



## Testimony

Before the Subcommittee on Indian and Insular Affairs, Committee on Natural Resources, House of Representatives

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For Release on Delivery  
Expected at 11:00 a.m. ET  
Thursday, June 13, 2024

# U.S. TERRITORIES

## Coordinated Federal Approach Needed to Better Address Data Gaps

Statement of Latesha Love-Grayer, Director,  
International Affairs and Trade

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Chair Hageman, Ranking Member Leger Fernández, and Members of the Subcommittee:

Thank you for the opportunity to discuss our work on gaps in data for the U.S. territories. Our comments today are based on our May 2024 report entitled *U.S. Territories: Coordinated Federal Approach Needed to Better Address Data Gaps*.<sup>1</sup> We were asked to report on gaps in federal statistics for the territories, the impact of such data gaps, and any administrative or legislative actions that can be taken to address them.

The U.S. government needs evidence—including statistics—to guide decision-making, evaluate the effectiveness of programs, and determine where best to target resources. It is also expected to ensure the quality of the data used for these purposes.

Public-facing federal statistical products often contain gaps in data for the five permanently inhabited U.S. territories: American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), Guam, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands (USVI).<sup>2</sup> At each of the 13 federal statistical agencies we reviewed (comprising the core of the federal statistical system), a majority of statistical products we examined excluded at least one of the territories.<sup>3</sup> In products where the territories were included, we found disparities in the timeliness and in the measurement of quality of territorial data relative to the rest of the U.S.

Numerous factors prevent precise quantification of the effects of data gaps for federal funding to the territories. However, officials in these territories described a wide variety of resulting adverse effects, such as the inability to demonstrate need and eligibility for a range of federal support programs. Officials also underscored the difficulty in assessing

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<sup>1</sup>GAO, *U.S. Territories: Coordinated Federal Approach Needed to Better Address Data Gaps*, [GAO-24-106574](#) (Washington, D.C.: May 9, 2024).

<sup>2</sup>The Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau—the freely associated states—are independent countries and so are excluded from our scope.

<sup>3</sup>The 13 principal statistical agencies are the Bureau of Economic Analysis, Justice Statistics, Labor Statistics, Transportation Statistics, and the Census; Economic Research Service; Energy Information Administration; Internal Revenue Service Statistics of Income; National Agricultural Statistics Service; National Center for Education Statistics; National Center for Health Statistics; National Center for Science and Engineering Statistics; and Social Security Administration Office of Research, Evaluation and Statistics.

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the effectiveness of resilience and recovery efforts during the COVID-19 pandemic, due to lack of data.

To better understand data gaps and related issues, we collected lists of statistical products from the principal federal statistical agencies, analyzed authorizing statutes of those agencies, and interviewed territorial and federal statistical officials—including from the Office of the Chief Statistician of the United States—among other methodologies. This work was conducted in accordance with generally accepted government auditing standards. More details on our scope and methodology can be found in the full report.<sup>4</sup>

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## Background

As we have previously reported, the five territories continue to face a range of economic challenges, including

- declining populations,
- high cost of energy and imported goods,
- increasing vulnerability to extreme weather, and
- undiversified economies.

The COVID-19 pandemic exacerbated some of these conditions in several territories by decreasing tourism.

American Samoa, CNMI, Guam, and USVI are small island areas with small economies, as measured by gross domestic product (GDP). As of 2020, all the territories but Puerto Rico had lower levels of GDP than Vermont—the state with the smallest GDP. Puerto Rico’s GDP is larger than the GDP of 14 states. Reporting of GDP statistics for the territories is lagged relative to the rest of the U.S.

Forming a key part of the federal statistical system are the 13 principal statistical agencies—agencies whose missions are predominantly the collection, compilation, analysis, and dissemination of information for statistical purposes. The Office of Management and Budget (OMB), through the Office of the Chief Statistician of the United States, works with these agencies and other statistical officials to discuss and implement federal statistical policy through multiple consultative bodies such as the Interagency Council on Statistical Policy and the Federal Committee on Statistical Methodology.

