



April 27, 2023

Bob Sivinski
Chair, Interagency Technical Working Group on Race and Ethnicity Standards
1650 17th St. NW,
Washington, DC 20500

Re: Comments in Response to FR Document 2023-01635, Initial Proposals for updating Race and Ethnicity Statistical Standards

Dear Chairman Sivinski,

The National Coalition for Asian Pacific American Community Development (National CAPACD) and its undersigned member organizations and partner organizations, are grateful for the opportunity to comment on the Office of Management and Budget's (OMB) proposal to revise OMB's 1997 Statistical Policy Directive No. 15: Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity (SPD 15). The data collection standards that federal agencies are held to are critically important to the low-income Asian American, Native Hawaiian, and Pacific-Islander (AANHPI) communities that we support.

National CAPACD is a coalition of more than 100 member organizations with a mission to build a powerful coalition of Asian American, Native Hawaiian, and Pacific Islander (AANHPI) community-based organizations working with low-income populations. National CAPACD member organizations employ a diverse set of strategies tailored to meeting local community needs, including: the creation and acquisition of affordable housing & community institutions, assistance for renters and homeowners, services for financial capability and empowerment, community organizing, workforce development, and small business sustainability and entrepreneurship.

The term "Asian American" or "Pacific Islander" as traditionally defined in this country encompasses a wide range of subgroups with unique languages, cultures, and historical backgrounds. However, data about these subgroups are rarely collected or examined separately to determine whether there are differences in the opportunities and outcomes that each subgroup experiences. In the infrequent instances when they are disaggregated, vast differences emerge on a number of fronts, including by age, educational attainment, English proficiency, income levels, poverty rates, and place of residence.¹ In fact, according to the PEW Charitable Trusts, Asian Americans are currently "the most economically divided group in the US" in terms of income inequality, with Asians in the top 10% of the income distribution earning 10.7 times as much as

¹ <https://www.pewresearch.org/fact-tank/2021/04/29/key-facts-about-asian-origin-groups-in-the-u-s/>

Asians in the bottom 10%.² The default approach of collecting and examining data on AANHPIs in aggregate rather than disaggregating by subgroup, which is reflected in the current Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity (SPD 15) by the OMB, ends up masking the differences that exist between these separate groups. This matters because lower-income AANHPIs that could benefit from a variety of federal programs can be overlooked, despite the fact that they have just as many needs as similarly situated groups that are more visible.

While the standards set by OMB are meant to be a floor by which agencies are allowed to collect more data than what is required by SPD 15, including disaggregated data, agencies infrequently choose this option. Some noteworthy exceptions are the data collection requirements under the Home Mortgage Disclosure Act (HMDA) and the recently finalized rulemaking on Dodd Frank 1071, which requires small business lenders to collect and report data on borrowers, including their race and ethnicity at disaggregated levels (mirroring the HMDA approach). Greater and more frequent collection of disaggregated data would reveal the distinctions that exist among subgroups, which helps pinpoint who is being underserved. It would also make it easier to allocate finite resources more equitably and effectively, and in a more timely fashion. Moreover, this aligns with President Biden's commitment to equity, which he formalized with his two Executive Orders on Racial Equity (EO 13985, which he signed on his first day of office, and EO 14091).

Consider how loans were distributed under the Paycheck Protection Program (PPP). Because there was no requirement for lenders to collect the race or ethnicity of small business owners who applied or were approved for loans, only 25% of loan applications during the first and second rounds of the program identified the race of the borrower. The Small Business Administration (SBA) provided racial and ethnic data for the third round of funding, which indicates that only 2.5% of loan approvals went to Asian American businesses. However, the value that can be placed on this is complicated by the fact that approximately 70% of the data did not specify the race or ethnicity of the borrower, and there was no disaggregation by racial subgroup. Therefore, we have no understanding of which AANHPI groups faced the greatest barriers. In early 2021, Small Business Majority conducted a survey that indicated Asian American businesses received an inequitable amount of PPP funding assistance. One challenge that contributed to this result was that there was a lack of translated PPP materials in the form of federal guidelines and resources for limited English-proficient (LEP) entrepreneurs. The PPP was launched in early April 2020, but translations of PPP resources were not made available until the end of the month, at which point all funding from the first round was exhausted.³ Had the SBA understood the AANHPI community better through more thorough data collection before the pandemic, some of these translation needs could have been anticipated and addressed earlier, and resources could have been more effectively targeted to these business owners.

