hood of participating in the census. It ties back to the earlier discussion about civic engagement. The more engaged you are, the more likely you are to complete the census form.

The less engaged, the less likely. Dress rehearsal proved that this model was a significant predictor of response of participation in census and, in fact, it was a better predictor than previously used demographics. In Sacramento, for example, for every one unit increase in civic activity, there was a 30 percent increase in the predicted odds of mail back. In South Carolina, that percentage went up to 48 percent.

Now, one thing we did not learn in the dress rehearsal, because we did not test, was the effectiveness of media selection. Now, the reason we did not test this is because we weren't able to develop what we will call a statistically significant test environment where we would have control, as well as various levels of media. We were able to test the message. And I will talk about that in a moment.

The reason I bring this up about the media is because I believe there was some concern over the fact that Sacramento did not utilize all media available. This is true. The reason for that is that when we developed the dress rehearsal media buy, it was based on a translation of the equivalency of the national media that would be utilized in that particular market during the main event.

We will be dedicating 49 percent of our total budget to local media as an overlay to the national media, but not every market will get every local medium because the budget is finite. And so we used in Sacramento the same local media that we will be getting in the main event; therefore, we did not buy media to saturate Sacramento, we bought media to replicate, as best as possible, what would be happening in the main event.

Now, what we did learn about message effectiveness was very encouraging. This was an independent study commissioned by the Census Bureau and conducted by Westat. And what Westat told us is that overall our messaging raised awareness, increased knowledge, and increased positive attitudes toward the census. Now, this is important because we were able to find an indirect link between increases in awareness and participation and increases in knowledge and acceptability of nonresponse followup.

So, Dr. Prewitt mentioned earlier we have this hard task of really linking results to what element of the marketing program and specifically to the advertising. In fact, advertisers for centuries have been trying to find a direct correlation between advertising and sales. It's virtually impossible but we did find an indirect correlation. So, we're very encouraged that by raising awareness, we will raise the anticipation of receiving the form, and the Census Bureau tells us that their research shows anticipation of receiving the form increases participation.

So, we feel pretty good about suggesting that the advertising will increase participation and, in fact, that ties into the model that Dr. Prewitt mentioned. We came to him with suggesting that indeed we will be able to do that.

Now, within the context of the dress rehearsal, we tried to get at the hard to reach. Now, the hard to reach also happened to be hard to research. So, in addition to the Westat study, Y&R commissioned its own study to do focus groups before the advertising ran,

to do focus groups after the advertising ran, and to quantitatively test the advertising that we used. And, what we learned was some of the work worked and some of the work didn't.

We learned that as we did the focus groups, quantitatively, and we looked at the individual messaging. The work that worked was the television commercial created for diverse America. The TV and radio spots created for American Indians and for the Hispanics is the work from the dress rehearsal that is going forward into the main event. All other work for the main event is newly created.

And that newly created work has been tested also in focus groups, and here's what we learned. Actually, in March and April, this was a mammoth undertaking. There's never been anything like it. We did in those 2 months 1,700 interviews with all target audiences in all census regions, exposing over 100 ad concepts, not different ads, but ad ideas.

And I think the purpose of the testing was to gain cultural insights and learning that would optimize the power of the advertising, not do you prefer this ad over this ad, is this a good idea, is this a bad idea, but tell me more about this idea so I can make it more powerful, so I can make it stronger; or tell me what's really not working about this.

The net result is that we eliminated some advertising, we modified some advertising and we developed some new advertising from ideas that came out of the focus groups. But overall we were very encouraged. The whole campaign approach does what we want it to do. It dispels the head count myth. We learned that there needs to be a credible connection. While benefits are believable, there needs to be a very careful and credible connection between the benefits that we're promoting and the census because overpromise will actually challenge credibility.

We learned that the combination of suggesting broad-based benefits like your share of the $185 billion in Federal funding for your community, combined with specific benefits like the need for improved schools, was a very powerful combination and that is reflected in the advertising. And we learned that the tagline reinforces the benefit strategy and because of its future orientation and call to action is universally appealing.

Another encouraging aspect is that these findings were credible or they were valid across all the target audiences, which sort of reconfirmed our notion of working off a single strategy. Now, though, we are working off a single strategy. There are some distinctions between the messaging for diverse America and the messaging for the in-language, in-cultural programs. I'll address that now.

The Diverse America Campaign will reach every adult who consumes English language media regardless of their ethnicity or their likelihood to complete the census form. In fact, our media strategy, our media plan right now will reach 99 percent of all adults 18 and older who consume English language media. In addition to that, there will be overlays of media, approximately half of the total media budget toward in-language, in-culture vehicles, media buys if you will. These media buys are targeting specifically to the least likely to respond. This happens to skew more toward the minority groups and will specifically be targeted to almost one-half the total black population, which includes African Americans, Caribbean,

sub-Saharans and Haitians; to Hispanics who are both United States born as well as immigrants from Mexico, Central America, South America and the Caribbean; in-language to Asians, two dialects of Chinese, Koreans, Vietnamese, Filipino, Asian Indians, Japanese, Cambodian, Thai, Hmong and Laotian; and the emerging markets of Russian, Polish, and Arabic speaking peoples. These were targeted because of the immigration figures. We know there are other populations but the recent immigrants, the total recent immigrants, are high enough to require in-language programs: the majority of American Indians, Alaska natives, and Puerto Rico and the island areas.

Now, these groups that I just described will get almost as much of the media that is going to diverse America, so it's an overlay program. And the messaging will be targeted to be more relevant to these audiences as well. For example, to the African-American population, it's very important to create a strong sense of group identity. Therefore, the tagline will actually be altered to this is your future, don't leave it blank. It's African-American talking to African-American. As Dr. Prewitt mentioned for the Hispanics and even the Asians and the emerging Polish, Russian and Arabic speaking, there will be more information in the advertising actually explaining what census is all about and there will be a lot of messaging regarding confidentiality because to these groups this is a very serious issue. And my final example to the American Indian-Alaska native populations, this group holds their elders and children in very high esteem, so their tagline is being altered to explain generations are counting on this, don't leave it blank.

Those are just a few examples of how the program is being targeted to each of the distinct populations. The media mix will also vary because we know from syndicated research that the media habits of each of the target audiences varies. So, for example, we know that radio is a primary vehicle for African Americans, whereas print is the primary vehicle for Asians and when you're talking to diverse America, you'll be using primarily television.

Now, I'm not suggesting that not all media will be used for all populations or for all target audiences. In fact, all media will be used for all populations. However, the skew, the mix, the relative weights will vary based on media preferences for those groups.

So in summary, the difference between the diverse America program and the in-language, in-culture programs is really executional, to be more culturally relevant to each of those target audiences. The strategy is the same. The media approach is the same. And the weight that is reaching as many of those individuals as we possibly can remains the same goal.

Thank you. That concludes my prepared testimony. I would be glad to take any questions.

[The prepared statement of Ms. Dukes follows:]

PREPARED STATEMENT OF
TERRY W. DUKES
EVP, ACCOUNT MANAGING DIRECTOR
YOUNG & RUBICAM NEW YORK
Before the Subcommittee on the Census

Committee on Government Reform
U.S. House of Representatives

July 27, 1999

Mr. Chairman, Mrs. Maloney, and Members of the Subcommittee:

Thank you for the opportunity to testify today on the paid advertising campaign for the decennial census. You asked that I specifically address five areas:

1. Overall coordination with the subsidiary firms who represent minority groups;
2. Development of the campaign message;
3. Lessons learned from the Dress Rehearsal;
4. What we learned from the focus groups we conducted;
5. The difference between the Diverse America and in-language programs.

1. Coordination with Subsidiary Firms Representing Minority Groups

The agency team consists of the following:

- Young & Rubicam ("Y&R"), as prime contractor, has leadership responsibilities for Team Census 2000.
- The Bravo Group—an independently managed Y&R company ranked number one among Hispanic agencies in the country.
- Kang & Lee—an independently managed Y&R company, the single largest buyer of Asian American media in the U.S., with expertise in advertising to both multi-cultural Asian and emerging Eastern European audiences.
- G&G Advertising—an American Indian owned agency specializing in reaching American Indians on reservations and in urban areas throughout the continental U.S. and Alaska.
- The Chisholm-Mingo Group—an African American owned business specializing in the development of communications for minority communities especially the African American market.

The subsidiary agencies operate under the umbrella direction of Y&R, and all work toward the common goal of increasing participation in Census 2000. The operating structure is built around the creation of cross-agency functional teams each of which are led by a Y&R member. For example, there exists a single Research team consisting of members from all agencies and led by Darlene Billia from Y&R; a single Media team led by Lori DeSimone from Y&R and so on for Account Management, Creative, Production and Business Affairs.

This allows the extended team to focus its energies towards a common goal, to build programs toward achieving objectives and not against budget allocations, and to optimize efficiencies and working budgets by eliminating redundancies. Let me illustrate how this works.

In the development of the media plan, Y&R identified the total budget and the Media Team jointly developed the media objectives. Each agency then independently developed the ideal media plan for its target audiences against those objectives, including Y&R on behalf of Diverse America. The final plan was the result of the Media Team working together to determine the right balance of media, across all audiences, to ensure the success of the overall program within the defined budget. In this way, it was not a budget allocation process, but a results-driven process.

2. Development of the Campaign Message

Team Census 2000 created a multi-layered advertising campaign designed specifically to optimize budgets and to reach a vast and highly diverse audience. The core elements of the campaign are:

- A single creative strategy with universal appeal as the basis for all messaging;
- A breakthrough audience segmentation model to ensure message relevance;
- An effective and efficient media plan to deliver the message; and,
- A disciplined approach which involved checkpoints to validate and course-correct each element of the program at every step.

The first step we took in creating the overall campaign message was to review Census history in order to understand the specific challenges that hindered participation. This began in 1997 when Y&R was competing for the Census assignment. We used existing research both from the Census Library and from other outside sources; and we conducted our own research to help formulate the creative strategy that would drive the campaign messaging. We conducted 17 Focus Groups across all targets nationwide.

Team Census 2000's takeaway from the extensive research was that while there are numerous barriers to participation, essentially the Census has become irrelevant to people. It is negatively tied to government, its intentions are very often misunderstood and the real benefits are virtually unknown.

Our conclusion was that our messaging needed to dispel the idea that the Census was nothing more than Uncle Sam's Head Count and to position it as a personal empowerment tool – make it personally relevant to each and every person. The campaign has to convey that "By participating in Census 2000, you really could make a difference in the future for yourself, your family, and your community. Don't participate and all may lose out." In short, the core creative strategy is a benefits strategy that has to answer the question, "What's in it for me?"

This strategy was tested to ensure its relevance across all target audiences and to verify its significance relative to other messaging options.

In a Y&R commissioned research study among a nationally representative sample of the population, the benefits strategy was tested with several alternatives. The benefits strategy proved to be the most universally appealing message overall. It was a relevant and motivating

message across all demographic groups, but particularly for those who are less likely to participate. Other alternative strategies did not have such universal appeal. For example, congressional reapportionment and patriotic duty were important messages for older, more educated, higher income people who are more likely to fill out the Census anyway. The study also showed there is a hierarchy of benefits. Among the benefits most frequently cited were education (particularly for children), health care, roads and highways, job training and daycare. Public transportation was also important in urban areas. These are key among the various benefits addressed in our advertising.

3. Dress Rehearsal Learning

Probably the single most significant learning from the Dress Rehearsal was the validation of the audience segmentation model created by Y&R. To reach our vast and diverse audience effectively and efficiently, Young & Rubicam developed a unique and exceptionally accurate segmentation methodology called the **Likelihood Spectrum™**. It is a model based on a sliding scale of community and civic involvement factors used as a means of predicting the likelihood of participating in the Census. The model proved extremely reliable at predicting Census mail-back response rates during the Dress Rehearsal. Dress Rehearsal research findings indicated that civic/community involvement is a significant predictor of mail response and a better predictor than previously used demographics. In Sacramento, for every one unit increase in a civic/community activity, there was a 30% increase in the predicted odds of mailing back a form. In South Carolina, each unit activity increase was associated with a 48% increase in the odds of returning the form. Because of this validation, we are confident that using this model of target audience segmentation puts Census in the best possible position to help reach the goal of increased participation.