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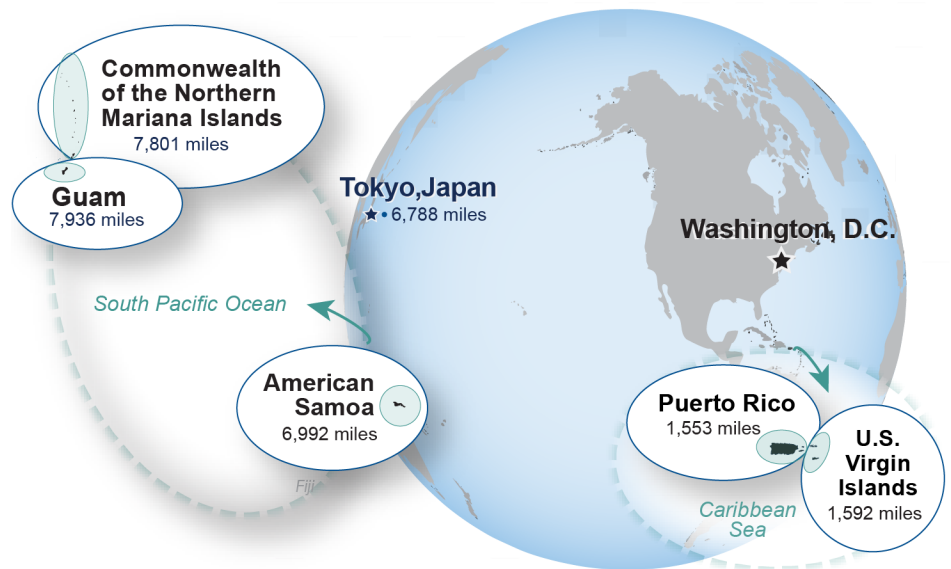
<sup>4</sup>[GAO-24-106574](#).

## Several Factors Contribute to Data Gaps in the Territories

**Geographic.** According to Census Bureau officials we spoke with, some territories' distances from the U.S. mainland can make it difficult for dependable and timely in-person data collection if agencies do not have staff permanently assigned to the territories. The Census Bureau's evolution in data collection for the stateside decennial census shows that technology and automation can help overcome geographic challenges.<sup>5</sup>

As figure 1 shows, Puerto Rico and USVI in the Caribbean Sea are much closer to the headquarters of most federal agencies than are the Pacific territories. We found that Puerto Rico and USVI appeared as often as the Pacific territories—or more frequently—in all but one agency's lists of statistical products we received.

**Figure 1: Distances to U.S. Territories from Washington, D.C.**



Each of the Pacific Territories is farther from Washington, D.C., than is Tokyo.

Source: GAO analysis, GAO (maps), and Yevhenii/stock.adobe.com (globe icon). | GAO-24-107605

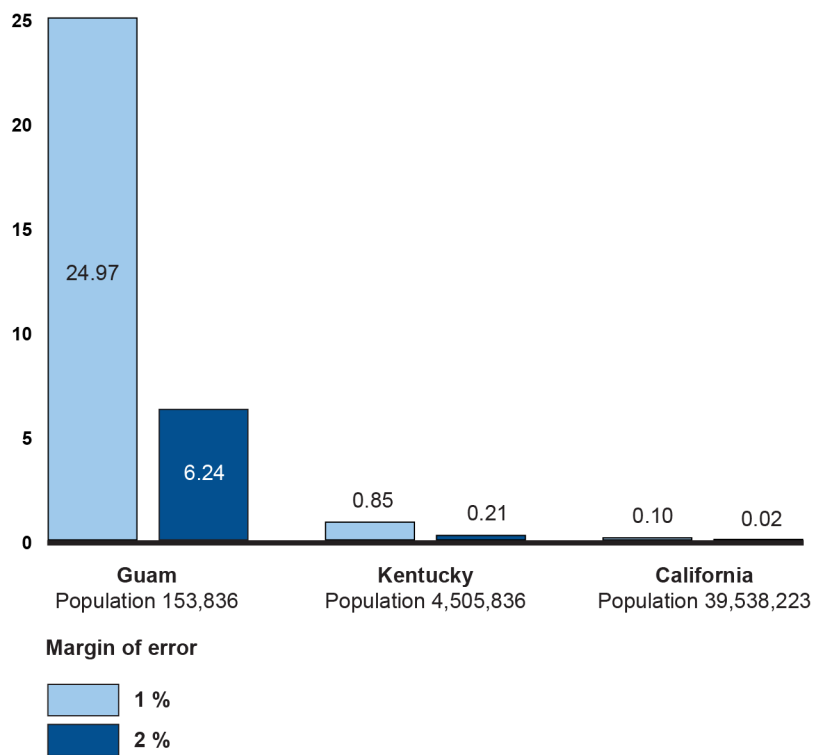
**Statistical.** Small populations in the territories can present confidentiality concerns when reporting detailed data and can affect the ability of agencies to calculate precise estimates, according to officials with the Office of Management and Budget (OMB) and Census Bureau. Figure 2

<sup>5</sup>GAO, *2020 Census: Innovations Helped with Implementation, but Bureau Can Do More to Realize Future Benefits*, [GAO-21-478](#) (Washington, D.C.: June 14, 2021).

illustrates a hypothetical example of how jurisdictions with relatively smaller populations require higher sampling percentages than relatively larger jurisdictions to achieve the same margin of error. Higher sampling requirements for a given level of precision do not preclude the use of sampling in a territory with a smaller population, but they do raise the associated costs.

