

**METHODOLOGY FOR INCOME SURVEYS:
TO DETERMINE LOW AND MODERATE INCOME BENEFICIARIES OF
NEIGHBORHOOD INVESTMENT PROJECTS
DuPage County, IL - Updated: October, 2014**

In order to determine the percent of CDBG funds benefiting low and moderate-income persons, it is often necessary to have income data for the specific area affected by the CDBG-financed improvement. In some cases, U. S. Census data may be used, if the service area benefited is reasonably coterminous with census tract or block group boundaries. In the absence of these convenient data, some applicants will need data collected from a simple survey to substantiate benefit to low and moderate-income persons. It is, therefore, necessary to outline an approved HUD methodology that can be consistently applied to all area benefit projects. Please note that area benefit projects must serve areas that are primarily residential. Much of the information in this Methodology is adapted from Notice CPD-14-013 as published by the U.S. Department of Housing and Urban Development. This Notice also contains additional tips for conducting a survey and can be found on the CDC website for your review.

Below, six steps are outlined for implementing an income survey.

I. SELECTING THE TYPE OF SURVEY

In determining whether an area qualifies as low- and moderate-income, there is a choice in how the survey is conducted. The most commonly used surveys are: (a) telephone surveys; (b) door-to-door surveys; (c) mail surveys; or (d) a combination of the above.

- A. Telephone Surveys. With this method, an interviewer calls up the household, identifies either the head of the household or someone knowledgeable enough to answer questions and proceeds with the survey. The drawback to this type of survey is that a list of all of the telephone numbers within the target area must be acquired. Telephone numbers of potential participants must be selected randomly. There must be a method for contacting families without telephones (or who only have cell phones) and those with unlisted numbers.
- B. Door-to-door Surveys require the interviewer to knock on doors to obtain the interview. An advantage is the ability to easily locate and define the target population. Disadvantages are the “leg-work” and the need to have the interviews obtained at different times of the day, so that the sampling procedure is valid.
- C. Mail Surveys require a list of the addresses in the target area, the questionnaire and postage. A mail survey usually provides a very low return rate. It is possible to improve the return rate, if a stamped self-addressed return envelope is included, or if the questionnaire is short enough to print on a postcard.
- D. A Combination of Methods of the above survey methods often proves quite useful. For example, you can mail a letter to residents in the target area and let them know in advance when an interviewer will be stopping by their house.

II. THE QUESTIONNAIRE

- A. Confidentiality If you choose to conduct a survey, you must emphasize to respondents that their answers will be kept confidential. People are more likely to provide honest answers if their answers are to remain anonymous. You should do your very best to maintain this confidentiality. It is recommended that the respondent's name, address, and telephone number appear only on the cover sheet of the questionnaire. After the survey is completed, the cover sheet may be numbered and separated from the actual interview sheet. If the cover sheets and the questionnaires are both numbered, they can be matched if necessary. Mail surveys will require a numbering system that alerts staff as to which addresses have returned the survey. It is suggested that the grantee make reasonable efforts to protect the privacy of those surveyed and follow applicable State and local laws regarding privacy and obligations of confidentiality.
- B. Question Format It is important that all of the households surveyed are asked exactly the same questions in the same order and that their responses are correctly recorded. To ensure that all applicants are asked the same questions, CDC staff has developed a standard income questionnaire (see attachment A).
- C. How Questions are Asked The questionnaire has been designed to determine truthfully and accurately whether the interviewees have low- and moderate-incomes. It is permissible to say that the reason for the survey is to gather information essential to support an application for funding under the DuPage County CDBG program or to undertake a CDBG-funded activity in the area, but do not give any indication that you are seeking data on the number of low-income persons in the area.

III. SELECTING THE SAMPLE

In determining the number of households to interview, there are a series of steps that must be completed. First, you will need to define the project area. Then you must estimate how many households in the project area must be interviewed, in order to accurately estimate the income of the area. Next, you will need to make allowance for those households who will not be able to be interviewed. Finally, you select the number of households where you will try to obtain interviews. A detailed discussion of these steps is below.