The second area of key learning centered on campaign effectiveness. But before getting into those specifics, I will address the issue of Dress Rehearsal media, specifically as it relates to Sacramento.

Importantly, the Dress Rehearsal was designed as a test of operations. It was not intended as a test of media effectiveness; it was seen as an opportunity to test message effectiveness. As such, the media selection was based on the local equivalency of the preliminary national media plan—that is, the national media plan insofar as it existed at that early stage. And while 49% of the total media budget will be dedicated to local media, not all markets will get all forms of local media because the budget is finite. Sacramento happens to be one of those markets. Therefore, in the Dress Rehearsal, the media in Sacramento was not planned to saturate the market, it was intended to replicate, as best as possible, the same level of media that would be utilized in the main event.

Now, about message or campaign effectiveness.

An independent evaluative research study commissioned by the Bureau and conducted by Westat in two of the Dress Rehearsal sites—Sacramento and South Carolina—provided proof of the campaign's effectiveness. It showed that advertising based on the benefits strategy raised awareness, increased knowledge (especially among the least likely who had a lower base of knowledge to begin with) and increased positive attitudes. Similar to most industry studies seeking to isolate and measure the effectiveness of advertising, no direct link with increased mail

response was uncovered. However, exposure to advertising proved to have an indirect effect on participation. That is, advertising exposure was found to increase the anticipation of receiving a form. Other BOC learnings showed that expecting a form increased response. Advertising exposure also increased knowledge. Again, other BOC learnings showed that increased knowledge correlated to increased cooperation with non-response follow-up. Thus, advertising had an indirect effect on participation.

Now, hard-to-reach, hard-to-motivate populations are also hard-to-research in nationally representative telephone studies, and it was critical they be included in our studies. So, additional research beyond the Westat study was conducted. Focus Groups were conducted in the Dress Rehearsal sites before and after the campaign ran, and quantitative nationwide copy testing was done among key target groups. This research further confirmed the effectiveness of the advertising across cultures and among people who are the most difficult to reach. It is this advertising that tested so positively that we are incorporating into the Main Event—specifically, one television and radio spot each for the Hispanic and American Indian/Alaska Native targets and one television spot for Diverse America.

But this is not all. Hundreds of new campaign concepts have been developed and tested in preparation for the Main Event. I will now share those learnings.

4. Focus Group Learnings

During March and April, Y&R commissioned several independent research firms offering specialized expertise in each of our respective target groups. They conducted over 1700 interviews, across all target audiences, touching all Census regions and exposing the audiences to a broad range of creative concepts. The purpose of the research was to obtain cultural insights and gain learnings that would optimize the power of the advertising. Applying these extensive learnings to the creative development process led us to eliminate some advertising concepts; revise others to make them even more credible, relevant and motivating; and add a few new ones that have since also been tested.

Here are the overall findings:

- The campaign successfully dispels the headcount myth.
- Making a credible and relevant connection between the Census and the benefits is key. If we overpromise, the advertising could do more harm than good by stretching the limits of credibility.
- A broad-based benefits message—such as reference to a community receiving it's fair share of $185 billion in federal funds--combined with a more personally riveting single issue story—such as the need for improved schools— is particularly effective.
- The tagline successfully reinforces the benefits strategy; and its future orientation and empowering call to action are universally appealing.

These findings are true across all audiences, but the campaign recognizes the differences among cultures.

5. Difference Between Diverse America and In-language Programs

The Census 2000 advertising campaign is a single campaign built on one universally appealing *creative* strategy. And that strategy is expressed in a number of different ways that are culturally relevant and language specific to the target audiences. The campaign is also built on a single highly effective and efficient *media* strategy that recognizes differences in media habits among the target audiences. This singularity of strategy optimizes the power of the campaign while the variety of expression and appropriate mix of media optimizes the relevance of the message.

Within this framework, media and messages targeting Diverse America will reach every adult who consumes English language media regardless of ethnicity or his/her likelihood to complete the census form. The in-language/in-culture media and messages, on the other hand, focus primarily on those within each specific target audience who are least likely to complete the census form. Specifically, this includes:

- Almost one-half the Black population including African Americans, and the emerging markets of Caribbeans, Sub-Saharan Africans and Haitians.
- Hispanics, both U.S. born and immigrants from Mexico, Central and South America and the Caribbean.
- Asians, including Chinese, Korean, Vietnamese, Filipino, Asian Indian, Japanese, Cambodian, Thai, Hmong and Laotian.
- The emerging markets of Russian, Polish and Arabic-speaking immigrants.
- The majority of American Indians/Alaska Natives.
- Puerto Rico and the Island areas.

In addition to the overall findings from the 1700 interviews where creative concepts were exposed, specific target audience insights were gained. These insights were applied to the development of the creative expressions for each audience to make the messaging even more relevant. For example:

- For the African American audience, it is important to create a strong sense of group identity. Therefore, the tagline was revised from "This is *your* future. Don't leave it blank" to "This is *our* future. Don't leave it blank."
- For Hispanics, Asians and the emerging Eastern European/Middle-Eastern targets, more information explaining the Census is required. Confidentiality is also an important issue to these groups.
- The American Indians/Alaska Natives hold their elders and children in high esteem. Therefore, the tagline is modified to say, "Generations are counting on this. Don't leave it blank."

A different mix of media is being used for each target audience based on their media habits as well as media availability. For example, radio is a primary media vehicle for reaching the African American target; while print is consumed more among the Asian segments. Diverse America, on the other hand, will be reached primarily through national television. This is not to suggest that all media are not being used against all target audiences. This does suggest, however, that the media mix for each target audience will match their media preferences.

In summary, the campaign differences between Diverse America and other target audiences are executional. All aspects of the campaign are intended to achieve the common goal of increased Census participation with a unified creative strategy delivered through a single media strategy.

Mr. Chairman, that concludes my testimony. I will be happy to answer any questions.

Mr. MILLER. We'll let Mr. Chisholm make an opening statement. Mr. Chisholm, welcome.

Mr. CHISHOLM. Mr. Chairman, Congresswoman Maloney, members of the subcommittee, I thank you for giving us this opportunity to participate in this hearing to talk about something that we are very passionate about and that's census 2000. We're passionate about it because of what it represents to the African-American community specifically. You asked us to address the in-language, in-culture campaign, how we are coordinating with Young and Rubicam and the potential for the campaign's effectiveness in the hard to reach communities. One of the philosophies that we believe in is that you have to affect attitude and therefore you will affect behavior. This is truly key in all of the things that we have done as it relates to census 2000.

Mr. Chairman, I also want to address a comment that you had made earlier when you said that 50 percent of advertising is a waste. I know that you were a former professor of marketing and I must tell you that that was some very bad advertising. It clearly did not have a solid and significant strategy of which we are about today.

The Chisholm-Mingo Group is a full-service advertising public relations agency located in New York City. I am proud to say that the Chisholm-Mingo Group is an independent African-American advertising agency. Our interest in the census dates back to our involvement in the 1990 census. Now, having said that and having listened to the comments and the criticisms of the 1990 census, I'm not so sure if a lot of my testimony is going to be valid because of the large numbers of criticisms that were given to the 1990 census and our efforts, but clearly, there's a significant amount of learning that we realized from the 1990 census. It was an extreme pleasure to be contacted by Y&R in December 1998 in which they asked us to pitch the subcontract portion of their contract. The Chisholm-Mingo Group participated with five African-American agencies at that time and we were awarded the subcontract on January 3, 1999.

We believe that our selection was based primarily on our true understanding of the African-American or black American community, our commitment to the census, our experiences with the 1990 program as well as our understanding and our ability to galvanize a kind of a world class marketing communications team to work on the project. Now, between Y&R, the Chisholm-Mingo Group, Bravo for Hispanic, G&G for American Indian, and Kang & Lee for Asians, there's a clear understanding that we all work toward the same goal with the same strategic intent and intensity. The difference is that we leverage our attitudes and our attributes that are most important to our specific target market. The Chisholm-Mingo Group's responsibility to the census 2000 happens to be the African-American community.

Now, it requires us to begin by laying a real sound and significant strategic foundation that will work pretty much as follows. The census 2000 diverse America strategy which Y&R has created is expressed in the tagline, "This is your future, don't leave it blank." In understanding the mindset of the African-American community, the Chisholm-Mingo Group has modified the strategy for

the African-American market. The African-American communications kind of reexpression of that tagline is: "Census 2000: This is our future, don't leave it blank."

Now, in preparing the communications programs for the African-American market, we were cognizant of the changing face of black America. As a vital part of our communications efforts, we have a separate targeted effort focused on the sub-Saharan African communities and specifically, but not limited to, Ghanains, Nigerians and Ethiopians as well as the Caribbean community, including, but not limited to, Jamaicans as well as Haitians. Now, within these emerging black markets, we understand that there are cultural similarities but we also understand that there are cultural differences, particularly as it relates to African Americans. And in developing our strategies and in developing our tactics, we clearly recognize that and it is clearly reflected in the work that we have done. Now, all that I have kind of broad stroked in these general remarks have been examined and tested both quantitatively and qualitatively through research. Research among other least likely and undecided market segments have been done and in pretty much every region of the country and among the hard to reach and the least likely urban, as well as rural communities. We have validated the appropriateness and the effectiveness that the images and the words that we have developed, their impact on the minds and the mindsets and the hearts of the African-American, Jamaican, Haitian, Nigerian, and the Ghanain people. "Census 2000: This is our future, don't leave it blank" has the potential to open the mind of every most hard-core, least likely of all patrons to the possibility that census 2000 participation can mean a difference, particularly as it relates to better education, better schools, health care, job training and various opportunities in the communities.

The Chisholm-Mingo Group, in closing, is committed to identifying and evaluating minority owned media vehicles and properties that will leverage our messages and that will ignite the word-of-mouth communications that is so very, very important to the black communities both on a national as well as a grass roots level. Beginning in November 1999 and through May 2000, the most recognized tagline, at least we believe, in the black American community will be, "Census 2000: This is our future, don't leave it blank."

Mr. Chairman, that concludes my testimony.

[The prepared statement of Mr. Chisholm follows:]

PREPARED STATEMENT OF
SAMUEL J. CHISHOLM
CHAIRMAN & CHIEF EXECUTIVE OFFICER
THE CHISHOLM-MINGO GROUP, INCORPORATED
Before the Subcommittee on the Census

Committee on Government Reform
U.S. House of Representatives

July 27, 1999

Mr. Chairman, Mrs. Maloney and Members of the Subcommittee:

Thank you for the opportunity to testify today on the participation of the Chisholm-Mingo Group in the paid advertising campaign for the decennial census.

The Chisholm-Mingo Group is a full service advertising and public relations corporation based in New York City. I am proud to say that the Chisholm Mingo Group is an independent African American owned and operated corporation. We are currently the third largest African American agency in the United States. The ranking of the agency is based on the amount of dollars that are used to buy advertising time and space. Our current billing is in excess of $80,000,000. The Chisholm-Mingo Group serves the advertising and public relations needs of a broad range of major corporations including Texaco, MetLife, Time Warner, General Motors among many others. We also proudly serve as the African American advertising agency for the U.S. Army Recruiting Command, as a subcontractor to Young & Rubicam. This contract is in the amount of $ 3,000,000.00 for the preceding fiscal year.

