

Standards for the Classification of Federal Data on Race and Ethnicity



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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OFFICE OF MANAGEMENT AND BUDGET

Standards for the Classification of Federal Data on Race and Ethnicity

AGENCY: Executive Office of the President, Office of Management and Budget (OMB), Office of Information and Regulatory Affairs

ACTION: Advance Notice of Proposed Review and Possible Revision of OMB's Statistical Policy Directive No. 15, Race and Ethnic Standards for Federal Statistics and Administrative Reporting; and Announcement of Public Hearings on Directive No. 15.

SUMMARY: During the past few years, OMB's Statistical Policy Directive No. 15, Race and Ethnic Standards for Federal Statistics and Administrative Reporting, has come under increasing criticism. These standards are used governmentwide for recordkeeping, collection, and presentation of data on race and ethnicity in Federal statistical activities and program administrative reporting. Since the standards were first issued 17 years ago, citizens who report information about themselves and users of the information collected by Federal agencies have indicated that the categories set forth in Directive No. 15 are becoming less useful in reflecting the diversity of our Nation's population. Accordingly, OMB currently is undertaking a review of the racial and ethnic categories in the Directive. (See Appendix for the text of Directive No. 15.)

ISSUES FOR COMMENT: OMB is interested in receiving comments from the public on (1) the adequacy of the current categories, (2) principles that should govern any proposed revisions to the

standards, and (3) specific suggestions for changes that have been offered by various individuals and organizations.

ADDRESS: Written comments on these issues may be addressed to Katherine K. Wallman, Chief, Statistical Policy, Office of Information and Regulatory Affairs, Office of Management and Budget, 725 17th Street, N.W., Washington, D.C. 20503.

DATE: To ensure consideration, written comments must be provided to OMB on or before September 1, 1994.

PUBLIC HEARINGS: To provide additional opportunities to hear views from the public on Directive No. 15, OMB has scheduled a series of hearings, as follows:

DATE/TIME	LOCATION
July 7, 1994 10:00 a.m.	Thomas P. O'Neill, Jr. Federal Building Auditorium 10 Causeway Street Boston, Massachusetts (Local arrangements contact: Harold Wood, Bureau of the Census Regional Office, 617-424-0500)
July 11, 1994 10:00 a.m.	State Capitol Building Old Supreme Court Chambers 200 East Colfax Street Denver, Colorado (Local arrangements contact: Jerry O'Donnell, Bureau of the Census Regional Office, 303-969-7750)
July 14, 1994 10:00 a.m.	Federal Reserve Bank of San Francisco Interpretive Center 101 Market Street San Francisco, California (Local arrangements contact: Vicki Cooper- Murphy, Bureau of Labor Statistics Regional Office, 415-744-7166)

If you wish to present an oral statement at any of these hearings, please contact the Statistical Policy Office (at the address below) by telephone or fax (do not use electronic mail) by July 1, 1994, and provide the following information: your name, address, telephone and fax numbers, and the name of the organization which you represent. After July 1, please call the appropriate local arrangements contact identified above to be placed on the hearing schedule. Persons testifying are asked to bring three (3) copies of their statement to the hearing. Written statements will also be accepted at the hearings. Depending on the number of persons who request to present their views, the hearings in each location may be extended to the following day.

ADDRESS: Requests to be placed on the hearing schedule should be directed to the Statistical Policy Office, Office of Management and Budget, 725 17th Street, N.W., Washington, D.C. 20503. Telephone: 202-395-3093. Fax number: 202-395-7245.

ELECTRONIC AVAILABILITY AND COMMENTS: This document is available on the Internet via anonymous File Transfer Protocol (ftp) from ftp.census.gov as /pub/docs/ombdir15.txt in ASCII format (do not use any capital letters in the file name). For those who do not have ftp capability, the document can also be obtained through the gopher (gopher gopher.census.gov) and HTTP servers (accessible by mosaic, cello, lynx, etc.), or by sending an electronic mail message to ftpmail@census.gov with the following lines in the message area:

- open
get/pub/docs/ombdir15.txt
quit

Comments may be sent via electronic mail to an OMB x.400 mail address, which is /s=ombdir15/c=us/admd=telemail/prmd=gov+eop. The Internet address is ombdir15@eop.sprint.com. Comments sent to this address will be included as part of the official record. Do not use this electronic mail address to have your name included in the hearing schedule.