- A. Defining the Project Area The area benefited by the project must be specifically defined. This area must be clearly delineated on a map and must include the area directly benefited. This map must be retained as part of the file documentation, and must be submitted with the application. Please contact CDC staff to discuss your delineated project area before you begin your survey.
- B. Obtaining Contact Information Ideally, a list of addresses and/or telephone numbers for all the residential units in the project area would allow you to devise a procedure to select randomly the persons you wanted to interview. In reality, such a list is not always available, so you will need to improvise. Some suggested sources are as follows:

1. Homeowners associations and/or neighborhood groups for a list of addresses and/or telephone numbers.
2. Tax rolls and Sidwell maps for identifying addresses of the property owners. Do not use this for names, because this is the property owner, not necessarily the resident who lives there.
3. The street address telephone directory can provide the telephone number by property address. The limitation to this is that unlisted telephone numbers do not appear, which means the property address is left out of the book.

C. Determining the Sample Size Depending on the type of survey to be done, procedures must be developed where every household in the project area has an equal chance of being selected in the sample. These procedures are discussed later in this document under specific survey type. Sample size should be determined by using the "Determine Sample Size" calculator at <http://surveysystem.com/sscalc.htm>. Please use a 95% confidence level and a confidence interval of "4."

"Unreachables" and Other Non-Response: It is important to realize that the sample size is the number of completed surveys you must obtain. No matter what you do, some households just will not be home during the time you are interviewing, some probably will refuse to be interviewed, some will terminate the interview before you finish, and some will complete the interview, but fail to provide an answer to the key question on income level. In order to be considered an adequate response, the interview must be conducted, and you must obtain complete and accurate information on the respondent's income level. The table below suggests some of the usual rates of response to be expected by a variety of surveys.

Expected Response Rates for
Different Types of Surveys

<u>Survey Type</u>	<u>Expected Rate of Response</u>
Mail	25 – 50%
Mail, with letter follow up	50 – 60%
Mail, with telephone follow up	50 – 80%
Telephone	75 – 90%
Door-to-Door	75 – 90%

For example, if you were doing a survey by mail with a follow-up letter and needed to obtain 200 completed surveys, you would need to send out between 333 and 400 surveys (200 divided by .5 and .6). Therefore, a mail survey on a smaller population (which requires a higher percentage sample size) would probably not be feasible.

IV. CONDUCTING THE SURVEY

- A. Publicity To promote citizen participation in your effort, it may prove worthwhile to arrange some advance notice. A notice in a local newspaper or

announcements at churches or civic organizations can let people living in your project area know that you will be conducting a survey to determine area income levels. If you let people know in advance how, when, and why you will contact them, they are usually more willing to cooperate.

- B. Wording of Publicity As with all aspects of the survey and questionnaire, any publicity must be worded so that it does not bias the results. For example, it is fine to say that the community is applying for a CDBG grant and that, as part of the application, the community has to provide HUD and the County with current estimates of the incomes of the residents of the target neighborhood. It is not appropriate to say that, in order for the community to receive the desired funding, a survey must be conducted to show that most of the residents of the target area have low-and moderate-incomes.
- C. Interviewers Anyone who is willing to follow the established procedures can serve as an interviewer. Volunteers from local community groups will serve well. Also, schools or colleges in doing courses on civics, public policy, or survey research, frequently may be persuaded to assist in the effort as a means of providing students with practical experience and credit.

Generally, it is best if interviewers are chosen to make the respondents feel most at home. When interviewers are of the same race and social class as the respondent, the survey usually generates a better response rate and more accurate results. What is most important, though, is that the interviewer will command the attention of the respondent, ask the questions as they are written, follow respondent selection procedures, and write down the responses as given.

- D. Contact and Follow-up Interviewers should attempt to contact respondents at a time when they are most likely to get a high rate of response from most types of people. Telephone interviews usually are conducted early in the evening, when most people are home. Door-to-door interviews also may be conducted early in the evening (especially before dark) or on weekends. You should try again at a different time to reach anyone in the initial sample who is missed by this initial effort.
- E. Avoiding Sample Bias In general, you should know best the residents of your community and when they can be reached. What you should avoid is selecting a time or method that will yield biased results. For example, interviewing only during the day from Monday to Friday, probably will miss families where both the husband and wife work. Since these families may have higher incomes than families with one employed member, your timing may lead to the biased result of finding an excessively high portion of low- and moderate-income households. As part of your survey, either in your letter to the households or at best, part of your training of interviewers, you should develop an introduction for the actual interview. This should be a standard introduction that a) identifies the purpose of the survey; b) requests the participation of the respondents; c) gives the expected time the interview will take to complete and d) emphasizes to the respondent that

their answer will be kept confidential.

