



Bob Sivinski, Chair

Federal Interagency Technical Working Group on Race and Ethnicity Standards

1650 17th St. NW

Washington, D.C. 20500

Statistical_directives@omb.eop.gov

Re: Docket OMB-2023-0001: Initial Proposals for Updating OMB's Race & Ethnicity Statistical Standards

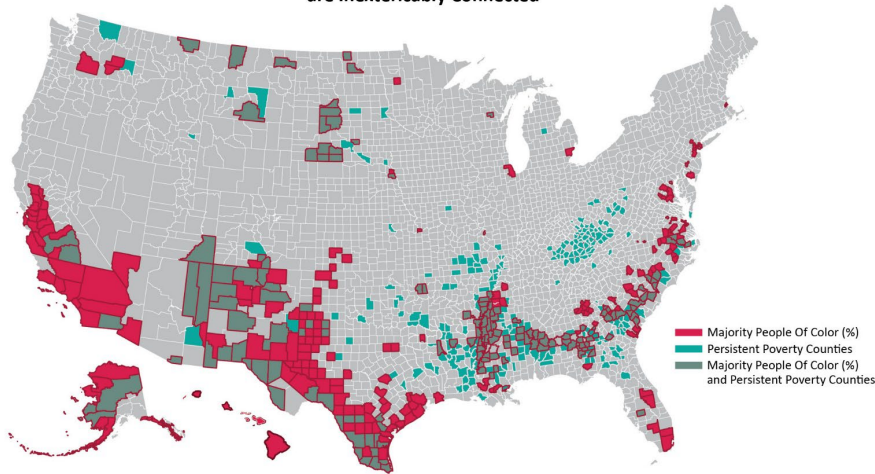
Guided by a vision of a nation where persistent poverty no longer exists, six regional Community Development Financial Institutions (CDFIs) located in and serving regions with a high prevalence of persistent poverty came together. The CDFIs—Come Dream | Come Build (cdcb) of Brownsville, Communities Unlimited, Fahe, First Nations Oweesta Corporation, HOPE Credit Union and Enterprise Corporation, and Rural Community Assistance Corporation—formed a coalition, currently called the [Partners for Rural Transformation](#). With a shared ethos of investing in both people and places and informed by the voices of local people, we seek to unify around opportunities in diverse communities at a time of great division in our nation. A closer look at persistent poverty America reveals how structural exclusion by place and race continues to paint a picture that is steadfastly rural and marred by racial, capital and data inequity. These challenges are exacerbated by a history of disinvestment and data extraction.

Rural America faces systematic, avoidable, and unjust economic, health, and racial disparities. Legacies of forced geographic and cultural displacement, enslavement, financial discrimination, residential segregation, and transitioning economies have left an indelible mark. Despite evidence of persisting rural inequities, there is no coordinated effort to build a comprehensive evidence base to support deep systems change – that is, to generate research that informs the shifts in policies, practices, resources, power, trust, and attitudes necessary to advance equity.

Rural America, especially in areas of persistent poverty, have been largely disinvested over the past decades. We are seeing the impacts of this disinvestment across federal and state agencies in almost every sector of life. Of the 395 persistent poverty counties, eight out of ten are nonmetro (rural). The majority (60%) of people living in persistent poverty counties are people of color. In fact, 4 out of 10 (42%) persistent poverty counties are majority people of color.

Regions of deep and persistent poverty were not an accident, formed by policy choices that facilitated the acquisition of wealth and power among a select group through the enslavement of Africans and African Americans in the Mississippi Delta and Black Belt, the taking of land and life from tribal nations and Latinx people throughout the country and along the U.S./ Mexico border, and the extraction of natural resources from Appalachia. Today, the consequence of history manifest in other forms of distress and structural exclusion, high unemployment, a lack of access to banking services, a paucity of quality affordable housing and safe drinking water yet all of which contribute to higher rates of premature death and lower health outcomes.

Map 1. Race, Place and Persistent Poverty are Inextricably Connected



SOURCE: US Census Bureau American Community Survey (2017). US Treasury CDFI Persistent Poverty counties (October 2017). Hope Policy Institute Analysis.

Eighty-one percent of persistent poverty counties are in the bottom quartile of counties in terms of health outcomes according to the County Health Rankings. Additionally, persistent poverty counties are over represented (with over 70 in the top 100) among counties experiencing high rates of low birthweight babies and premature death, an indication of how the social and economic drivers limit quality of life and life expectancy.

With rural and persistently poor Americans consistently being

marginalized in large public data sources, experiencing a poorer quality of life, and lacking equitable access to resources, worsening generational wealth outcomes are perpetuated. Part of this stems from the lack of investment capital flow to and within persistently poor communities. Factors exacerbating the lack of investment include: loss of trust in the government by some rural and Native communities due to past and current institutional racism and discrimination, deportation fears, resource extraction, and lack of fair, equitable and transparent data collection. This disconnect leads to less and less rural Americans participating and volunteering their demographic information, such as their race and ethnicity on any and all forms, including federal forms.

With this continuous disinvestment in robust data collection in rural and persistently poor communities, a cyclical pattern has been created for federal program designs and implementation, further disadvantaging these areas. Having inaccurate demographic data leads to inequitable reporting. Inequitable reporting leads to inaccurate hypotheses and speculative program design and inefficient implementation, finally leading to decreased success in intervening and assisting rural America.