For assistance using electronic mail, ftp, gopher, or HTTP, please contact your system administrator. You may also want to send an electronic message to access@census.gov with a subject of HELP and nothing in the message area. You will receive by return electronic mail "FAQ (Frequently Asked Questions)" and more information on how to access the services on census.gov.

FOR FURTHER INFORMATION CONTACT: Suzann Evinger, Statistical Policy Office, Office of Information and Regulatory Affairs, Office of Management and Budget, Telephone: (202) 395-3093.

SUPPLEMENTARY INFORMATION:

Background

Development of Directive No. 15.--Developmental work on the categories in OMB's Directive No. 15 originated in the activities of the Federal Interagency Committee on Education (FICE), which was created by Executive Order in 1964. More than 30 Federal agencies were members or regular participants in FICE's work to improve coordination of educational activities at the Federal level. The FICE Subcommittee on Minority Education completed a report in April 1973 on higher education for Chicanos, Puerto Ricans, and American Indians and sent it to then Secretary of Health, Education, and Welfare (HEW) Caspar Weinberger for comment. He showed particular interest in the portion of the report that deplored the lack of useful data on racial and ethnic groups. Further, he encouraged the implementation of the report's second recommendation which called for the coordinated development of common definitions for racial and ethnic groups, and the Federal collection of racial and ethnic enrollment and other educational data on a compatible and nonduplicative basis.

In June 1974, FICE created an Ad Hoc Committee on Racial and Ethnic Definitions whose 25 members came from Federal agencies with major responsibilities for the collection or use of racial and ethnic data. This Ad Hoc Committee was charged with developing terms and definitions for the collection of a broad range of racial and ethnic data by Federal agencies on a compatible and nonduplicative basis. It took on the task of determining and describing the major groups to be identified by Federal agencies when collecting and reporting racial and ethnic data. While the Ad Hoc Committee recognized that there is frequently a relationship between language and ethnicity, it made no attempt to develop a means of identifying persons on the basis of their primary language. The Ad Hoc Committee wanted to ensure that whatever categories the various agencies used could be aggregated, disaggregated, or otherwise combined so that the data developed by one agency could be used in conjunction with the data developed by another agency. In addition, the Ad Hoc Committee thought that the basic categories could be subdivided into more detailed ethnic subgroups to meet users' needs, but that to maintain comparability, data from one major category should never be combined with data from any other major category.

In the spring of 1975, FICE completed its work on a draft set of categories, and an agreement was reached among OMB, the General Accounting Office (GAO), the HEW's Office for Civil Rights, and the Equal Employment Opportunity Commission (EEOC) to adopt these categories for a trial period of at least one year. This trial was undertaken to test the new categories and definitions and to determine what problems, if any, would be encountered in their implementation.

At the end of the test period, OMB and GAO convened an Ad Hoc Committee on Racial/Ethnic Categories to review the experience of the agencies that had implemented the standard categories and definitions and to discuss any potential problems that might be encountered in extending the use of the categories to all Federal agencies. The Committee met in August 1976 and included representatives of OMB; GAO; the Departments of Justice, Labor, HEW, and Housing and Urban Development; the Bureau of the Census; and the EEOC. Based upon the discussion in that meeting, OMB prepared minor revisions to the FICE definitions and circulated the proposed final draft for agency comment. These revised categories and definitions became effective in September 1976 for all compliance recordkeeping and reporting required by the Federal agencies represented on the Ad Hoc Committee.