Our interest in the Census program dates back to our involvement in the 1990 Census, as the volunteer African American advertising agency. The Chisholm-Mingo Group was an active solicitor of the Census 2000 contract at the time of the original RFP. We participated with a competing group of agencies and lost that bid to Y&R. It was a extreme pleasure to be subsequently contacted by Y&R in December of 1998 and asked to pitch the AA subcontract portion of their contract. The Chisholm-Mingo Group competed against 5 African American agencies. Y&R awarded the subcontract to the Chisholm-Mingo Group on January 3 , 1999. Our selection was based on several key factors: 1. A true understanding of Black America and how vitally important Census 2000 participation is to our communities, 2. Our experience in the Census 1990 program, which was invaluable as a learning tool, 3. A world-class team of advertising professionals assigned to this project.

I would be remiss it I didn't mention that in addition to Young and Rubicam, the prime contractor, and The Chisholm-Mingo Group, there are three other agencies who will focus on specific market targets: Bravo for the Hispanic market, G&G for American Indian, Kang & Lee for Asian and emerging markets.

Between the team of agencies that have been assembled, there is a clear understanding that we work toward the same goal, with the same strategic intent and intensity. The difference is we leverage the attitudes/attributes that are most important to our target audiences.

In developing communications strategies and campaigns for our clients, we never forget our responsibility to speak honestly. The Chisholm-Mingo

philosophy is simply: *To reach the head, we touch the heart*. That philosophy demands that all of our efforts be focused on understanding what is really important to the African American consumer. Only in understanding the consumer emotional connection can we convince someone to buy a car, choose an energy company *or* participate in Census 2000.

The Chisholm-Mingo Group's responsibility to Census 2000 and to African American communities required us to begin by laying a sound strategic foundation for all the work that would follow.

In developing the African American Likelihood Spectrum™ (a validated research indicator of propensity to participate in Census 2000) for the African American market, 46% of African Americans would fall into the Least Likely to participate category. As frightening as that number is, we know that it is representative of the history and mindset of African Americans in the United States—their hopes, fears and disappointments. But we also recognized that there is a deep and abiding hope for the future and the promise for the next generation. This is borne out in what we know as African Americans and supported by our proprietary and syndicated attitudinal research sources.

The Census 2000 Diverse America strategy, developed by Y&R is expressed in the tagline *Census 2000. This is your future. Don't leave it blank.* In understanding the mindset of the African American marketplace, the Chisholm-Mingo Group has modified this tagline for the Black American markets. In order to impact the Least Likely to participate segment, we must galvanize all parts of the African American community. The sense of importance, urgency,

responsibility to community, family and self must all be communicated. The African American communication program's re-expression of the tagline was synthesized to a single but vitally important word change. *Census 2000. This is* ***our*** *future. Don't Leave it blank.*

In a single word, we migrated the communications platform to a grassroots, community based effort. For the African American marketplace, this is critically important to a successful Census 2000 participation. In paving the way for the partnership efforts, the African American communications through paid media placements will leverage the icons and imagery which are most cherished by our communities. Not in an exploitative manner. Rather, in a synergistic manner that will marry messages to media environments, that will educate and motivate our least likelies and undecided/passives and energize those influencer organizations and community, neighborhood, block level individuals who will encourage, cajole and assist the most reticent of our community to fill out Census 2000.

In preparing the communications program for the African American marketplace, we were cognizant of the changing face of Black America. Relying on immigration data for the past decade, we have identified Black emerging markets and the media that addresses these markets. As a vital part of our communications efforts, we have separate targeted efforts that will speak to Sub Saharan African communities (including but not limited to Ghanains, Nigerians, Ethiopians) and Caribbean communities (including but not limited to Jamaicans and Haitians). Within these Black emerging markets, we understand the

attitudinal similarities and, more importantly, the differences from African Americans. The imagery and language has been crafted to speak directly to the issues that are most relevant to these communities. The Black emerging market communications have been crafted predominately in English, with the exception of our Haitian communications which will utilize French, Creole and English.

With so much at stake, how can I sit before you and assure you that our strategies are sound and our communications effective? All that I have broad stroked in these general remarks, has been examined and tested on both a quantitative and qualitative basis. Research among our least likely and undecided market segments has been done in every region of the country, among the hard to reach/least likelies in urban and rural communities. We have validated the appropriateness and effectiveness of the images and words, their impact on the mind and hearts of African Americans, Jamaicans, Haitains, Nigerians and Ghanains. We've found that Census 2000. This is our future. Don't Leave it blank. , as an expression of a "call to action" for Black Americans can shift "undecides/passives" to likely participants. Census 2000. This is our future. Don't leave it blank. Has the potential to open the mind of even the most hardcore Least Likely to Participate to the possibility that Census 2000 participation may mean the difference in better schools, healthcare facilities, educational and job training opportunities in our communities.

I spoke earlier of marrying messages to media environments, a critical part of making the African American and Black Emerging Market communications plans effective is utilizing media that were created and are

owned by members of the community. The Chisholm-Mingo Group is committed to identifying and evaluating minority owned media vehicles and properties that will leverage our messages, that will ignite word of mouth communications at the national and grass roots level.

Beginning in November of 1999 and through May of 2000, the most recognizable tagline in Black America will be "Census 2000. This is our future. Don't leave it blank."

Mr. Chairman, that concludes my testimony. I will be happy to answer any questions.

Mr. MILLER. Thank you both for being here today. I very much appreciate your testimony. Let me start off with a couple of questions. Let me clarify what your goal is, Ms. Dukes. Is your task the undercounted populations? You said you reached 99 percent of the English speaking population. But your real goal is the undercounted populations targeted, right? Is it secondary that you're reaching your neighbors?

Ms. DUKES. The overall goal is to increase participation in the census and when we parsed out the audience according to our likelihood spectrum, 40 percent of the audience is most likely to participate; 43 percent are undecided, passive; and 17 percent are least likely to participate. So, the media is being built to put the heaviest amount of weight against the least likely to participate. The least amount of media weight against the most likely to participate. So, we know, for example, that our best prospects are probably in the middle. They're probably going to be the ones who are easiest to persuade via a message.

Mr. MILLER. The 43 percent.

Ms. DUKES. The 43 percent to complete the census form. Because the 17 percent is the hardest to reach, the hardest to count, we're putting the most media weight against them. We're not naive enough to expect that advertising alone is going to motivate them to action but we do believe very strongly that the advertising program will play a huge part in paving the way for the partnership programs, the complete count committees, all of the grass roots efforts that will take place down at that level. So, to answer your question, yes and yes.

Mr. MILLER. We had a hearing in Miami last December that Congresswoman Maloney and I attended both with Carrie Meek, and I remember, for example, talking with the Haitian community down there. Using that as an illustration, how do you target advertising? Who develops the ads and the media buys? We'll just use that Miami market alone for the Haitian community and my area, Sarasota, FL, and there's some Haitian population there but not a large number. Do you ever even try to reach the Haitian population in Sarasota? I don't know the numbers but it's not large, whereas in the Miami we're talking a couple hundred thousand, I think. Who makes those decisions, how is it decided what buys to make, what the media message is and is it the same with the Haitian community in New York?

Mr. CHISHOLM. We make that decision. We have staff members who happen to be Haitian and we've done a significant amount of research against the Haitian population. In reaching the Haitian population, we will be using both Creole, French, as well as English, to reach them in terms of the language. We'll also make the decision in terms of the media buy. We will concentrate on the larger pockets of the Haitian community. New York has a significant pocket of Haitians. Connecticut has a significant pocket of the Haitian population. Going beyond the Haitian population, we've looked at this emerging black market just pretty much in those terms in attempting to look at the larger pockets of these particular groups of people.

Mr. MILLER. A Haitian radio station or Haitian newspaper—I'm using Haitian as an illustration.

Mr. CHISHOLM. We have researched that both through the individuals that are on staff, as well as our advisors. We have looked into all of the Haitian media outlets that are available to us.

Mr. MILLER. You're not involved in the census in schools, are you?

Ms. DUKES. Only in that the scholastic organization is a subcontractor to our contract, but it's really their program.

Mr. MILLER. Explain to me the head count myth again, Ms. Dukes, as you used it.

Ms. DUKES. There's a belief that the census is really just counting people. Nobody really understands, or not a large number of people truly understand, what the census is used for. So, when I talk about dispelling the head count myth, it's the idea that it's just a count and trying to communicate that benefits come your way when people like you know how many people there are in various places.

Mr. MILLER. In the total budget for advertising, it's $111 million total. That's what your contract is dealing with, $111. I know we're not talking about anything illegal. But out of $166 million total, $111 will actually be used for purchasing media? $106 million will be used for purchasing media of $166 million. It would be $166 million in media buys. Out of $166.6 million. That's 64 percent.

Ms. DUKES. Is that a good number?

Mr. MILLER. The 36 percent for the research and for everything, does that go to you or does that include money within the Census Bureau? And Dr. Prewitt may have to respond to that. What happens to that difference between $106 million and $166 million? There's $50 million, $60 million we're talking about here.

Ms. DUKES. I can tell you where it's going.

Mr. MILLER. You gave me a percentage breakdown. I understand that but it seems like a lot.

Ms. DUKES. A lot that goes to media or a lot that goes elsewhere?

Mr. MILLER. It seems we could have more going directly to media rather than the overhead type of costs.

Ms. DUKES. Sixteen percent of it is going to labor and that includes all the agencies. Another 16 percent of it goes to production and creative development. There was a certain percentage of it that went to dress rehearsal and then there's a small percentage that's going to what we call operating expenses, things like travel and shipping and stuff like that, as well as talent payments, when you pay union scale, when you contract with talent for the advertising and so we have to set money aside for that.

When we began the process, we looked at what other advertisers spent in terms of their ratios between taking their total budget, looking at the ratio between media and all else. Anywhere between 60 and 70 percent is pretty typical. That's like standard practice, best practice kind of thing when you look at the Procter & Gambles of the world and some of the bigger advertisers, which you are. You are a very big advertiser. The other thing you look at is the ratio between production and labor. Those should be about the same. It should take as much labor as it does outside production costs to make the advertising. So in terms of standard practice, best practice, you should feel good about the ratios.

Mr. MILLER. Who came up with the $106 million and $166 million? Is that what you requested? I know that's what Dr. Prewitt decided we could afford.

Ms. DUKES. We began the process of looking at how the budget would break between media and labor and production at $100 million. That was the number that had been used and we were given. After the Supreme Court ruling, we talked about increasing the advertising effort to include an educational program and an educational module, as well as a nonresponse followup module, and we again applied our models. We did some research and we came up with some numbers, which is how we got to the total $166. What additional we would need in media, what additional we would need in production in order to have messaging that was relevant to those phases and that didn't wear out, how many messages did we need.

So, it's a complicated parallel process of determining what are the media available, how much do we need to be effective in reaching our audience, how many messages do we need in order to get the right messaging out there in a way that doesn't wear out. So, from the $100 we built up to the total $167 to include the media and the production and the labor that we're required to add on that educational phase, as well as the nonresponse followup phase.

Mr. MILLER. Thank you. Mrs. Maloney.

Mrs. MALONEY. Can you give us an idea about how big this campaign is compared to ones that we're familiar with like say, a Coke campaign or a Nike campaign, in terms of people you relate to?

Ms. DUKES. Well, in terms of the dollar amount, it's a very big campaign. You would be one of the largest advertisers. However, the fact that you are trying to reach as many people as you are puts a real strain on the number. What is good, however, is that it's in a very condensed period of time so there's really very little we can compare that's an apples to apples comparison. If you think about Coca-Cola, yes, they might spend $100 million on advertising over the course of a year but it's over the course of a year and it's targeting a very finite best prospect group. We're in a short period of time, which is good, which makes our money more effective but the fact that we are targeting so many people, so many different audiences is a challenge. I think, however, we've risen to the challenge and the amount is a good amount.