One example involving the South Asian community in Queens was shared in a letter the last time National CAPACD submitted comments on statistical standards to Katherine Wallman, former Chief Statistician of the OMB. During the 2008 economic crisis, more than 50% of mortgage defaults in many of the highest density zip codes were among South Asians In Queens. This was not evident until our member organization, Chhaya CDC, manually disaggregated HMDA data (something HMDA was not collecting at the time) based on surnames to assess needs. As a result, Chhaya CDC prioritized the building of a foreclosure prevention program, helping to stabilize entire neighborhoods in the borough of Queens, NY. Without collecting necessary data, particularly at the disaggregated level, it becomes impossible to identify, and ultimately address, discriminatory or inequitable practices, and use limited resources effectively.

The Asian American community is also the fastest growing racial or ethnic group in the country. Between 2000 and 2019, the Asian American population grew from 10.5 million to 18.9 million, an 81% increase, and

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<https://www.pewresearch.org/social-trends/2018/07/12/income-inequality-in-the-u-s-is-rising-most-rapidly-among-asi-ans/>

³ <https://www.nationalcapacd.org/uncategorized/58-of-aapi-entrepreneurs/>

estimates suggest the number will reach 35.8 million by 2060 (three times higher than in 2000). Native Hawaiian and Pacific Islanders, while not growing as fast as the Asian community, also increased by 60 to 70% from 2000 to 2019.⁴ Moreover, according to PEW, the income inequality that now exists between Asian subgroups is a wide departure from where Asian Americans were several decades ago, when they were one of the most equal among major racial and ethnic groups. Given these realities, an update to SPD 15 is urgently needed to reflect these changes so data collected provides a more accurate and detailed record of the country's population.

Recommendations

With this background and experience in mind, National CAPACD would like to propose the following recommendations that we believe, if included in the final version of an updated SPD 15, will improve the data collection practices of federal agencies and lead to a more fair and equitable distribution of resources.

Require the collection of disaggregated race and ethnicity categories. National CAPACD supports the Interagency Technical Working Group on Race and Ethnicity Standards (The Working Group) recommendation that would require agencies covered by SPD 15 to collect detailed, disaggregated data on race and ethnicity by default, as outlined in the proposal. We are generally comfortable with the approach taken in Figure 2 contained in the proposal that provides six checkboxes per race and ethnicity listed, along with a blank space to write in options not listed along with examples of races or ethnicities that could apply.

With this said, given the growing diversity of this country, it is going to be critical for OMB to routinely update SPD 15 to accommodate these rapid changes. The statistical standards that determine the types of data that are collected, maintained, and presented by federal agencies should accurately reflect the population, to help the agencies understand which groups are being overlooked (determining need) and make the necessary adjustments to ensure a more equitable allocation of resources. It also helps the public hold the government accountable for choices made over distribution of these resources. It is also worth noting that the American Community Survey (ACS) and HMDA both successfully collect disaggregated data, which provides invaluable racial and demographic insights, which we do not think is overly burdensome.