Based upon this interagency agreement, OMB drafted for agency comment a proposed revision of the race and ethnic categories contained in its circular on standards and guidelines for Federal statistics. Some agencies published the draft revision for public comment. Following the receipt of comments and incorporation of suggested modifications, OMB on May 12, 1977, promulgated for use by all Federal agencies the racial and ethnic categories now contained in Directive No. 15, the text of which appears in the Appendix. This meant that for the first time, standard categories and definitions would be used at the Federal level in reporting and presentation of data on racial and ethnic groups. While OMB requires the agencies to use these racial and ethnic categories, it should be emphasized that the Directive

permits collection of additional detail if the more detailed categories can be aggregated into the basic racial and ethnic classifications set forth in the Directive.

As demonstrated by this brief history, the present categories were developed through a deliberate cooperative process; participation of the agencies that use the categories was an essential element in that process.

1988 Proposed Revision.--The standards promulgated in 1977 have not been revised since that time. OMB did, however, publish in the January 20, 1988, **Federal Register** a draft Statistical Policy Circular soliciting public comment on a comprehensive revision of existing Statistical Policy Directives. Among the proposed changes was a revision of Directive No. 15 that would have added an "Other" racial category and required classification by self-identification. While this proposal was supported by many multi-racial and multi-ethnic groups and some educational institutions, it drew strong opposition from Federal agencies such as the Civil Rights Division of the Department of Justice, the Department of Health and Human Services, the EEOC, and the Office of Personnel Management, and from large corporations.

Respondents who opposed the change asserted that the present system provided adequate data, that any changes would disrupt historical continuity, and that the proposed change would be expensive and potentially divisive. Some members of minority communities interpreted the proposal as an attempt to provoke internal dissension within their communities and to reduce the official counts of minority populations. Because it was evident from all of these comments that this proposal would not be widely accepted, no changes were made at the time to Directive No. 15.

1993 Hearings.--During 1993, Congressman Thomas C. Sawyer, Chairman of the House Subcommittee on Census, Statistics, and Postal Personnel, held a series of four hearings (April 14, June 30, July 29, and November 3) on the measurement of race and ethnicity in the decennial census. OMB testified at the hearing on July 29. Information on these hearings may be obtained by contacting the Subcommittee at (202) 226-7523.

Workshop.--As a first step in undertaking its review of the racial and ethnic categories, OMB asked the Committee on National Statistics (CNSTAT) of the National Academy of Sciences to convene a workshop to provide an informed discussion of the issues surrounding a review of the categories. Convened on February 17-18, 1994, the workshop included representatives of Federal agencies, academia, social science research, interest groups, private industry, and local school districts. A report on the workshop will be forthcoming from CNSTAT.

Interagency Committee. OMB has established an Interagency Committee for the Review of the Racial and Ethnic Standards, whose members represent the many and diverse Federal needs for racial and ethnic data, including statutory requirements for such data. The Committee will be an integral part of

this review process, by assisting OMB in the evaluation and assessment of proposed changes, for example, on the quality of resulting data and costs of implementation.

Suggested Changes and Criticisms

Your comments are invited on any aspect of Directive No. 15; if you are satisfied with the existing racial and ethnic categories, it would be useful for OMB to know that also. You may also wish to comment on the following suggestions and criticisms about the Directive that OMB received during the recent hearings and the CNSTAT workshop:

- -- adding a "multi-racial" category to the list of racial designations so that respondents would not be forced to deny part of their heritage by having to choose a single category;
- adding an "other" category for individuals of multi-racial backgrounds and those who want the option of specifically stating a unique identification;
- providing an open-ended question to solicit information on race and ethnicity, or combining concepts of race, ethnicity, and ancestry;
- changing the name of the "Black" category to "African American";
- changing the name of the "American Indian or Alaskan Native" category to "Native American";
- including Native Hawaiians as a separate category or as part of a "Native American" category (which would also include American Indians, Aleuts, and Eskimos), rather than as part of the "Asian or Pacific Islander" category;
- including Hispanic as a racial designation, rather than as a separate ethnic category; and
- adding a "Middle Easterner" category to the list of ethnic designations.