Mrs. MALONEY. Could you use more money for the paid ad campaign and if so how much? And likewise, is there a danger of backlash? Sometimes people become saturated from exposure and do you have any type of mechanism to monitor for such a backlash and modify a campaign if necessary?

Ms. DUKES. The first part of your question, we have given a lot of thought: Do we need any more money and how much more, et cetera. So, we've run the models, the saturation models and we find that with the messaging that is in production right now, we would not reach a saturation point until we spent another $54 million. Do we need that additional $54 million? What about the backlash? We think we're in a good place because our media plan tells us that we're going to reach 99 percent of diverse America, 97 percent of Hispanics, 99 percent of African Americans, 97 percent of Asians and 92 percent of American Indian-Alaska natives.

So, I think we're at the point where we might run into diminishing returns if we spent much more money, that people would turn off, that the messaging would become wallpaper and really wouldn't be accomplishing what we need for it to accomplish. If you go even further than that you begin to create annoyance and then people are just going to walk away from it. I'm sick of hearing about it. I don't want anything to do with it.

So, it is delicate. Like I said, because of our reach numbers we think we're in a pretty good place.

Mrs. MALONEY. I understand that a great deal of the media buys for the census campaign need to be made during the first week of October. Can you explain why is that and how many of the buys need to be made at that time and what is the effect of the uncertainty of the funding? As I mentioned earlier, we have a $1.7 billion shortfall in the Senate package.

Ms. DUKES. We need to buy just about all of our media for the educational phase come October 1 and we need to start buying for the motivational phase which begins January-February and the reason for this is our inventory, media inventory, is very, very tight, extremely tight. It's a big buying time because it's around the holidays. We're also entering campaigns and we know that the networks are changing their programming and so because of our media analyses, we know exactly what kind of programming we need to buy to reach specific target audiences.

That programming is becoming more limited. More and more people are going to want to buy it. If we're not able to buy it come October, then as Dr. Prewitt mentioned earlier, we may find ourselves in the same situation we were in in 1990, where we have the messaging but we don't have the media available to run in the right place in order to reach the right people at the right time. And so, we might be wasting money if we can't buy the right media.

Mrs. MALONEY. Why October for the education phase?

Ms. DUKES. I'm sorry. The education phase begins in November and we need to buy the media at least a month in advance, preferably 2 to 3 months in advance, so we can get the inventory we really, really want that we know is really, really perfect to talk to our audience.

Mrs. MALONEY. You go education stage, the motivation stage.

Ms. DUKES. Correct, then nonresponse followup.

Mrs. MALONEY. You were talking about the critical buy list and you say part of your advertising campaign will include these stations and add, Mr. Chisholm, on any of these questions. How do stations get on that list and what is the purpose of those buys, the critical buy list?

Ms. DUKES. These stations get on the list directly from the regional offices. In order to ensure that the regional offices are going to have the grass roots support that they need from media in addition to the air cover we're providing from the national program, we've asked them to tell us what media in their particular regions are especially important or appropriate to their particular cities. They submit that list to us and after we analyze and make sure it's not a bankrupt station, for example, we'll add them to the list.

Mrs. MALONEY. My time is up. I know there are other people who want to question.

Mr. MILLER. Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Chairman. Ms. Dukes, what is an independently managed Young and Rubicam company?

Ms. DUKES. It's a company that is owned by Young and Rubicam but makes all of their own management decisions, hiring, strategy.

Mr. DAVIS OF ILLINOIS. In the instances where these are the subcontractors in a sense, were there no existing companies made up of the groups for which these companies now have primary responsibilities?

Ms. DUKES. Were there no other potential subcontractors?

Mr. DAVIS OF ILLINOIS. Yes. Were there, for example, Latino owned and managed companies that were not a part of Young and Rubicam that were looked at in the process of deciding who the subcontractors would become?

Ms. DUKES. Because our approach from the very beginning was to create an integrated program based on a universally appealing strategy and because of our past experience in working with the subsidiary firms that belonged to Young and Rubicam, we went into the pitch responding to the RFP with these agencies and so we did not consider agencies outside the network who had the expertise inside the network.

Mr. CHISHOLM. Congressman, I would like to add something to that. The Bravo Group, which is an independently owned organization of Young and Rubicam, is the foremost Hispanic advertising agencies in the country, as well as Kang and Lee.

Mr. DAVIS OF ILLINOIS. I appreciate that. I just have some concerns about bonding. I have some concerns about broadly based opportunities. I have those kind of concerns, especially from a small business perspective. But let me just ask you, you indicated that there were five other agencies associated with your company in terms of the work that you're going to be doing?

Mr. CHISHOLM. No, what I mentioned was that there were five agencies who were asked to pitch the African-American portion of the census contract through Y&R.

Mr. DAVIS OF ILLINOIS. OK. So there were five who applied and your agency was the one that was chosen.

Mr. CHISHOLM. Yes.

Mr. DAVIS OF ILLINOIS. I know that when we start talking about media buys, oftentimes we're looking at where do we get the most bang for our buck in terms of the numbers of people that we reach. Are there other considerations in terms of the kind of programming that is going on, as well as the number of people that we reach?

Mr. CHISHOLM. Are you referring to different types of media forms?

Mr. DAVIS OF ILLINOIS. Some people may listen to a radio station that plays music all day. They reach a certain number of people. There may be another station that has a talk format and they may not reach as many people but maybe people are paying more attention to what's going on. And so maybe the impact might be greater on one population group in terms of——

Mr. CHISHOLM. You're absolutely right. That particularly is true in the African-American community, where you may have small pockets of listeners or readers to a publication, in this case black

newspapers. The impact that it has on the greater is much more significant than just the sheer numbers.

Mr. DAVIS OF ILLINOIS. You mentioned the black newspapers. Every time I'm in contact with the National Publishers Association, the black newspaper group, they're always of the opinion that they are passed over, that somehow or another they're not viewed as having the impact on the community that they feel that they actually have, and therefore, they feel that they're neglected and overlooked when there are advertising opportunities.

Mr. CHISHOLM. We are fully aware of that and we, as an organization, tend to agree with them that they are not looked upon as having impact in the marketplace. As it relates to the census, as it relates to census 2000, we believe that they are a critical part of delivering the message because of who they are and also because of what they represent. I'll even take that a step further. And that media will do one thing and what we are trying to do through the media is to create the word of mouth within the marketplace. We think that that is going to be—that is critical to the success of this program and we think that media, and in this case black newspapers particularly, as well as black radio, will be significant in igniting that word of mouth communications within the marketplace.

Mr. DAVIS OF ILLINOIS. Thank you very much. I'll be back.

Mrs. MALONEY. Can I ask a followup to Mr. Chisholm on that. You mentioned the word of mouth over and over again and why is the word of mouth such an important component and if it is an important component as you're saying, how can we leverage that more to work better for us, the word of mouth? Is this different from the other communities we're trying to reach, the word of mouth? Could you elaborate a little bit?

Mr. CHISHOLM. I think word of mouth is extremely important. We think word of mouth is extremely important as it relates to the African community. Often messages are filtered and often thought of as possibly a top-down kind of communications. It may come from any aspect of the community. Often those that are not considered to be opinion leaders in the marketplace or thought of as being opinion formers in the marketplace are often those individuals who ignite a particular opinion or provide a confirmation of interests or fact. So we think, and again I think that this is more endemic to the African-American marketplace than it is the general market or even the Asian, as well as Hispanic marketplace, we think this is extremely important as it relates to the African-American marketplace.

Mrs. MALONEY. How do we leverage that?

Mr. CHISHOLM. You ignite it through the media. You ignite it through involvement and participation and support from the Congressional Black Caucus. You ignite it and leverage it through United Negro College Fund or the National Urban League, organizations like that, but you also ignite it through Billy Myers, who lives on 48th Street and is the guy to know in the marketplace. So, it's our understanding as to how you do ignite those kinds of things that creates this positive word of mouth, and that's exactly what we want to do for the census.

Mrs. MALONEY. Thank you.

Mr. MILLER. I think we have time for one quick round of questions. First of all, explain to me again the educational component which starts in November and how much is going to be spent on that and why would we want to do that in November or December because of the holiday season and so much other competition, rather just jumping full speed into it in January?

Ms. DUKES. The Census Bureau has research that shows the greater awareness and the greater the knowledge, the higher the likelihood for participation, and so we are using the advertising time from November into January as an opportunity to begin to seed information, an educational aspect to what is the census all about and why should it be important to me. It's really paving the way. It's setting the stage for the motivational message which will begin in January. So, the advertising will continue and it's building up and it's again using best practices.

Mr. MILLER. Isn't it difficult in November and December to get your message out with the——

Ms. DUKES. Which is why we need the money October 1 so we can buy the inventory that we need.

Mr. MILLER. We're going to work in the money by October 1. The question is that there is so much competition for messages in the media during the holiday season.

Ms. DUKES. The option would be not to do any at all and that would be worse.

Mr. MILLER. Could you concentrate it more in January?

Ms. DUKES. Then I think you're looking at the saturation level, where you've got too much messaging going on and people turn it off. So, it was our best professional judgment that we needed to do an education program in spite of the heavy traffic that will be carried on in terms of messaging. There is a finite amount of media and so we will be part of that finite amount of media and we think, again, the professional judgment says that that is a stronger way to go than if we were to try and do too much messaging, confusing the issues, in a shorter period of time.

Mr. MILLER. Are you going to use celebrities in any way?

Ms. DUKES. We are not planning to use celebrities in the paid advertising. We are looking at opportunities for using appropriate celebrity spokespeople in what we call the added value opportunities or in some PSAs that we know we're going to be able to get.

Mr. MILLER. How about Mr. Chisholm? It's that word of mouth question again.

Mr. CHISHOLM. Our intention is not to use and to identify a paid celebrity. In other words, we may consider a voiceover of a well known but he will not necessarily be identified. That was one of the things that we found in research, that there's a kind of a weakening of credibility when the message is coming from a celebrity or a specific type of celebrity.

Mr. MILLER. The 1,700 people you interviewed, these were focus groups or did you do more of a random sample?

Ms. DUKES. It was a combination of quantitative and qualitative. We had about 30 respondents in a room and they were exposed to advertising with like a television clicker and after they were exposed to the advertising, they went through a series of questions.

Mr. MILLER. The 1,700 people were all focus group people?

Ms. DUKES. No, because the 1,700 participated in the clicking and quantitative. About half that we then probed in a qualitative session.

Mr. MILLER. And then you would have a separate one, say for the Haitian community focus group?

Ms. DUKES. Yes.

Mr. MILLER. Mrs. Maloney.

Mrs. MALONEY. In the forum that I went to, they did focus groups and guess what group did the worst? Elected officials. No one wanted to listen to them on the census. Anyway, you said in your testimony that for every one unit increase in civic community activity, there was a 30 percent increase in the predicted odds of mailing back a form. I mean, I find that really interesting and could you elaborate on that?

Ms. DUKES. It goes back to the conversation that Dr. Prewitt was having regarding civic engagement. When we were first facing this challenge, we knew that it would be easy to target audiences by demographics and by ethnicity but the real issue is how likely is a person to fill out that census form? There was no actual research that answered that question and so we set about to build a model that would help us segment the audience on how likely they are to complete the form. We used civic engagement or civic participation as the basis of our model. We believed in it because when we looked at the response rate from the 1990 census, 60 percent, it correlated—we initially broke the likelihood spectrum into five segments and that 65 percent response rate correlated with about 63 percent that were on the right-hand side, the most likely side of the spectrum. The other validation or encouragement, if you will, is that the demographics of the populations or the audiences on the least likely end of the spectrum happened to match precisely the demographics of those who were hardest to reach, hardest to count and part of the undercount from the 1990 census. So, we felt like we had a pretty good thing going here. Then, when we went into the dress rehearsal, that model was validated. It's not statistical. I'm not a statistician so I really can't speak to it in depth but Nancy Bates from the Census Bureau actually worked on research testing the effectiveness of the dress rehearsal program and she has a full report and she can speak to this in detail about the correlation between civic engagement and likelihood to participate.

