



Highlights of [GAO-08-554](#), a report to the Subcommittee on Commerce, Justice, Science, and Related Agencies, Committee on Appropriations, House of Representatives

## Why GAO Did This Study

The 2010 Census will be the most expensive census in our nation's history, even after adjusting for inflation. The Census Bureau (Bureau) estimates that the life cycle cost of the 2010 Census will be from \$13.7 billion to \$14.5 billion. GAO was asked to (1) assess the extent to which the Bureau's 2010 Census life cycle cost estimate adheres to characteristics defined for high-quality cost estimation, (2) report on the relationship between the estimate and the Bureau's budget, and (3) assess whether the Bureau's existing policies and resources are sufficient to conduct cost estimation. To assess the reliability of the Bureau's cost estimate, GAO analyzed the Bureau's methods and approaches to determine if the estimate is well-documented, comprehensive, accurate, and credible.

## What GAO Recommends

GAO recommends that the Secretary of Commerce direct the Bureau to (1) thoroughly document the 2010 Census life cycle cost estimate; (2) update assumptions; (3) update the estimate with actual costs; (4) perform sensitivity and uncertainty analyses on the estimate; and (5) for future estimates, establish policies and procedures for cost estimation. Although the Department of Commerce raised concerns about how GAO characterized the accuracy of the estimate, it generally agreed with the report's findings and said that the Bureau would prepare an action plan to address GAO's recommendations.

To view the full product, including the scope and methodology, click on [GAO-08-554](#). For more information, contact Mathew Scire at (202) 512-6806 or [sciremj@gao.gov](mailto:sciremj@gao.gov).

## 2010 CENSUS

### Census Bureau Should Take Action to Improve the Credibility and Accuracy of Its Cost Estimate for the Decennial Census

#### What GAO Found

The Bureau's 2010 Census life cycle cost estimate is not reliable because it lacks adequate documentation and is not comprehensive, accurate, or credible. The Bureau could not provide detailed documentation on data sources, significant assumptions, or changes in assumptions for the cost estimate. The cost estimate is not comprehensive because the Bureau did not include the potential cost to fingerprint temporary workers or clearly define some of the cost elements in the model. The cost estimate is not accurate because it does not reflect updated information on address canvassing productivity that was identified during the dress rehearsal and that should result in a significant cost increase. Further, the Bureau does not maintain historical data in a centralized way that is easily accessible for analysis. The cost estimate is not credible because the Bureau did not perform sensitivity or uncertainty analyses, which would have helped quantify the risk and uncertainty associated with the cost model and provided a level of confidence for the estimate. The Bureau also did not validate the estimate with an independent cost estimate.

The Bureau uses the life cycle cost estimate as the starting point for annual budget formulation and revises the life cycle cost estimate based on appropriations received and updated budget information. However, the Bureau does not update the cost estimate to reflect actual costs. Further, because the life cycle cost estimate is not reliable, annual budget requests based on that estimate are not fully informed.

The Bureau has insufficient policies and procedures and inadequately trained staff for conducting high-quality cost estimation for the decennial census. The Bureau does not have established cost estimation guidance and procedures in place or staff certified in cost estimation techniques. While the Bureau is developing a new budget management tool called the Decennial Budget Integration Tool, which will support the cost estimation process, the Bureau will need to establish rigorous cost estimation policies and procedures and use skilled estimators to ensure that future cost estimates are reliable and of high quality.

On April 3, 2008, the Secretary of Commerce announced a redesign of the 2010 Census plan that included significant cost increases of \$2.2 billion to \$3 billion. The details of this cost increase were not available at the time of this review; however, until the Bureau makes fundamental changes to its cost estimation process, uncertainties about the ultimate cost of the 2010 Census will remain. Without improvements to the cost estimation process, the Bureau's ability to effectively manage operations will be hampered and Congress's ability to oversee the 2010 Census will be constrained.