**Figure 2: Jurisdictions with Smaller Populations Need Relatively Larger Samples for the Same Margin of Error**

Percentage of population required for sampling to reach the same margin of error



Source: GAO analysis of Census Bureau data. | GAO-24-107605

Note: For this figure, we use a hypothetical example to demonstrate what percent of the respective populations would need to be sampled to attain the same level of precision (i.e., the same margin of error). Our calculation assumed an error rate of 0.5, a design effect of 2, and a confidence level of 95 percent.

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**Cost.** Estimation costs increase as sample size increases. The Census Bureau in 2018 cited the cost of needing to do a full census of the territories (except Puerto Rico) in lieu of sampling as a primary barrier to including them in the American Community Survey (ACS). The ACS provides detailed demographic statistics used in a large number of federal formula grant programs. The Census Bureau administers the Puerto Rico Community Survey, which collects and produces companion data to the ACS.

**Statutory.** Statutes that govern and fund principal statistical agencies may differ or be ambiguous about the requirement to collect data from the territories. For example, the authorizing statute for the Bureau of Labor Statistics (BLS) does not specify whether to include the territories in data collection efforts.<sup>6</sup> Absent any additional guidance from OMB, variation exists in how territories are treated in BLS's statistical products. For instance, Guam is not included in the Current Employment Statistics program due to a lack of unemployment insurance program data, which are a key data source for the product. However, Puerto Rico is included in the Current Employment Statistics program and requires reporting of such data under local law.<sup>7</sup>

**Technical.** According to officials from OMB and multiple statistical agencies, several factors can complicate data collection: non-standardized address formats in the territories, difficulty integrating federal information technology with that of the territories, language barriers, and use of paper surveys. In addition, some statistical products have topics that may not be applicable to the territories, such as those that measure geography-specific agricultural commodities or energy sources.

Additionally, agencies attributed some of the data gaps to limitations in source data within the territories. For example, Census Bureau officials told us that the lack of a robust and up-to-date address list in the territories reduces the bureau's ability to include territories in certain mail-based surveys.

Department of the Interior officials added that federal statistical products may sometimes exclude territories in cases where officials at statistical

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<sup>6</sup>29 U.S.C. §§ 1-2.

<sup>7</sup>3 L.P.R.A. §§ 308, 309, 315.

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agencies are accustomed to limiting the scope of their products to the 50 states and are not aware that they could also include the territories.

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## Gaps in Data Have Various Adverse Effects on Territories

Numerous factors prevent policymakers from precisely quantifying the effects of data gaps for federal funding to the territories. However, territories cited a variety of ways in which data gaps significantly affect their jurisdictions. For example:

- American Samoa officials expressed concern that subsistence farming is not fully captured due to underlying issues with the address list the Census of Agriculture relies on, which may mean that its farmers are not eligible for certain farm support programs.
- CNMI officials emphasized the absence of recurring economic indicators, such as certain employment statistics from BLS.
- Officials from Guam said that not enough reportable data in the Island Areas Census for some of the territory's smaller communities prevent those communities from being included in other composite statistics, such as the Social Vulnerability Index. Officials noted that this affects their ability to identify communities of need before, during, and after natural disasters and affects how decisions are made to allocate emergency preparedness funding.
- USVI officials indicated that since they are not included in the Census Bureau's Current Population Survey (done in concert with BLS) and Household Pulse Survey, they had difficulties assessing the effectiveness of local resilience and recovery efforts during the pandemic.
- Officials from Puerto Rico described not being able to obtain and use certain detailed labor-force information because of not being included in the Current Population Survey.

According to Guam and USVI officials, territories may in some cases simply not seek or be able to apply for opportunities for federal funds allocations because they are not included in a statistical product or lack the local data sources needed to apply. In some cases, territories are still able to participate in a federal program even when data from a statistical product are not available. For example, despite not being part of the ACS, American Samoa, Guam, CNMI, and USVI have separately been

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included in an equivalent Community Development Block Grant Insular Areas Program.<sup>8</sup>

Data gaps can also affect the mechanisms agencies use to allocate funds to the territories. For example, federal Supplemental Nutrition Assistance Program payments to Guam and USVI are adjusted to reflect the cost of food in these territories based on federal poverty and consumer price data that are not collected the same way as for the 50 states.<sup>9</sup>

Overall, our body of work examining assistance to the territories has, at times, illustrated that limitations in federal data collected in the territories can adversely affect the federal government's ability to make informed decisions about the distribution of resources. As one example, in May 2024, we reported that the Department of Veterans Affairs (VA) uses a model to estimate the size of the veteran population (by certain demographic characteristics and across geographic areas through fiscal year 2050) to inform resource allocation and outreach needs.<sup>10</sup> However, because one of the major data sources is the Census Bureau's American Community Survey, which does not include data on territories except Puerto Rico, the VA lacks assurance that its estimates are accurate for territory veterans. We reported that for at least two of the territories, federal estimates were about or less than half of what the territories estimated to be accurate. We recommended that the Secretary of VA identify the extent to which known data limitations impact the accuracy of population estimates for veterans living in the U.S. territories and freely associated states, and VA agreed with the recommendation.