Mrs. MALONEY. I understand that Young and Rubicam retains the rights to any intellectual property developed in connection with the ad campaign and I gather from your testimony that you've already copyrighted the likelihood spectrum? Is that right?

Ms. DUKES. That's right. We trademarked it.

Mrs. MALONEY. Is this usual for your contracts and do you have any idea how much revenue you may generate from these rights?

Ms. DUKES. To be honest, we don't expect to generate any revenue. We don't expect to sell the likelihood spectrum. It was really a competitive issue and just to clarify, not all the intellectual property belongs to us. The Census Bureau is paying for our services and so they have ownership of some intellectual property. It happened that the likelihood spectrum was developed on our time as we went into the request for proposal.

Mrs. MALONEY. Well, I would like to know when we can see—I understand you're still working—when are the ads going to be finalized. I thought a lot of your ads were just sensational. I think other Members of Congress would like to see them.

But I'd really like to ask Mr. Chisholm, in your testimony you said that you got many valuable experiences from your work in the 1990 census and you said it was a very valuable tool and I'd like to know in what way. What specific lessons have you learned that will be helpful to us in 2000, and how would you compare 1990 to 2000 overall, the advantages of paid advertising versus what you were working on then, which was a public service announcement type of campaign?

Mr. CHISHOLM. I think there were two key things that came out of this. One was that a solid strategy across all groups, be it African-American, Hispanic, Asian, and diverse America, was essential. Unfortunately, though, in the 1990 census, each group pretty much did whatever they wanted to do in terms of the strategy. I believe that a single-minded strategy, as in the case of what we're doing here, is clearly essential.

That was one key thing. The other key thing was the nonpaid media. I think it had a significant impact on the success of the census. The reason for that is in the case of the African-American marketplace, they pretty much did not participate to the extent in which they will be participating now, obviously because they're being paid. But that was really critical in igniting communications within the African-American marketplace and you saw that pretty much through all ethnic groups. The other thing is that from a donated perspective, we were at the liberty of the media. They ran the activity when they had the time available to run the activity, as opposed to the time where we had large numbers of audiences and/or the right audiences listening and/or watching a particular show or reading a particular publication.

Mrs. MALONEY. My time is up. I find this fascinating. I could ask questions all day.

Mr. MILLER. Me too. Mr. Davis.

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Chairman. During Dr. Prewitt's testimony, he talked about the concept of civic responsibility that I find intriguing partly because it mirrors feelings of my own in terms of the whole business of rights and responsibilities, and we often talk about rights and not enough, I don't think, about responsibilities. Will this sail with the real hard to count population group as much as the other side? What is it that you can expect to get from participation?

Mr. CHISHOLM. I think so because of two reasons. One because of the message that we're delivering. The message is being delivered from me, African-American male talking to African-American female. We've personalized the message. So, it's the message itself and it's also the messenger. Our ability to galvanize African-American newspapers, galvanize African-American radio stations to deliver that message also adds to the truth and the value.

In addition to that, in looking at this likelihood spectrum, and we did this likelihood spectrum, for the African-American component as well, one of the things that we realized was that participation in church was one of the key indicators here and so our goal will

also be to utilize the church and their forms of communications to the extent which we can to help deliver the message.

Mr. DAVIS OF ILLINOIS. I'm looking because I don't regard, for example, all African Americans as being hard to count. I don't regard all Latinos as being hard to count. I think this business of being hard to count, much of it is as much a part of the socioeconomic status of people as it is their ethnic background and all of that. As a matter of fact, I think it's more of that. And I guess I'm really trying to see how we separate out. I would expect the mainstream message, though, to touch certain percentages of these population groups.

Ms. DUKES. It absolutely will. That's why we call it the message to diverse America. It is reaching everyone who consumes English media, English speaking media, and you're right. Not all African Americans, not all Hispanics, not all Asians are in that least likely category. In fact, we ran the likelihood spectrum against each target audience and say, for example, we believed that about 80 percent of American Indians fall into the least likely, whereas only, I think, 46 percent of African Americans fall into the least likely. What you will say, though, is that the least likely does skew to minorities. It also skews to lower educated, renters, lower income, blue collar, so you're right about the socioeconomic aspect of it as well, which goes to the point of how appropriate it is to look at the audience based on their likelihood to participate, as opposed to their demographics only.

Mr. DAVIS OF ILLINOIS. Does that mean that I can expect the targeted subcontractors to spend more of their time with the group within their populations that really are the most difficult to reach, the untouchables, the unreachables, the uneducated, the whatevers?

Ms. DUKES. Yes.

Mr. CHISHOLM. Yes. That's how the message is going to be driven but the message may be delivered through the——

Mr. DAVIS OF ILLINOIS. Traditional.

Mr. CHISHOLM. Yes.

Mr. DAVIS OF ILLINOIS. Let me ask one other question and I'm really done. And maybe it should have gone to Dr. Prewitt but you've mentioned this word of mouth business. It seems to me that much of word of mouth comes from what I call community organizations, community groups, community activism, neighborhood associations that really generate the momentum and enthusiasm in a community for something to work. Is there a way to make use of those as part of the advertising campaign, I guess is my question?

Mr. CHISHOLM. The answer is yes, it is our intention to continue to have conversations on a local market basis. That is not our responsibility. That is our commitment to ensure that there is an understanding of how this mechanism works and to the extent which we can facilitate igniting the word of mouth, we will do that.

Ms. DUKES. I might add that the same is true for the Bravo Group and for G&G and for Kang and Lee. All of them have ongoing dialog with important organizations within their ethnic communities.

Mr. DAVIS OF ILLINOIS. Thank you both very much. I thank you, Mr. Chairman.

Mr. MILLER. Let me ask two very quick questions and get two very quick answers. When will ads be available for public review? I know the hearing staff and Mrs. Maloney were able to see them recently. The other question is, are you involved in trying to get any of the free advertising, pro bono type ads, any effort in that way?

Ms. DUKES. We will be showing rough cuts and some print ad layouts as early as next week to the Census Bureau and to the Department of Commerce. We will be showing finals. We should have final work in the middle of September so that will be when it will be available for public consumption. And in terms of pro bono, free advertising, we're negotiating with all of our media to get free space or additional activities from them, whether it's network, radio, print, billboards, whatever. So, we are trying to extend, in fact it's our goal, to make the $65 million media budget really work like $100 million being spent in media alone.

Mr. MILLER. $65 million? I thought we were spending $106 million.

Ms. DUKES. I'm sorry. I was just thinking of this fiscal 2000.

Mr. MILLER. Thank you. Thank you both for being here. It was very interesting. I wish we had more time. I look forward to seeing the finished result here in a few months. Thank you.

If Mr. Zunigha would come forward and remain standing.

[Witness sworn.]

Mr. MILLER. Thank you very much. Have a seat. I appreciate very much your joining us here today.

STATEMENT OF CURTIS ZUNIGHA, CENSUS ADVISORY COMMITTEE ON THE AMERICAN INDIAN AND ALASKA NATIVE POPULATIONS

Mr. ZUNIGHA. If I may, first of all, in a traditional way here, I want to stand before you.

[Speaks in Lenape.]

Mr. ZUNIGHA. I've just spoken words in the language of the Lenape or the Delaware Indians. They're words of greeting, well wishes to all of you here and I stand before you as a former chief of the Delaware Tribe of Indians, a lawyer for our tribal sovereignty. When I speak to you today, all of you here, I do so in a way that brings forward our relationship that goes back to the year 1778, when the United States of America and the Congress approved and entered into a treaty, the first Indian treaty in the history of this country with the Delaware Tribe of Indians.

So, we're America's first federally recognized tribe. So, if you'll forgive a breach of protocol, I'm going to approach you, Mr. Chairman, and extend my hand in friendship and when I do so, I renew and refresh the relations that go all the way back before this was the Nation's Capital, before this city was the Nation's Capital. Before there was ever a first census, there were the Delawares of the United States of America through the Congress. I just want to say thank you very much for having this hearing and inviting me here.

Now, do you want me to go ahead and just read my statement into the record? Is that appropriate?

Mr. MILLER. If you'd like to. Summarize and we will include the entire statement in the official record. If you'd like to summarize and then we'll proceed to some questions and more general discussion. That might be a more productive way.

Mr. ZUNIGHA. Thank you, Mr. Chairman. It's Zunigha, Curtis Zunigha. I am a Delaware/Isleta Pueblo Indian from Oklahoma and I'm serving on the Advisory Committee for American Indian and Alaska Native Populations. I was appointed in November 1977. I bring with me not only a background in service and tribal government and an awareness of tribal government issues, but also I have an extensive background in media and public relations. So that was kind of the specialty area I guess that I had a lot of interest in. And then, when I came on board, I was encouraged by my fellow committee members to kind of take on the publicity promotions, advertising, as a special area of focus group in our endeavor to offer advice to the Census Bureau.

Now, you asked me to comment on three different areas and my written comments go into some detail. I'll try to again summarize them, first of all, the ad campaign and dress rehearsal.

In the beginning when the committee was first hit with the proposed plan, it seemed inadequate to meet, I guess, the diversity of cultures and geography in Indian country. I think one of the problems, however, was the committee members not being completely savvy in advertising and marketing approaches and realizing that this was just the dress rehearsal. But, I think there was some very valid comments about some of the imagery and how it was going to be presented and used, and as I looked at the report on the dress rehearsal effectiveness of advertising, I saw some numbers there and I wasn't particularly impressed with them, but then again, I suppose that's what dress rehearsals are for, to identify the wrinkles and get them ironed out.

So, I went to Menominee and I observed some of the discussions with focus groups and even talked to a few people, including the chairman of the Menominee reservation, Apesahnequat, my Indian brother, and we talked about some of these things and ways of bringing forward improvements. And, it's trying to target advertising—see, everyone wants to have their own special advertising approach, you know, featuring their tribe or their region of the country. You've got Indian Country broken into Northern Plains, Eastern Woodlands, Southwest, Pacific Northwest, Alaska Natives, so they were kind of wanting some imagery that spoke more to them. And when I looked at the numbers of dress rehearsal advertising, again, I was not that impressed with the numbers but I think from all of that came some comments from our committee then that they were not completely impressed with and had even kind of a marginal rating of satisfaction with the initial campaign that was presented. But it was because, you know, you've got to do things differently in Indian Country and the outreach is not a textbook Madison Avenue approach to advertising.

And I think when our committee had an opportunity to offer our own ideas, one of the problems that we found was not necessarily in the receptiveness of G&G, the Indian contractor and Y&R and the Census Bureau, it was the mechanism in which we communicated. When I talked to Michael Gray with the subcontracting

firm G&G in Albuquerque, I said Michael, how come we haven't been talking more and he's saying well our contractual arrangement is such that I work for Y&R. Y&R works for Census Bureau and there's a certain communications hierarchy and dynamic and management structure in everything, and I thought well, the chairman of our committee is two blocks down the road. He's a professor at the University of New Mexico and yet you guys haven't gotten together just for lunch to chat. He can't give you orders there at lunch but at least we can sort of circumvent this lengthy and what I call vertically oriented chain of command and chain of communication. And so I brought that forward at a meeting, kind of surprised the Census Bureau people when I told them, you know, that the way of communicating wasn't working fast and efficient to address our particular needs.

So, those were some of the things I think that we had some problems with. We wanted to see more diverse imagery rather than a one-size-fits-all ad and we wanted greater coverage in the ad buys out in the market and then, of course, consistent use of phrasing or nomenclature. A lot of people get confused. Do I call you a native American, do I call you Indian? What's the right term. Well, obviously the right term is, if you really want to get it right, I'm a Lenape. In our language it's Lenape. Our English name is Delaware. Nonetheless, it was approved that it would be American Indian and Alaska Native.