The critiques of the current standard and the proposals for change include as well a number of other concerns. For example:

- -- The categories and their definitions have been criticized for failing to be comprehensive and scientific. As cases in point, using the present definitions there are no proper categories for the original Indian population of South America or for Australian aborigines.
- Some have suggested that the geographic orientation of the definitions for the various racial and ethnic categories is not sufficiently definitive. They believe that there is no readily apparent organizing principle for making such distinctions and that definitions for the categories should be eliminated.

Others disagree, stating that the current definitions of the racial and ethnic categories have served their uses well and thus should be maintained.

-- The identification of an individual's racial and ethnic "category" often is a subjective determination, rather than one that is objective and factual, no matter what the process for arriving at the categories. Consequently, it has been suggested that it may no longer be appropriate to consider the categories as a "statistical standard."

-- The issue of self-identification of race and ethnicity versus third party identification also has been raised. This issue will merit increased attention if multi-racial and/or multi-ethnic categories or identification procedures are adopted.

-- Some have proposed eliminating the five-category combined racial and ethnic classification in favor of separate, mutually exclusive, racial and ethnic categories. The combined format now permitted by the Directive is particularly suitable for observer identification, and is used by the Department of Health and Human Service's Office for Civil Rights, the Equal Employment Opportunity Commission, and the Office of Federal Contract Compliance because it facilitates aggregating data on the minority groups with which these agencies are concerned. The use of the Hispanic category in the combined format does not, however, provide information on the race of those selecting it. As a result, the combined format makes it impossible to distribute persons of Hispanic ethnicity by race and, therefore, reduces the utility of the four racial categories by excluding from them persons who would otherwise be included. Thus, the two formats currently permitted by Directive No. 15 for collecting racial and ethnic data do not provide comparable data.

-- The perceived importance of historical comparability of racial and ethnic data has been questioned by some. Since the names of the categories have changed in the decennial censuses, and agencies use different methods even internally to collect the data, there is less continuity in racial and ethnic data than many believed. As a result, it has been suggested that this review of Directive No. 15 should have a more forward-looking approach, rather than being bound by past history.

-- Some have suggested that consideration be given to collecting racial and ethnic data using "categories for response" that can be decoupled from "categories for reporting data." For example, the response categories could permit responses reflecting multiple origins; later these data would be aggregated into reporting categories following a set of standards and guidelines to make the reported data more useful for various program, administrative, and statistical purposes.

-- There have also been suggestions that the classification of persons by race and ethnicity be eliminated entirely. Proponents of this view assert that the categories merely serve to perpetuate an over-emphasis on race in America and contribute to the fragmentation of our society.

Federal Uses of Racial and Ethnic Data

Given the broad range of suggestions and criticisms, OMB believes that a comprehensive review of all the categories is warranted. It is important to stress comprehensive, because these categories are not used simply for statistical purposes. Thus, while the use of the racial and ethnic categories in the collection of decennial census data is most widely known -- and has most often been cited in the 1993 hearings and in the correspondence OMB receives -- the categories are also used by Federal agencies for civil rights enforcement and for program administrative reporting. Some important examples of the Federal Government's uses of racial and ethnic data are:

- enforcing the requirements of the Voting Rights Act;
- reviewing State redistricting plans;
- collecting and presenting population and population characteristics data, labor force data, education data, and vital and health statistics;
- establishing and evaluating Federal affirmative action plans and evaluating affirmative action and discrimination in employment in the private sector;
- monitoring the access of minorities to home mortgage loans under the Home Mortgage Disclosure Act;
- enforcing the Equal Credit Opportunity Act;
- monitoring and enforcing desegregation plans in the public schools;
- assisting minority businesses under the minority business development programs; and
- monitoring and enforcing the Fair Housing Act.