F. The Interview: The discussion below deals with three types of surveys and how to conduct them.

1. A mail-out/mail-back survey may be used, if you feel that the response rate will be sufficient to obtain the necessary sample. The following procedures should be used:
 - a. The questionnaire should be mailed to all households in the defined project area unless the project area is very large (for example, the entire municipality). Then random sampling can be used. CDC must approve the methodology used to select the random sample. The random sample may be selected using a table of random numbers or an on-line tool such as random.org/integers/.
 - b. A cover letter should be enclosed to explain the reason for the survey; to assure confidentiality; and to provide instructions for completion, mail-back, and who to contact with questions (see sample letter in Attachment B).
 - c. Attachment A contains the income questionnaire.
 - d. The questionnaire should have pre-paid postage for the return of the questionnaire.
 - e. If the desired return rate is not achieved, a follow-up survey must be used to obtain additional responses.

2. A door-to-door or telephone survey should be used if a high percentage of responses is required to meet the minimum sample guidelines. The following procedures should be used.
 - a. If the area is too large to go to all housing units, a sample should be chosen at random from the list of all residential units, in the defined area. The CDC office can suggest methods to assure the sample is chosen in a statistically random fashion and CDC must approve the methodology used to select the random sample. The random sample may be selected using a table of random numbers or an on-line tool such as random.org/integers/. Depending upon the number of completed surveys required, a methodology of choosing and skipping may also be used. For example, if completed surveys are required from 2/3rds of the households in the delineated area, you could start at one end of the neighborhood and proceed systematically through the entire neighborhood trying two doors and then skipping one. A family that is skipped may be used as replacement for any family selected but for which an interview is not possible. Please have your methodology approved by CDC before beginning your survey.

- b. An introductory letter should be sent to the targeted sample prior to contacting each household. This letter will help improve cooperation, as well as the accuracy of the data (see sample letter in Attachment C).
- c. Attachment A contains the recommended income questionnaire.
- d. Remember to conduct the survey at times when residents are likely to be available.
- e. If the desired sample is not achieved, a follow-up survey must be used to obtain additional responses.

V. ANALYZING THE RESULTS

Analysis of the survey results using any collection technique is straightforward. A matrix example is included for summarizing survey results as Attachment D (See Excel spreadsheet file for computer tabulation). This will assist in calculating the survey results. In addition to the survey matrix, a worksheet has been included. This information, along with copies of completed surveys, must be included with the application.

VI. DOCUMENTING THE RESULTS

It is important that the results of the survey be documented, since those who audit or evaluate your program may want to review the procedures and data used to determine that the service area qualifies under the CDBG program regulations. You should therefore maintain careful documentation of the survey. The contents of that documentation are as follows:

- A. Keeping Completed Surveys Keep the original completed surveys, but copies need to be included with your application. This will show that you actually did the survey and that you asked the proper questions. It is best if each survey has a cover sheet containing information that identifies the respondent, such as name, address, and telephone number. Then, when the survey is complete, the cover sheets can be separated from the questionnaires. You can save the questionnaires as documentation of your work, but you maintain the privacy of your respondents.
- B. Records Verifying Contact Saving the cover sheets separately provides a record of who was contacted. If anyone wanted subsequently to verify that you have not made up that data, they could contact some of the respondents noted on the cover sheet and inquire whether in fact, the resident(s) have been contacted on a particular date by such-and-such method to discuss matters related to community development. The privacy of their original responses still is protected by this procedure.
- C. How Long to Keep Records Survey data should be retained in accordance with record-keeping requirements of the State program at 24 CFR 570.490 and the

Entitlement program at 24 CFR 570.506. Keep a backup disk of your data. If you do your tabulations on spreadsheets, retain the spreadsheets. If you just read through the questionnaires and count up responses and enter them into a table as you go, keep the tables with the raw data counts.