



April 27, 2023

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725 17th Street NW,
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RE: OMB-2023-0001 (Initial Proposals for Updating OMBs Race and Ethnicity Statistical Standards)

The African American Alliance of CDFI CEOs (the Alliance) is pleased to submit comments regarding the initial proposals from the Federal Interagency Technical Working Group on Race and Ethnicity Standards (Working Group) for revising OMB's 1997 Statistical Policy Directive No. 15: Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity (SPD 15). The Alliance is a membership-driven intermediary organization that aims to: build the capacity of member organizations; build bridges to economic stability, well-being, and wealth for Black individuals, families, and communities; and build power in Black communities by challenging and influencing financial sectors to operate more equitably. Since launching in 2018, the Alliance has established a network of 72 CEOs of Black-led Community Development Financial Institutions (CDFIs), which includes loan funds, credit unions, and venture capital funds. Alliance members reach historically underserved communities in all 50 states by providing financial services in the small business, affordable housing, and commercial real estate development sectors.

Race and ethnicity data have been used historically to discriminate against marginalized communities, particularly Black communities. This data has been used to justify discriminatory policies and practices, such as redlining and other forms of housing discrimination, that have contributed to the widening of the racial wealth gap. Therefore, we applaud the efforts of the Working Group to take a deeper look into how race and ethnicity data are collected, processed, analyzed, and reported through the lens of historical and structural inequalities. The Alliance is hopeful that this exercise will lead to the use of data in a manner that promotes equity and justice, rather than perpetuate discrimination and widen racial disparities.

I. Collection of Race and Ethnicity Information Using One Combined Question

To what extent would a combined race and ethnicity question that allows for the selection of one or more categories impact people's ability to self-report all aspects of their identity?

The Alliance believes that though a combined race and ethnicity question could potentially impact respondent willingness to self-report all aspects of their identity, such an approach lends itself to greater inclusivity and accuracy in the data collected. It is certainly true that some respondents may not feel as though a combined question fully encompasses the complexity of their identity. For instance, a respondent may identify with a particular ethnicity within a broader racial category or may identify with a specific cultural or national group that is not represented in the categories provided. This may lead such respondents to opt against self-reporting all aspects of their identity, resulting in the collection of inaccurate or incomplete data. Despite that risk, a combined question more effectively allows respondents who identify with more than one racial or ethnic group to select all relevant categories. That said, the Alliance urges OMB to consider larger societal and cultural factors that may influence respondents' willingness to self-report all aspects of their identity. For instance, some respondents may be hesitant to disclose certain aspects of their identities for fear of discrimination or stigmatization based on their racial or ethnic identity. The potential benefits and drawbacks of different approaches to collecting racial and ethnic data must be considered and respondents should be afforded a wide range of reporting options to ensure the collection of accurate and representative data.

If a combined race and ethnicity question is implemented, what suggestions do you have for addressing challenges for data collection, processing, analysis, and reporting of data?

Addressing challenges for data collection, processing, analysis, and reporting of data on race and ethnicity requires a comprehensive approach that emphasizes accuracy, inclusivity, and respect for diverse identities and experiences. To promote consistency and accuracy in the data collected from respondents, the Alliance recommends, first, that OMB provide respondents with clear definitions of the racial and ethnic categories included in the question(s) and clear instructions for selecting and reporting multiple categories. Second, the Alliance recommends that OMB provide cultural sensitivity training to data collectors and analysts. The collection of data on race and ethnicity can be a delicate endeavor, especially for individuals who may have experienced discrimination or bias based on their identity. As such, cultural sensitivity training for collectors and analysts can foster an inclusive and dignified approach to data collection. Third, the Alliance recommends that OMB standardize its data collection tools and protocols. This approach will help to ensure consistency in how the race and ethnicity data is collected across different surveys, forms, etc. Further, this approach can facilitate greater comparability of data and reduce errors or inconsistencies in the data collected. Fourth, OMB should take great care to ensure adequate representation of all groups, including those that are less visible and/or marginalized. Finally, OMB, when necessary, should provide context and interpretation of the race and ethnicity data, such that it is easily understood by the public and can be used to inform policy and decision-making.