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<sup>8</sup>The Community Development Block Grant Program reserves \$7 million annually for American Samoa, Guam, CNMI, and USVI which is distributed based on their relative populations, while program funds are allocated to states and Puerto Rico based on separate formulas. See 42 U.S.C. § 5302(a)(24); 42 U.S.C. § 5306(a)(2).

<sup>9</sup>7 U.S.C. §§ 2012-2014; 42 U.S.C. § 9902(2).

<sup>10</sup>GAO, *Veterans Affairs: Actions Needed to Improve Access to Care in the U.S. Territories and Freely Associated States*, [GAO-24-106364](#) (Washington, D.C.: May 23, 2024). VA's model uses three main data sources: VA's U.S. Veteran Eligibility Trends and Statistics database, Department of Defense separation projections, and the U.S. Census Bureau's American Community Survey. According to VA, the U.S. Veteran Eligibility Trends and Statistics database likely includes information on veterans from all U.S. territories and the freely associated states, but the other two major data sources—Department of Defense separation projections and the American Community Survey—do not. We did not review any local data sets to assess their accuracy or reliability because it was not within the scope of our review.



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## Territories, with Federal Support, Have Made Efforts to Mitigate Data Gaps through Local Data Collection

We found that territories have taken steps to mitigate federal data gaps. For example, officials from both American Samoa and USVI described local efforts to collect data equivalent to data collected by BLS and the Census Bureau, respectively. Officials from CNMI and Guam described efforts to update their address lists in order to enhance the quality of their participation in the Island Areas Censuses, while officials from Puerto Rico described local efforts to improve how their GDP is calculated.

Improved statistical efforts are part of activities the Department of the Interior's Office of Insular Affairs funds through a technical assistance program for the territories (other than Puerto Rico, for which the department does not have administrative responsibility). This program allocated a total of over \$60 million from fiscal years 2019 through 2023 for activities such as Guam's effort to update its Household Income and Expenditures Survey.

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## Federal Efforts to Collect and Report Data on the Territories Are Limited and Uncoordinated

OMB is responsible for coordinating the federal statistical system to ensure its effectiveness and efficiency.<sup>11</sup> However, there is not a coordinated, government-wide approach for agencies to use in deciding whether to collect data and report statistics from territories in federal statistical products. For example, OMB has not developed guidance or directives that explicitly address data collection in the territories. Moreover, despite the pervasive nature of data gaps in the territories, we found that agencies other than the Bureau of Economic Analysis and Census Bureau generally have not researched the costs, benefits, and feasibility of expanding the scope of their statistical products to include the territories.

As a result, we recommended that OMB ensure the Chief Statistician develops a coordinated, government-wide approach for federal statistical agencies to use in examining and addressing territorial data gaps. Doing so would improve the transparency of statistical decisions. Improved data collection for the territories could also better inform decision-makers about how to allocate resources to the territories and how to evaluate the effectiveness of those investments.

OMB neither agreed nor disagreed with our recommendation but provided technical comments to our draft report, which we incorporated as appropriate. The causes of data gaps in the U.S. territories are multifaceted. We believe our recommendation will help spur federal

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<sup>11</sup>44 U.S.C. § 3504(e)(1), (7).

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attention and facilitate a more comprehensive approach to understanding and addressing the territories' data needs.

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Chairman Hageman, Ranking Member Leger Fernández, and Members of the Subcommittee, this completes my prepared statement. I would be pleased to respond to any questions that you may have at this time.

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## GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact either of us: Latesha Love-Grayer, Director, International Affairs and Trade at (202) 512-4409 or [LoveGrayerL@gao.gov](mailto:LoveGrayerL@gao.gov); or Yvonne D. Jones, Director, Strategic Issues at (202) 512-6806 or [JonesY@gao.gov](mailto:JonesY@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony are Joyee Dasgupta and Ty Mitchell (Assistant Directors), Eugene Beye (Analyst-in-Charge), Devin Braun, Jacqueline Chapin, Terry Richardson, and Mercedes Wilson-Barthes.

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