Encourage oversampling when sample sizes are small but there is a significant concentration of a particular race or ethnicity. As National CAPACD recommended in our last comment letter, with a disproportionate number of AANHPIs living in the top ten Metropolitan Statistical Area (MSA)'s, oversampling by federal agencies of these communities should be encouraged whenever possible. Outside of the largest AANHPI demographic groups, or metropolitan areas with the largest populations of AANHPIs (e.g. New York City), most smaller data sub-sets do not have sufficient sample size to draw statistically significant conclusions, especially when cross-tabulated with income data. We think a more effective approach would be to survey more heavily from specific census tracts with high populations of poor and low-income AANHPIs and from specific neighborhoods that have higher populations of under-represented AAPI ethnicities (i.e., higher populations of South Asians, South East Asians, Native Hawaiians, and Pacific Islanders).

Examine and publicly report on data collected at the regional level as well as data that is analyzed and reveals important trends or patterns in an accessible manner. While many AANHPI households live in large MSA's, the size of each subgroup can vary considerably by region. For example, in the Los Angeles metro area, the top three Asian American groups are Chinese, Filipino, and Vietnamese by numbers, while in Fresno, CA, the top three groups are Hmong, Asian Indian, and Filipino.⁵ Because of this variation in

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<https://www.pewresearch.org/fact-tank/2021/04/09/asian-americans-are-the-fastest-growing-racial-or-ethnic-group-in-the-u-s/>

⁵ Source: American Community Survey (ACS)

demographics at the regional level, analyzing data only at the national level, particularly when disaggregated, could overlook regional subgroup distinctions that are important to recognize. For instance, looking at who takes out SBA Microloans at the national level might reveal that Filipinos are the most common borrowers among AANHPIs, but a regional analysis might show that Filipinos are the most common in Los Angeles, but in New York City, the most frequent users are South Asian. Moreover, agencies should be encouraged to routinely analyze collected data and report on findings to the public in a way that is understandable and digestible (using dashboards, etc.). These types of assessments help pinpoint needs and encourage accountability.

The OMB should decide whether an agency is able to waive the requirement to collect disaggregated data. While the proposal does recommend disaggregation by default, it also allows the requirement to be waived if “an agency determines the potential benefit of the detailed data would not justify the additional burden to the agency and the public or the additional risk to privacy or confidentiality.” Instead of giving agencies authority, we think the OMB should decide whether a waiver should be granted based on an official petition that an agency submits weighing the benefits and costs. The agency proposing to waive requirements must also provide documentation detailing the extent of the burden it claims, and this should be done on an annual basis (if they do not wish to disaggregate). This approach makes the agency intentionally think through their reasons for a waiver, but also helps the OMB (and the public) better understand agency collection challenges.

Add a new category for Middle Eastern or North African (MENA). For all the reasons highlighted in the proposal, National CAPACD is highly supportive of creating a new minimum reporting category for “Middle Eastern or North African” that is separate from White.

Thank you for recognizing the need to revise SPD 15 and allowing National CAPACD to share our thoughts on how best to update these important standards. If you have any questions or concerns, please contact Anju Chopra, Director of Policy at anju@nationalcapacd.org.

Sincerely,



Seema Agnani
Executive Director

National CAPACD Member Organizations:

Asian Community Development Corporation
Asian Counseling and Referral Service
ASIAN, Inc. 美亞輔鄰社
Asian Law Alliance
Asian Services In Action, Inc.
AYPAL: Building API Community Power
Chhaya CDC
Chinatown Community Development Center
Chinese American Museum of Chicago

Chinese American Service League
Chinese Culture Center of San Francisco
Hamkae Center
HANA Center
Hawai'i Alliance for Community-Based Economic Development
India Home Inc
Lao Assistance Center of Minnesota
Little Manila Rising
Little Tokyo Service Center
Raksha, Inc.
South Asian Network
Southeast Asian Community Alliance
Thai Community Development Center
The Alliance
Think!Chinatown

National CAPACD Partner Organizations:

Asian Pacific American Labor Alliance, AFL-CIO
Hmong National Development, Inc.
Japanese American Citizens League
National Council of Asian Pacific Americans (NCAPA)
SEAMAAC, Inc.
South Asian Public Health Association
South Asian Youth Action (SAYA)
VAYLA New Orleans