II. Require the Collection of Detailed Race and Ethnicity Categories By Default

The minimum categories in SPD 15 contain heterogeneity, as evidenced by differences in a wide variety of outcomes for distinct groups within their definitions. The increasing demand for analysis that represents the diversity of the American public increases the need for race and ethnicity information disaggregated beyond—or more granular than—SPD 15’s minimum categories. The collection of disaggregated information already occurs in many circumstances; for example, some current information collections use detailed checkboxes and/or write-in fields to collect detailed race and ethnicity data. However, collecting data using only the minimum categories may be necessary when, for example, low response rates among population groups of interest lead to non-representative data, small sample sizes make estimates about disaggregated groups statistically unreliable, data is collected by proxy, or small cell sizes in data analyses and publications create privacy and confidentiality risks.

The example design seen in Figure 2 collects additional detail primarily by country of origin. In addition to country of origin, what other potential types of detail would create useful data or help respondents to identify themselves?

The Alliance believes there may be other types of detail that could create useful data or help respondents to identify themselves. For instance, questions about language proficiency or usage can help respondents identify with particular linguistic group questions about ancestry or heritage can help respondents identify with a particular cultural or ethnic group based on their genealogical background; and/or questions about religion can help respondents identify with a particular faith or religious group. To the Alliance’s knowledge, OMB SPD 15 standards do not provide guidance on these categories, but they could prove beneficial for respondents as they identify themselves. In any event, any categories used are relevant and meaningful to the surveyed population, and the data collected is used appropriately.

What are the impacts of using a closed-ended category without collecting further detail through open-ended written questions?

The Alliance believes that using a closed-ended category without collecting further detail through open-ended written questions could potentially lead to the collection of inaccurate or incomplete race and ethnicity data. For instance, closed-ended categories may not capture the full range of diversity within a particular racial or ethnic group (e.g., within a given category, there exists a wide range of ethnicities, languages, and cultures that may be missed by a broad category). Also, closed-ended categories may not capture important information about individual experiences or perspectives related to race and ethnicity, and open-ended responses allow individuals to provide greater detail about their identity and how they perceive race and ethnicity. Further, closed-ended categories may lead to misidentification or underreporting of certain racial or ethnic groups, as individuals who identify as multiracial or multiethnic may not be accurately represented in closed-ended categories that require them to choose only one option. Finally, closed-ended categories may not allow for changes in self-identification over time to be considered.

What should agencies consider when weighing the benefits and burdens of collecting or providing more granular data than the minimum categories?

The decision to collect or provide more granular race and ethnicity data than the minimum categories should be based on the purpose of the data, the impact on the population(s) being analyzed, and other practical considerations.

Agencies should, first, ensure that the purpose of collecting more granular race and ethnicity data is pertinent to their goals. To the extent the agency needs to make decisions based on race and ethnicity data, it may necessitate the collection of more granular race and ethnicity data to ensure that decisions are made based on accurate and meaningful data. Second, agencies should consider the impact of collecting more granular race and ethnicity data by weighing the benefits of the data in furthering agency goals against the level of intrusion to the respondent. Third, agencies should also account for privacy and confidentiality risks attendant to the collection of more granular race and ethnicity data, as such data may require defined guardrails to ensure that personally identifiable information is not compromised. Finally, agencies should consider the costs associated with the resources (i.e., human resources, financial resources, technological resources) required to collect more granular race and ethnicity data and weigh those costs against the benefits of the more granular data to the agency.

Is the current “default” structure of the recommendation appropriate? Should SPD–15 pursue a more voluntary approach to the collection of disaggregated data, as opposed to having a default of collecting such data unless certain conditions are met?

The Alliance believes that the current “default” structure of the recommendation is appropriate. We understand that a more voluntary approach to the collection of disaggregated data may be more practicable under certain circumstances, especially in those situations where privacy concerns or cultural sensitivities may make respondents hesitant to provide personally identifiable information. However, a default approach to collecting disaggregated data unless certain conditions are met is more conducive to the collection of data that is more comprehensive and accurate. This is particularly true when the data is needed to identify disparities within or assess the impact of policies on specific populations and subpopulations. Further, there are times when the “default” structure can produce data that is critical to addressing issues related to the underreporting or misidentification of certain racial or ethnic groups.