The perception that federal forms do not directly impact individuals is erroneous and dangerous. Federal programs that are typically utilized by LMI families, a large swath of which are rural, Native, and persistently poor communities, are allocated funds based on demographic and other data collected by the Census and other federal data sources. The top 4 federal programs in Fiscal Year 2015 that were [distributed funding on the basis of the decennial census-derived data](#) were all related to healthcare, (Medicaid, Medicare Part B), affordable housing (Section 8 Housing Choice Vouchers), and access to basic needs (Supplemental Nutrition Assistance Program – SNAP). Federally-collected data also determines funding to Highway Planning & Construction and other infrastructure related programs. By not accurately capturing the diversity of our country more accurately, especially those in rural America, the largest federal programs will become less and less effective, and the racial wealth gap will continue to grow.

- PRT Supports the 1-Question Format

PRT Partner, [cdcb, \(come dream. come build\)](#), works with a majority-Latino population and offers financial counseling during the path to homeownership. In cdcb's applications for financial

counseling, mortgage lending, and other preliminary paperwork, race and ethnicity are requested from applicants for data purposes. cdc has noticed that, since the race and ethnicity sections are separate, many of their clients refuse to answer the race question, but choose Hispanic/Latino in the ethnicity question. Because of the nuanced subject of identity, many people do not identify with the “White” category, and most closely identify as Hispanic/Latino. For this reason, PRT and cdc believe it would be more beneficial for the race and ethnicity question to be combined, ensuring that applicants are able to choose which identifier best represents them. This will hopefully reduce confusion surrounding the terms, especially for cdc clients that primarily speak Spanish. Not only this, but the expectation is that data will be more precise, as applicants will no longer choose “some other race” or “refuse to answer.”

- PRT Supports Detailed Race & Ethnicity Collection: [Figure 2](#)

PRT supports the Interagency Technical Working Groups proposal of collecting detailed race and ethnicity data for all minimum required categories included on federal forms. More specifically, we advocate for [Figure 2](#) that represents one of potentially several options for establishing a consistent approach to collecting more detailed data, with the minimum categories disaggregated by country of origin. With this framework, the 1-question format is incorporated, and there is additional disaggregation of the minimum required categories. PRT supports the notion of emphasizing one’s ethnicity over their race. Being able to further identify as their nationality will provide much needed insight to smaller groups within each minimum required category. The emphasis of ethnicity and country of origin model will reduce confusion, increase responses and granular data, and will allow a better opportunity to track ethnicity data without color identity. This model will better depict those who identify as multi-racial, who may have a cognitive dissonance on aligning or identifying with more than one race given OMB’s current statistical standard format. PRT supports the new instructions given on [Figure 2](#), especially on the wording “race or ethnicity”; “select all that apply AND enter additional details.” This wording gives the flexibility and power to those who fill out federal forms, while also maintaining data integrity. This format and wording also correct errors in the current OMB statistical standards; such as individuals not being able to select Hispanic or Latino and American Indian or Alaska Native.

PRT fully endorses all of the recommendations made by one of our Partners, [Hope](#). This includes a change of name of one of the minimum main categories. The “Black or African American” Category should be regarded and renamed to “Black.” Additionally, further disaggregation of this category is vital in capturing accurate data, and there should be an emphasis on ethnicity and origin over race. Thus, PRT also supports Hope’s suggestion of having a write-in option under the category “Black,” where individuals can write in their country of origin.

- PRT Supports Separate Minimum Required Category MENA

PRT supports the addition of a MENA (Middle Eastern/North African) minimum required category, and that their respective definitions be removed from their current category, White. This category would be an additional section formatted similarly to other main categories in [Figure 2](#), where MENA is bolded with a check box, and there are sample sub-categories underneath with check box options, and a write in option for country of origin.

- PRT Supports Timely Implementation & Going Above Guidance

PRT realizes the significance that these small details can have on economic, health, and investment for decades to come. With such a critical responsibility, the federal agencies involved in the implementation of the new standards should strive to have full implementation as soon as possible, ideally within less than three years. The OMB Interagency Technical Working Group has sighted that guidance will be provided, but there is a need for more than guidance to have 100% complete implementation and integration of the final changes across the country. PRT recognizes the massive undertaking and burden this change will have on all agencies of all levels, but the need for continuity of measurement is still essential. Resources, such as staff, technical assistance, money, and time from experts, are needed, especially in smaller rural communities, which tend to have lower-capacity.

- PRT Supports Evaluation of New Standards

While PRT supports the update of the SPD-15, with any new data collection tool, especially of this caliber, there needs to be rigorous and continual evaluation of the new standards. Internal and external parties need to separately evaluate the accuracy and accessibility of the new standards that are established. These evaluation methodologies, reports, and findings need to also be made fully available to the public. This would be received as a “good faith” gesture and may start to repair the rapport between federal data sources and rural Americans.

With the above recommendations, PRT strongly believes that more individuals in rural America, and those in Rural America who identify with one or more ethnicity, will be encouraged to accurately and proudly provide their information on federal forms. PRT also believes that with individuals feeling more empowered to own their identity, that reports, analyses, program design and implementation at the state and federal level will provide more accurate, equitable, granular data. This improved data will aid to better inform next steps in transforming rural American communities from areas of persistent poverty to areas of persistent prosperity and opportunity.

PRT appreciates the opportunity to contribute to this request for information. It is imperative that better data collection frameworks are implemented, the rural data gap is addressed, and more accurate data is provided for all levels of decision makers.

For any questions or additional information in regards to PRT’s comments, please contact me.

In partnership



Jose A Quinonez, Director
Partners for Rural Transformation (PRT)
joze@pfrt.org
859-756-6256



PARTNERS FOR RURAL TRANSFORMATION