These examples of statutory requirements are mentioned to foster public awareness and understanding of the Federal Government's many different needs for racial and ethnic data. Appreciation of the intended uses of the data helps determine what categories make sense. Further, these uses need to be taken into account when changes to the categories are suggested. In any event, OMB believes that it is essential for the Federal agencies to study the possible effects of any proposed changes to the categories on the quality and utility of the resulting data for a multiplicity of purposes.

General Principles for the Review of the Racial and Ethnic Categories

The critiques and suggestions for changing Directive No. 15 have underscored the importance of having a set of general principles to govern the current review process. The following principles were drafted in cooperation with Federal agencies serving on the Interagency Committee. Comments on these principles are welcomed.

1. The racial and ethnic categories set forth in the standard should not be interpreted as being scientific or anthropological in nature.

2. Respect for individual dignity should guide the processes and methods for collecting data on race and ethnicity; respondent self-identification should be facilitated to the greatest extent possible.
3. To the extent practicable, the concepts and terminology should reflect clear and generally understood definitions that can achieve broad public acceptance.
4. The racial and ethnic categories should be comprehensive in coverage and produce compatible, nonduplicated, exchangeable data across Federal agencies.
5. Foremost consideration should be given to data aggregations by race and ethnicity that are useful for statistical analysis, program administration and assessment, and enforcement of existing laws and judicial decisions, bearing in mind that the standards are not intended to be used to establish eligibility for participation in any Federal program.
6. While Federal data needs for racial and ethnic data are of primary importance, consideration should also be given to needs at the State and local government levels, including American Indian tribal and Alaska Native village governments, as well as to general societal needs for these data.
7. The categories should set forth a minimum standard; additional categories should be permitted provided they can be aggregated to the standard categories. The number of standard categories should be kept to a manageable size, as determined by statistical concerns and data needs.
8. A revised set of categories should be operationally feasible in terms of burden placed upon respondents and the cost to agencies and respondents to implement the revisions.
9. Any changes in the categories should be based on sound methodological research and should include evaluations of the impact of any changes not only on the usefulness of the resulting data but also on the comparability of any new categories with the existing ones.
10. Any revision to the categories should provide for a crosswalk at the time of adoption between the old and the new categories so that historical data series can be statistically adjusted and comparisons can be made.
11. Because of the many and varied needs and strong interdependence of Federal agencies for racial and ethnic data, any changes to the existing categories should be the product of an interagency collaborative effort.

The agencies recognize that these principles may in some cases represent competing goals for the standard. Through the review process, it will be necessary to balance statistical issues, needs for data, and social concerns. The application of these principles to guide the review and possible revision of the standard ultimately should result in consistent, publicly accepted data on race and ethnicity that will meet the needs of the government and the public while recognizing the diversity of the population and respecting the individual's dignity.

Sally Katzen *Administrator,*
Office of Information and Regulatory Affairs

APPENDIX

DIRECTIVE NO. 15

RACE AND ETHNIC STANDARDS FOR FEDERAL STATISTICS AND ADMINISTRATIVE REPORTING

(as adopted on May 12, 1977)

This Directive provides standard classifications for recordkeeping, collection, and presentation of data on race and ethnicity in Federal program administrative reporting and statistical activities. These classifications should not be interpreted as being scientific or anthropological in nature, nor should they be viewed as determinants of eligibility for participation in any Federal program. They have been developed in response to needs expressed by both the executive branch and the Congress to provide for the collection and use of compatible, nonduplicated, exchangeable racial and ethnic data by Federal agencies.

1. Definitions

The basic racial and ethnic categories for Federal statistics and program administrative reporting are defined as follows:

1. **American Indian or Alaskan Native.** A person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliations or community recognition.
2. **Asian or Pacific Islander.** A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands. This area includes, for example, China,

India, Japan, Korea, the Philippine Islands, and Samoa.

3. **Black.** A person having origins in any of the black racial groups of Africa.
4. **Hispanic.** A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.
5. **White.** A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.