A couple of other things. As far as this marginal level of satisfaction with the ad campaign, it had to do with did these ads speak to the urban Indian population, which is a significant part of Indian Country, even though we've only got about 2 million Indians in this country. A lot of them live in the cities. How are you going to do this outreach to Indian Country when you have images of an elder out here on the reservation? How is it going to speak to them? A lot of things that I bring up, I'm speaking on behalf of our entire committee, which has a diversity of opinion themselves.

Now, I want to say that regarding the receptiveness of Census Bureau and Young and Rubicam to our committee's involvement and the advertising plan, that is an area where I think I can really give my highest remarks in this testimony today because they listened and I think Michael Gray with his company was saying well, yeah, you know in many ways they're right about this communications dynamic. How can we find a way of having our advice and our input get to them in a more timely fashion and save a lot of time talking about these things and trying to circumvent problems before you spend a lot of time and creative and production and have something out there that the committee is going to be very critical of? I think we have changed the communication dynamic such that it has brought some rather remarkable improvements in the last 6 to 8 months certainly. I think since the Census Bureau has really kicked us into gear, both from the partnership side and advertising side, there's been a lot more product out there.

On the advertising side, I have been able to be aware of production meetings and discussions on now a more diverse imagery, where they're going to be going to different parts of Indian Country and selecting certain reservations and picking someone, an elder or a child from that reservation, shooting it on that background or in

this pocket of Indian Country, in different regions, to show this diversity because in Indian Country it's kind of like saying Europe, but Spain is so decidedly different from Italy, which is so decidedly different from Scotland. That's what Indian Country was looking for, was something that spoke a little bit more at least to their region of who they are.

So, I'm seeing these things come out in the ad campaign and I think, because the Census Bureau and Y&R was open to changing the communication dynamic and developing a mechanism to improve our input, that it has eased any apprehension that some of my fellow committee members may have had. The rating level for G&G has been upgraded. I think it will continue to be upgraded the more we see what goes on, but I want to stress, however, that based on the numbers that we saw, Indian people are really high as far as percentage of those not likely to respond to the mail out of a form and mail it back to us kind of approach. And therefore, no matter how perfect the ad campaign is, you've still got to educate the people and give them the power to understand and fulfill their partnership responsibilities, where they're telling their own people through tribal government and community leaders that the census is important for Indian Country and if you can change the numbers of those who are more likely to respond to the census form, you can elevate those numbers, then the money you're already spending over here on advertising is going to affect more people. I mean, the advertising campaign, that's locked down. That's a go. I'm all for that but we want to improve things on the partnership and education side. I think that's going to be the real key.

I've noticed some improvements with the Census Bureau. I support that all the way and I've been encouraging and challenging tribal governments to fulfill their part of the partnership responsibility.

My comments, Mr. Chairman, in here I will also say that quite honestly, based on the government to government relationship, some of the smaller tribes that I've talked to have said, hey, this is almost like an unfunded mandate. You want to develop a partnership and yet we don't have the savvy in many cases, we don't have the staff, we don't even have the computer to look at their CD-roms or to communicate or do things like this. We need help. We need some funding and no matter which pocket of the Federal Government it may come from, Mr. Chairman, I still am a proponent of finding some ways of empowering tribal governments to fulfill their partnership responsibilities.

So very briefly, if you consider that brief, that is the net effect of my comments on this testimony. I'd be glad to answer any questions and I really wish you would allow me to make a comment on the civic duty or civic responsibility and patriotic duty issue, but at your discretion, Mr. Chairman.

Mr. MILLER. You want to make a brief comment about that? I think we all agree.

Mr. ZUNIGHA. Thank you. Unlike other pockets of this population, Mr. Chairman, I don't think the civic duty and patriotic responsibility, all that kind of thing, is going to work in Indian Country. And I say that, sir, because I'll think back just one century ago, 100 years ago, in preparation for the 1900 census. That was

a period, Mr. Chairman, of what we call the allotment era. Many Federal acts were passed to ostensibly help out the poor red man but what it did is it broke up tribal governments, abolished tribal courts and took the community or the tribe of the people as a whole and made individual Indians out of them and took the tribal shares of land and broke them up into 160-acre plots, allotments, and gave them out to each individual Indian. In order to do that, the government had to bring them forward. They had to conduct the so-called censuses or enrollments. Whatever you call it, it's lining up a bunch of Indians and doing a head count, getting their name, who are you, where do you live, who's your family, ostensibly to help them out but what it did is it gives them land but then there was a whole bunch of surplus land which they decided to open up to anybody else. Well, that was land that was supposed to have been given by treaty. After all of that period of all of these different head counts, in 1907, there was Statehood for Oklahoma. Hey, that was supposed to be the Indian State by treaty. So it's not that long ago that we have these lessons of what happened to us. It wasn't until the Roosevelt administration in the 1934 Indian Reorganization Act that sought to make up for quite clearly, Mr. Chairman, the wrongs that were done to Indians and in my opinion, a violation of certain treaties which are certainly a high law of the land.

So Indian Country, you know, is suspect about this whole thing anyway and so, while I'm challenging the tribes and I'm going to these tribal government conferences and I'm encouraging and challenging tribes to become involved in the census, to become partners and to work hard and make the census work for them to empower themselves, which is certainly some of the message that comes out in advertising, I ask, I dare say I demand of the Census Bureau, of the Congress, U.S. Government that all of the politics that surround the census is once again not designed to do a head count of Indians and figure out some way of getting to their resources. I'm saying this because that's what a lot of the old-timers still remind me about with these so-called head counts and what was the story then, and they're suspicious. There's sometimes anti-Indian legislation that is developing in today's Congress regarding taxation, jurisdiction, these kinds of things.

So, we want to know that the Federal Government's message and that of all branches of the Federal Government is in good faith and that this whole effort is not to in some way to get to our resources or to infringe in any way on our tribal government and our status as Indian people, our legal and political status. They worry about that kind of thing. That's the spin on civic duty that I wanted to express here.

[The prepared statement of Mr. Zunigha follows:]

TESTIMONY SUBMITTED TO THE HEARING CONDUCTED BY THE 106TH CONGRESS HOUSE COMMITTEE ON GOVERNMENT REFORM, SUBCOMMITTEE ON THE CENSUS, TUESDAY, JULY 27, 1999.

Presented by CURTIS ZUNIGHA (Delaware/Isleta Pueblo), member of the Census Bureau Advisory Committee on American Indian/Alaska Native Population.

Mr. Zunigha extends greetings and well wishes in the Lenape (Delaware) language to all in attendance and repeats the greeting in the English language.

Thank you, Mr. Chairman and members of the committee for inviting me to this morning's hearing. I come before you as a member of the Census Bureau's Advisory Committee on American Indian and Alaska Native Populations. Since my appointment in November 1997, I have developed a keen interest in the publicity and promotions aspects of Census 2000 in Indian Country. Additionally, the unprecedented advertising campaign, which included an Indian subcontractor, became an extraordinary focus of attention by our committee. So much so that I was appointed to provide special oversight on these aspects and report to our committee.

At first I was very concerned that the Census Bureau was a big, bloated bureaucracy without a clearly defined mission, budget, and leadership. Its communication dynamic was inefficient and its efforts to respond appeared to be inadequate. However, I can report today that the Census Bureau has demonstrated significant, serious, and sincere responses to our committee. You asked me, Mr. Chairman, to address my concerns in three particular areas so I will get right to it.

The ad campaign in the dress rehearsal.
The Indian subcontractor, *g&g Advertising of Albuquerque, NM,* presented their initial campaign to the advisory committee and we were, honestly, underwhelmed. Realizing that many of the images and catch phrases were "trial balloons" to be used with the dress rehearsals, we were concerned that a single image of a person or place would not adequately address the diversity of cultures and geography in Indian Country. I traveled to the Menominee Reservation in Wisconsin last year and attended a focus group on the dress rehearsal. The Indians there said that, while they did not directly identify with the specific ad (which featured a seemingly Southwest Indian elder), they were impressed with the fact that any Indian ads were used by Census 2000. The Indian specific print and broadcast ads thus represented a fair beginning.

Our committee strongly recommended that (a)multiple images of Indian Country, (b) consistent use of nomenclature (i.e. American Indian and Alaska Native not Native American), and (c) a more widespread form of coverage become part of the campaign. Based on a report I recently received on the effectiveness of advertising during the dress rehearsals, I am not particularly impressed with the results. The main contractor for advertising, *Young & Rubicam of New York, NY,* also reported to our committee their research on the proposed effectiveness of the ad campaign. It is clear and obvious that the

paid ad campaign in Indian Country can only prompt about 15-20% of the native population to answer census forms. This is based on Young & Rubicam market research. Thus, no matter how great the ads are, the likelihood of response in Indian Country is not critically tied to the ad campaign.

Therefore the emphasis on a successful native count in Census 2000 should be on the partnership program with extensive educational materials. This, of course, is a direct function of the Census Bureau. However, we recommended that the Partnership and Publicity offices work directly with *g&g Advertising* to develop creative materials that will fulfill this great need. Their expertise should be used to augment or supplement these direct functions and be reflected in the creative advertising materials.

Degree of satisfaction with the current ad campaign.

A good committee brings a variety of representation and opinion to the table and ours is certainly a good one. Some of our members have been quite critical of the current ad campaign as falling short of expectation. One very important area of concern is media outreach to the significant urban Indian population around the country. While the original concepts seemed to concentrate on reservations and Indian tribes, there did not appear to be images and messages to urban Indians. To a similar degree the same held true for the Alaska Native population. Also the original media purchase plan did not include many markets desired by our committee. This observation plus the aforementioned dress rehearsal issues indicated to me that our committee's support of the Indian ad campaign and contractor was marginal. This disturbed me personally because of my great respect for my fellow committee members and my high hopes for an Indian owned company to be successful. I felt that more direct consultation between our committee, Census publicity, and the ad agency was in order.

As stated earlier, there has been a change in the work by *g&g* since I first came on board. I am pleased to report that publicity and advertising is responding, for the most part, to our recommendations. We have been presented with updated plans reflecting the diversity of native cultures and geography. The revised print and television campaign will now feature images of native people in various regions across the country including Alaska. We are still attempting to reconcile our differences in the urban Indian outreach effort. Ongoing dialogues with our committee and more frequent reports have improved the communications dynamic. I would therefore characterize the committee's satisfaction thus far as upgraded from marginal to satisfactory. This rating balances my personal observations and opinions with those of my colleagues. Mine are probably on the higher end of the scale while others are more cautious and tentative. There is no doubt, however, that our committee desires and expects *g&g, Y&R,* and Census Publicity Office to present a realistic and comprehensive plan for success. With the amount of money planned for advertising, we expect success. I also believe that our rating of satisfaction with the ad campaign will be upgraded in the coming months.

The receptiveness of Census Bureau and Young & Rubicam to the Census Advisory Committee's involvement in the advertising plan.

Although I am aware of some problems that occurred with other members of the Race and Ethnic Advisory Committee, I shall confine my remarks in this written testimony to just the American Indian/Alaska Native committee. This is an area that I am particularly pleased to report on. When I came on board I quickly identified the chain of command and its typical vertical orientation. Census hires *Y&R*, who hires *g&g*. Census appoints an advisory committee, which represents the target market. But in most cases, this dynamic created lengthy lapses in consultation and communication. I was stunned that *g&g*, based in Albuquerque had never visited with our committee chairman at the time, Ted Jojola, a professor at the University of New Mexico just two blocks away from *g&g*.

Native people think less on a linear scale and more in a circular fashion. By that I mean that if you took the vertical chain of command and made a circular model it would serve the interests of our population much better. Now I don't mean we like to talk in circles. I'm just saying that communication should flow back and forth in a circular fashion with all parties involved. In certain ways I believe the Census Bureau and *Y&R* have made changes to reflect that. I believe the expertise and opinions of our committee members are a valid and valuable supplement to the advertising campaign. By improving the communications dynamic, apprehension is easing. *Y&R* and *g&g* are also working with publicity and promotions to integrate and complement the outreach effort.