What techniques are recommended for collecting or providing detailed race and ethnicity data for categories with smaller population sizes within the U.S.?

The Alliance understands that collecting or providing granular race and ethnicity data for categories with small population sizes within the U.S. can be a difficult task. However, techniques, such as combining data across multiple years, increasing the sample size, or providing aggregated data can all be used to collect granular race and ethnicity data for categories with smaller population sizes within the U.S., while also protecting the personally identifiable characteristics of individual respondents. Also, the Alliance believes that government can partner with community organizations to improve data collection and learn about the unique experiences and needs of smaller, underrepresented population groups.

III. Update Terminology in SPD 15

What term should be used to describe people who identify with groups that cross national borders?

The Alliance believes that people who identify with groups that cross national borders can be described by several terms, such as transnational (respondents with connections or activities that span multiple countries or regions), global (respondents that have a worldwide perspective or that are active across multiple countries or regions), diasporic (respondents that are part of communities of people who have been displaced from their original homeland and have settled in different parts of the world), multinational (respondents with ties or activities in more than one country), cross-cultural (respondents with experiences or connections that cross cultural boundaries), etc. What is most important to note is that these are not mutually exclusive terms and respondents should have the opportunity to identify with multiple descriptions and how they see fit.

If a combined race and ethnicity question is implemented, what term should be used for respondents who select more than one category? For example, is the preferred term “multiracial,” “multiethnic,” or something else?

The Alliance appreciates recent efforts to recognize the complexity of racial and ethnic identities with more specific terms to describe their background (e.g., biracial, Afro-Latino, etc.). However, the Alliance favors the terms “multiracial” and “multiethnic,” as they are widely utilized in official government documents and surveys to better understand the diversity of the population and provide a broad understanding of the racial and ethnic makeup of the country. That said, the Alliance urges that these terms should be considered within the context that respondent identities are complex and multifaceted.

IV. Comments On Any Additional Topics and Future Research

How can Federal surveys or forms collect data related to descent from enslaved peoples originally from the African continent? For example, when collecting and coding responses, what term best describes this population group (e.g., is the preferred term “American Descendants of Slavery,” “American Freedmen,” or something else)? How should this group be defined? Should it be collected as a detailed group within the “Black or African American” minimum category, or through a separate question or other approach?

First and foremost, the Alliance urges that OMB approach data collection on this topic with sensitivity and respect, understanding that the preferred term for this population group may vary depending on the context and preferences of the individuals being surveyed. That said, the optimal approach for collecting data related to descent from enslaved peoples originally from the African continent will be dependent upon the purpose of the data collection and the availability of resources at the agency level. Federal surveys or forms could include a detailed response option for this group within the “Black or African American” minimum category, allowing respondents to self-identify as a descendant from enslaved peoples originally from the African

continent. Alternatively, Federal surveys or forms could include a separate question specifically asking about the descent of enslaved peoples originally from the African continent. A final option is a combination of these approaches, whereby Federal forms or surveys could include a detailed response option and a separate question for those individuals who want to provide more specific information.

The Alliance also supports the recommendation of the Working Group to remove the term “Negro” from the Black or African American definition in OMB SPD 15. The Alliance believes that Federal surveys and forms should use terminology that is respectful and reflective of the diversity and experiences of Black or African American communities in the U.S. This term is outdated, has negative historical connotations, and is not an inclusive and accurate description of the Black or African Americans.

On behalf of the African American Alliance of CDFI CEOs, we thank you for the opportunity to provide recommendations regarding updates to OMB’s race and ethnicity statistical standards. Please do not hesitate to contact us for clarifying questions or comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lenwood V. Long, Sr.", written in black ink.

Lenwood V. Long, Sr., President and CEO
African American Alliance of CDFI CEOs