2. Utilization for Recordkeeping and Reporting

To provide flexibility, it is preferable to collect data on race and ethnicity separately. If separate race and ethnic categories are used, the minimum designations are:

- a. **Race:**
 - American Indian or Alaskan Native
 - Asian or Pacific Islander
 - Black
 - White

- b. **Ethnicity:**
 - Hispanic origin
 - Not of Hispanic origin

When race and ethnicity are collected separately, the number of White and Black persons who are Hispanic must be identifiable, and capable of being reported in that category.

If a combined format is used to collect racial and ethnic data, the minimum acceptable categories are:

- American Indian or Alaskan Native
Asian or Pacific Islander
Black, not of Hispanic origin
Hispanic
White, not of Hispanic origin.

The category which most closely reflects the individual's recognition in his community should be used for purposes of reporting on persons who are of mixed racial and/or ethnic origins.

In no case should the provisions of this Directive be construed to limit the collection of data to the categories described above. However, any reporting required which uses more detail shall be organized in such a way that the additional categories can be aggregated into these basic racial/ethnic categories.

The minimum standard collection categories shall be utilized for reporting as follows:

1. **Civil rights compliance reporting.** The categories specified above will be used by all agencies in either the separate or combined format for civil rights compliance reporting and equal employment reporting for both the public and private sectors and for all levels of government. Any variation requiring less detailed data or data which cannot be aggregated into the basic categories will have to be specifically approved by the Office of Management and Budget (OMB) for executive agencies. More detailed reporting which can be aggregated to the basic categories may be used at the agencies' discretion.
2. **General program administrative and grant reporting.** Whenever an agency subject to this Directive issues new or revised administrative reporting or recordkeeping requirements which include racial or ethnic data, the agency will use the race/ethnic categories described above. A variance can be specifically requested from OMB, but such a variance will be granted only if the agency can demonstrate that it is not reasonable for the primary reporter to determine the racial or ethnic background in terms of the specified categories, and that such determination is not critical to the administration of the program in question, or if the specific program is directed to only one or a limited number of race/ethnic groups, e.g., Indian tribal activities.
3. **Statistical reporting.** The categories described in this Directive will be used at a minimum for federally sponsored statistical data collection where race and/or ethnicity is required, except when: the collection involves a sample of such size that the data on the smaller categories would be unreliable, or when the collection effort focuses on a specific racial or ethnic group. A repetitive survey shall be deemed to have an adequate sample size if the racial and ethnic data can be reliably aggregated on a biennial basis. Any other variation will have to be specifically authorized by OMB through the reports clearance process. In those cases where the data collection is not subject to the reports clearance process, a direct request for a variance should be made to OMB.

3. Effective Date

The provisions of this Directive are effective immediately for all new and revised recordkeeping or reporting requirements containing racial and/or ethnic information. All existing recordkeeping or

reporting requirements shall be made consistent with this Directive at the time they are submitted for extension, or not later than January 1, 1980.

4. Presentation of Race/Ethnic Data

Displays of racial and ethnic compliance and statistical data will use the category designations listed above. The designation "nonwhite" is not acceptable for use in the presentation of Federal Government data. It is not to be used in any publication of compliance or statistical data or in the text of any compliance or statistical report.

In cases where the above designations are considered inappropriate for presentation of statistical data on particular programs or for particular regional areas, the sponsoring agency may use:

(1) The designations "Black and Other Races" or "All Other Races," as collective descriptions of minority races when the most summary distinction between the majority and minority races is appropriate;

(2) The designations "White," "Black," and "All Other Races" when the distinction among the majority race, the principal minority race and other races is appropriate; or

(3) The designation of a particular minority race or races, and the inclusion of "Whites" with "All Other Races," if such a collective description is appropriate.

In displaying detailed information which represents a combination of race and ethnicity, the description of the data being displayed must clearly indicate that both bases of classification are being used.

When the primary focus of a statistical report is on two or more specific identifiable groups in the population, one or more of which is racial or ethnic, it is acceptable to display data for each of the particular groups separately and to describe data relating to the remainder of the population by an appropriate collective description.