Everyone involved has remarked how much they have learned about native culture, community, legal and political status, and the astounding diversity in Indian Country. I believe this awareness has elevated their receptiveness to our committee's input. I have personally donated several hundred hours of my time and expertise in this field as a show of sincere good faith toward bridging the satisfaction gap. I could not have done it if the Census Bureau had not developed a special mechanism for my service. Additionally there have been more conference calls and meetings to review drafts and make joint decisions on final media products. In my opinion, the receptiveness factor receives the highest marks in my testimony.

With limited time and resources we won't have the perfect ad campaign that meets all people and every place in Indian Country. To me it is most important to get the educational and partnership materials out in Indian Country now. Then we follow up with the ad campaign, which will, at best, remind the most likely to respond to the mailout forms (approximately 20% of our population). The advertising is important but it is the partnerships and enumeration that is going to play a bigger role in improving the 12.2% undercount of our population. Therefore I ask this committee to help tribal governments and communities acquire the necessary funds to fulfill their partnership roles. Most tribes are sorely lacking in the human and technological resources necessary to take on partnership responsibilities. I stand ready to engage in immediate and deliberate discussions on this matter with any member of this committee or the 106th Congress. I

thank you for inviting me to testify before this committee and welcome your comments and questions.

Statement of Curtis Zunigha to the House Committee on Government Reform, Subcommittee on the Census at the hearing on July 27, 1999.

I am appearing, at the Chairman's request, as a member of the Census Bureau's advisory Committee on American Indian/Alaska Native Populations. As an appointee, I receive no compensation for my committee service. I was appointed because of my extensive service in Indian Country as noted in the following personal fact sheet. Therefore I represent all of Indian Country. My tribe, The Delaware Tribe of Indians, gets direct and indirect federal funding. The many community organizations I serve also get federal funding. But my attendance at this hearing is primarily based on my Census Advisory Committee status. Should the committee require a more detailed explanation I will provide more details upon request.

Mr. MILLER. Thank you. Let me begin with some questions and first of all, let me say thank you very much for coming all the way from Oklahoma and also for your service on the advisory committee. The advisory committee has been very crucial. I'm sure Dr. Prewitt thanks you but we in Congress thank you for your participation. You don't get paid for that, but it's very important that we have all areas represented.

As you may be aware, this subcommittee is very interested in Indian population counts and we had a hearing specifically on this issue in Phoenix in January and we had four Indian tribal leaders who testified before us then. Just as Dr. Prewitt said he found out a lot going to Memphis, we learn a lot when we visit, whether it's Miami, Wisconsin, or Arizona.

You mentioned this issue of distrust because of historic wrongs. How much of that can we overcome in this census? You are the most undercounted population, I believe, within the census. How do we overcome it if advertising is not going to do it?

Mr. ZUNIGHA. Again, I think advertising is only going to prompt those who are pretty much most likely to respond to the forms anyway. The answer comes from the tribal government itself. We're hardest on our own kind, but I'll tell you, if it comes from the tribal government in a partnership with the U.S. Government, and the educational process explains why the census is important to the tribe and how they derive much of their Federal funding through formulas based on socioeconomic demographic statistics and that their tribal jurisdiction and other kinds of things are tied to declarations that are made during the census, I think that's how we're going to overcome that. The message has to come from within the tribal leaders themselves so they're the first wave that you have to get on board and I don't think you're going to get every tribe. You've got some of those six nations' people up in New York who are just refusing Federal funds anyway. They don't want to get too tied in. I don't know that you're going to completely get over it, but I think because the government-to-government relationship of tribes and that legal and political status is directly tied to their relationship through Bureau of Indian Affairs, the tribal shares they get, that's what's going to work is when it comes from the tribe.

Mr. MILLER. How have you personally had an impact, do you think, to the advisory committee? You said there's been these changes over the past year, couple of years or so. You speak positively and I'm very glad to hear that. Do you feel your input really has been listened to by both the Bureau and by Y&R and whoever and can you give me specific illustrations of things you point out and you've seen a response to?

Mr. ZUNIGHA. Well, I'm apparently known as being a somewhat outspoken individual and so when I say things that are sometimes brutally honest. I do so in order to put the issue on the table. We know in any great social change, it's the voice of the conscious of the people, perhaps that rebel or maverick or rabble rouser out there that's raising their voice and putting that issue right in their face, but I've also found out it's working in partnership. It's then every time you offer a problem, offering a solution, a proposed solution, and if the other side will sit there and listen and engage in a way of maybe trying another approach to solving it, well, that's

what I'm doing here with these folks. Even though, at times, they kind of stop for a minute and they kind of give me this look like I can't believe you said that about us, at the same time I come forward with some ideas and they are responding, yes, sir, particularly in regards to such things as the multiple images, the change in the communication dynamic between Y&R, Census Bureau, advisory committee, and Indian population. I dare say I expect more of that to happen. It's important. Again, I think Y&R and I've talked with Terry several times, I've heard her say maybe we should rethink our approach and it apparently is paying off because they are responding.

Mr. MILLER. Thank you very much for your contribution, making this a successful census. Mrs. Maloney.

Mrs. MALONEY. Thank you. Thank you for the tribal greeting and for your very sensitive testimony and really a history lesson in why there is such distrust from the nations of our government and justifiably so.

I would like to ask a question about the dress rehearsal and I understand that one of the biggest criticisms that came out of that advertising campaign was that they didn't have the ads in the right places? Specifically the tribal members and the Menominee had wanted to suggest the places where the advertising should take place, and would you elaborate on that and are you confident that it will not happen in the 2000 census, that this type of issue will be addressed and that tribes will be listened to where they think the advertising should take place?

Mr. ZUNIGHA. I think that the learning curve changes dramatically when you go in with a good faith effort to try to do something for a target market and something comes back to you that says you're way off target and you want to know why and you want to know what to do about it. I think that was the case in Menominee. Again, I did talk with Apesahnequat, the chairman of the Menominees. He's like a professional actor too. He's got this incredible presence and, you know, I know that he felt like, hey, listen to what we have to say. We know our community and why don't you guys, you know, why don't you guys use me to help reach out to talk to my own people. I think that was something once they instituted a plan, they were going to go ahead and go through with it.

With regards to the ad buys, I'm not that familiar enough with that market in Menominee to judge the ad buys that they did. Any comments that may have come from some of the community leaders, I think, only tells G&G and Y&R that that kind of collaboration is important and I see it happening. I see it opening up more and more, especially in all of the other regions too. G&G has increased its staff to do more of this work out in each of the regions to get more research done on every little possible way of reaching out to Indian Country because classic or traditional methods in the non-Indian world are just not the right approach in Indian Country. So, you communicate with your Indian folks. G&G is from Albuquerque. As a matter of fact, Michael and his family, they are Blackfeet from Montana. So you still have to go over here to Menominee or you have to go down to Cherokee, NC and understand

that dynamic and talk with the local people first before you really take off. I see that now changing in that direction.

Mrs. MALONEY. As a member of the advisory committee have you found this structure to be an effective one? Is it meeting its goals?

Mr. ZUNIGHA. Well, now that they've changed things around, yes. It's helped. I spent 7 years in the United States Air Force and I ran a tribal government for 4 years. I know about communications and management hierarchy and you know, when I first came to the Census Bureau, I thought, oh, my God, we're in trouble. But I've seen a lot of changes and it takes standing up and being kind of vocal about it but explaining why it works and offering not just to give criticism but to roll up your sleeves and join in and make the change or transition happen and so it's happening now. It hasn't hurt the Census Bureau at all, I think. I'm pleased that they've made some efforts in that direction. Yes, ma'am, it's improved.

Mrs. MALONEY. Have you seen any of the ads for the Indian nations, any of the print and media?

Mr. ZUNIGHA. Yes. Not only that but I've been privileged with being able to speak with some of the producers and take a look at some of the proposed creative material and you know, just offer some of my own comments in support.

Mrs. MALONEY. What do you think of it?

Mr. ZUNIGHA. I think it's dramatically improved, especially in the sense that they're going out to these different parts of Indian Country now and using the local people as models and I mean, my goodness, this week or even as we speak, they're up in Montana right now.

Mrs. MALONEY. In other words, they're using Indian leaders from Montana, New York, Oklahoma in their ads to regionalize their approach?

Mr. ZUNIGHA. No, ma'am, not leaders. They're using elders and children as the focal images.

Mrs. MALONEY. Targeted for the specific tribes?

Mr. ZUNIGHA. Well, ma'am, for the Northern Plains, they are using the Blackfeet reservation and using some Blackfeet people up there and that look will kind of cover that whole Northern Plains region. That's something more identifiable but then they'll change it when they go down to Albuquerque or Cherokee, NC, or Seattle. Or up in Alaska. The Alaska native is a little bit different breed of native folks there and they need their own imagery and their own push, but that is a separate part of it and I'm glad of that.

Mrs. MALONEY. There were 1 in 12 Indians, American Indians, that were counted in the last census. What do you think we'll be at in this next one? After this ad campaign?

Mr. ZUNIGHA. According to the census statistics, it was like 12.2 percent undercount, which is the largest out of them all.

Mrs. MALONEY. Largest of all. Do you think these ads will overcome this resistance to government interference in counting?

Mr. ZUNIGHA. No, ma'am. I think it's going to be the partnership effort. The ads are good. The ads are important and the ad campaign is important and it should not be dismissed out of Indian Country, but again I think it's going to be the education and the partnership efforts, not just the partnership specialists coming into Indian Country and saying here's the material, let me see what I

can do to help out in your area. But it's the tribes coming forward and having their people and their leaders doing local community meetings and putting everything in the tribal paper and doing those kinds of things with partnership supporting. If you can increase that least likely to respond percentage or decrease it rather, and increase the likely to respond, that's when your ad campaign, which is already hanging out there, is going to come in and just remind and prompt those people as we get closer to census date. But the actual imagery and the look of the Indian ads and the things that I see happening in production now are a vast improvement.

Mrs. MALONEY. Thank you for your testimony.

Mr. MILLER. Mr. Davis.

Mr. DAVIS OF ILLINOIS. I really don't have any questions but let me just state I appreciate your testimony. It's been very interesting listening to you and the things that you have to say. I agree, I think, with your premise that while the advertising is going to be helpful, the most helpful process will more than likely, especially with the community that you're talking about and that you represent, will be the partnerships. The interaction with people will probably be the determinant factors as to whether or not significant improvement is made.

So, I agree with your wisdom, as well as the fact that you're here, and I thank you very much.

Mr. MILLER. Thank you very much for today. We appreciate your coming and it's very productive to have these hearings. I'm sorry we don't have more time. I thank you for sitting through the first two panels.

I ask unanimous consent that all Members' and witnesses' written opening statements be included in the record. Without objection, so ordered. In case there are additional questions that Members may have for our witnesses, I ask unanimous consent for the record to remain open for 2 weeks for Members to submit questions for the record and for the witnesses to submit written answers as soon as practicable. Without objection, so ordered. The hearing is adjourned.

[Whereupon, at 1:25 p.m., the subcommittee was adjourned, subject to the call of the Chair.]

[Additional information submitted for the hearing record follows:]

UNITED STATES DEPARTMENT OF COMMERCE
Bureau of the Census
Washington, DC 20233-0001

OFFICE OF THE DIRECTOR

SEP 27 1999

The Honorable Dan Miller
Chairman, Subcommittee on the Census
Committee on Government Reform
U.S. House of Representatives
Washington, DC 20515-6143

Dear Mr. Chairman:

Thank you for your letter following up on my testimony concerning the U.S. Census Bureau's advertising campaign before the Government Reform and Oversight Subcommittee on July 27, 1999. Specifically, you asked that I respond to the following questions:

"The President's FY00 budget for marketing, communications, and partnerships is $199.5M. Please detail how much is for advertising and how much is for partnerships. Within these broad categories, please discuss specifically what these funds are intended for and how these numbers were chosen."

The Census Bureau has allocated $199.42 million across three categories as follows:

Paid Advertising Campaign	$114,370,000
Partnership Program	66,930,000
Other Promotions	18,120,000

The majority of FY 2000 funds allocated for paid advertising is for media buys ($111 million). The remaining $3.37 million covers Census Bureau staff, travel, operational expenses, and program evaluation.

The bulk of Partnership Program funds are allocated to support regional partnership efforts, including census office staffing ($38.29 million), in kind support for partners, such as development of promotional materials and events tailored to local populations ($15 million), and other operating expenses including travel ($4.94 million). Resources for national partnership development include census office staffing ($4.31 million), contracts for national partnership development ($2.12 million), and other operating expenses including travel ($2.27 million).

"Other Promotions" includes the Census in Schools project ($7 million), national promotional event ($1.2 million), production of fact sheets and promotional materials ($4.3 million) and media relations/product development ($1.4 million). The balance of $4.22 million covers staffing, operational expenses, and program evaluation.

"The President requested and was allocated $15M as an emergency supplemental for advertising and promotion during FY99. Please detail how much is for advertising and how much is for partnerships. Within these broad categories, please discuss specifically what these funds are intended for and how these numbers were chosen."

The $15 million emergency supplemental is divided as follows:

$13 million for advertising
$2 million for a public relations contractor

None of the emergency supplemental funds were allocated for partnerships, since the original allocation fully supported an expanded partnership effort. Of the $13 million allocated to the advertising campaign, $12 million was designated for the purchase of media buys for the education message scheduled to launch in November 1999. The additional $1 million is to support additional in-language advertising. Both activities are part of the Census Bureau's strategy for conducting the current census plan.

The remaining $2 million was allocated for a public relations contractor to work with the Public Information Office on the following tasks:

- Providing training and printed materials on the paid advertising campaign and other Census promotional activities to regional staff, partners, and complete count committees to enhance the messaging impact through grass roots press and pro-bono activities.
- Reviewing the various components of the national and regional decennial communications areas that may need strengthening or where the message may not be consistent.
- Developing and implementing a national communications plan to manage central and regional responses to media inquiries about census operations.

"The Census Bureau, as well as the General Accounting Office and the Commerce Department's Inspector General have begun to release evaluation reports on the 1998 Dress Rehearsals. Please explain how the Census Bureau has incorporated lessons learned from the dress rehearsals into meaningful changes for Census 2000."

The Census 2000 Dress Rehearsal provided the Census Bureau with an excellent opportunity to revie and improve operations central to the success of Census 2000. For example, the Census Bureau has made the following adjustments in direct response to the experience in the Dress Rehearsal.

- *Dress Rehearsal Evaluation Results Memorandum E1a* presented survey results conducted by Westat, Inc., on the effectiveness of the advertising campaign conducted at the Sacramento, California, and Columbia, South Carolina, Dress Rehearsal sites. The Census Bureau and Young & Rubicam are incorporating findings from these surveys into the advertising campaign plan for Census 2000.

- *Dress Rehearsal Evaluation Memorandum E1b* stressed that the advertising campaign should include messages that emphasize the arrival of the Census 2000 questionnaire. In response, ad agencies will include messages about how and when the form will arrive in advertising directed at all target audiences.

- The same report argued that the Census Bureau needs to design and implement a better methodology for the evaluation of the Census 2000 advertising campaign. Given the unique nature of the Partnership and Marketing Program as compared with other Census 2000 operations, the Census Bureau has determined that an evaluation of the program should be conducted by an outside contractor with expertise in specific methodologies used to measure knowledge, attitudes, and behavior. A contract has been awarded to the National Opinion Research Center to design and implement this survey.

  Recommendations from the Dress Rehearsal are being incorporated into the evaluation plan for the Partnership and Marketing Program. Interviews will be conducted, both by telephone and in person, to improve coverage of households without telephones. In addition, the survey will be conducted in three waves to determine individuals' awareness and understanding of the census during different phases of advertising and partnership activities. The evaluation will also oversample for undercounted populations including: African Americans, Hispanics, American Indians, Native Hawaiians and Pacific Islanders, and Asian Americans.

- The General Accounting Office (GAO), in Congressional testimony reporting on their review of the Dress Rehearsal, also stressed the importance of motivating people to complete and return the Census 2000 questionnaires. As mentioned above, messages underscoring this message have been incorporated into the advertising campaign.

- The GAO also emphasized the need for the Census Bureau to have realistic expectations about the contributions that the Complete Count Committees (CCCs) will be able to make during Census 2000. The Census Bureau recognizes that while the CCCs can make significant contributions to the success of Census 2000, they are also being asked to contribute their own time and resources to the effort. As outlined in the enclosed handbooks, our regional partnership specialists are working diligently to provide the CCCs with the technical support they require. It is important to stress, though, that the CCCs are but one component of the Census Bureau's outreach and promotion effort.

- In their analysis of the Dress Rehearsal operations at the Menominee, Wisconsin, site the Inspector General recommended that the Census Bureau ensure that there is closer coordination and prior consultation between the tribal leaders, tribal liaisons, partnership specialists, the Complete Count Committees, the prime contractor, and the subcontractor to strengthen the advertising campaign. In response, the Census Bureau has held regional meetings with federally recognized American Indian Tribes to plan, coordinate, and consult on a variety of Census 2000 activities, including the paid advertising campaign. The Census Bureau is also holding a meeting for state-recognized tribes and key organizations working with urban Indian communities to ensure their awareness and support of Census 2000 activities. In particular, the Census Bureau is taking steps to ensure that the advertising campaign is based on contributions and insights from a number of stakeholders through the advisory committee structure and the regional offices.

- The Census Bureau has made other adjustments to the advertising campaign in response to the Dress Rehearsal experience. One conclusion was that we need to do a better job of ensuring that in-language or targeted messages appear in correct locations. In response, all regional offices have been asked to submit specific locations for ads directed to each target audience so that they can be reviewed ahead of time. The advertising agency is also scouting the locations to confirm the appropriateness of the ads targeted for those areas. Finally, as was the case in the Dress Rehearsal, if any ads appear to be misplaced, the regional offices will have instructions to contact the Census 2000 Publicity Office, who will relay instructions to the ad agencies to make any changes necessary.

- It was also clear after the Dress Rehearsal that regional offices should be able to make recommendations regarding local media outlets. Consequently, each regional office has been directed to compile a list of local media outlets that reach hard-to-enumerate audiences. The ad agencies are reviewing these lists to be sure they are aware of these outlets. Regional offices are also recommending, in priority order, media buys that they believe to be critical. Funds have been set aside to make these buys, and the ad agencies will place ads in these outlets as long as the outlets meet some basic criteria.

- The Dress Rehearsal experience also indicated that the Census Bureau needs to coordinate the added value opportunities provided by media outlets. Regional directors have prioritized added value opportunities that they consider most useful, and the ad agencies will use this list when they negotiate with media outlets. Once the media buys have been negotiated (October/November), the ad agencies will inform the regions of the added value terms and will provide them with contact names at the media outlets. The ad agencies will also give the media outlets contact names from the regional offices.

- The Dress Rehearsal also provided the Census Bureau with an opportunity to carefully evaluate the Census in Schools program. In the Dress Rehearsal, two strategies were tested for distributing the Census in Schools materials. To test the most effective distribution, one group of teachers received ordering information, which they returned to

receive the teaching kits. The other group of teachers received the materials, without request, from their principals. The most positive group, overall, in terms of usage and rating were those teachers who requested the materials. The teachers who received the materials from the principal were less likely to use them. For the actual distribution, we sent the request forms directly to the teachers. (The target is teachers in the 40 percent of nation's schools identified as being in hard-to-enumerate areas.) Teachers who order the materials themselves are more likely to use them and recommend them to their colleagues. We are also spending more effort promoting the materials so that teachers will hear about them from multiple sources and be more likely to request them. For teachers in the remaining 60 percent of schools, materials will be sent to the principal. However, as mentioned above, there are multiple promotional activities taking place.

"One initiative I have promoted is expanding the Census in the Schools Program to invite teachers in all communities to participate. It was my understanding that one objection to expansion was that the plan was set and money would come too late to make an impact. It would follow that funds requested by the Census Bureau for Census in the Schools under its amended request for FY00 would come too late to be used. Please explain why, then, you have requested additional funding for FY00 for Census in the Schools. What is the total dollar amount (FY98-FY00) requested for this program? In what percent of schools will teachers receive a direct invitation to participate?"

The Census Bureau appreciates your support of the Census in Schools program. We also believe that this program has tremendous potential for reaching families through their children and motivating their response to the census and that the program should be expanded as long as it could be accomplished given all of the timing parameters—that is, the limited time in FY 1999, the academic calendar followed by most schools, and the amount of time we would have to work with in FY 2000.

The original plan called for a direct-mail invitation to teachers in 40 percent of the Nation's schools. An invitation to these teachers to participate in Census in Schools was mailed in April 1999. Once there was a possibility that resources would be available to conduct a second mailing to the remaining 60 percent of schools, it was late in the academic year. We determined that the second wave would have more impact if it was mailed once the school year started again in September 1999. The development and distribution of a second round of invitations could be accomplished with existing FY 1999 funds; therefore, no additional funds in FY 1999 were required.

In September, we will target the remaining 60 percent of schools by mailing invitations to all elementary and secondary school principals and department chairs of secondary social studies and math departments. The funds requested for FY 2000 will be used to produce more teaching kits to meet the increased demand resulting from this second set of invitations.

FY 2000 funds have also been requested to support the development and dissemination of Census in Schools take-home materials. Teachers will give these materials, designed to be fun and educational, to students to complete with their parents at home. These take-home materials are an essential component to the program; they facilitate discussion about the census in the home, where the decision to respond to the census is ultimately made. The additional funding requested in FY 2000 would enable the Census Bureau to distribute these take-home materials directly to every teacher in the country with K-8 classes (we have determined that these materials would not be effective for secondary school students).

The budget for Census in Schools is as follows:

•	FY 1998	$ 1,500,000
•	FY 1999	$13,500,000
•	FY 2000	$ 7,000,000
	TOTAL	$22,000,000

"Please provide a schedule of the media buys for television and radio. Where and when will they be placed, and what is the cost of each buy? What is the basis for the decision to place these ads in these specific areas?"

A copy of the media plan developed by Young and Rubicam and its partner agencies is enclosed for your review. This plan, intended to serve as a guide for determining media buys for television, radio, print, and out of home, was approved by the Census Bureau's regional directors at their July 28, 1999, meeting in Florida. Each of the five agencies (Young and Rubicam, Chisholm-Mingo Group, Bravo, Kang and Lee, and G&G Advertising) used detailed demographic and psycho-graphic information (outlined in the enclosed plan) to determine the audiences they need to reach in order to increase awareness of Census 2000 and educate and motivate individuals to respond to the Census 2000 form.

The cost of the media buys for the Census 2000 paid campaign will total $106.6 million, pending congressional approval. The media campaign will run from November 1, 1999, through mid-May 2000. Details about placement of the ads will not be available until after the contractor and its subcontractors meet to review their plans, determine the financial needs to meet their planned objections, and complete negotiations for the buys. The Census Bureau anticipates that complete launch books will be available in late December 1999 to early January 2000. Initial Educational Phase schedules will be available in early November.

I hope this letter addresses your concerns. Should you require any further information, please do not hesitate to let us know.

Sincerely,

Kenneth Prewitt

Kenneth Prewitt
Director

Enclosures

cc: The Honorable Carolyn B. Maloney

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