# NYS CDBG Income Survey Methodology

**Note for users:**

Income surveys may be used for projects seeking to qualify for NYS CDBG funding under the National Objective of LMI Area Benefit. Surveys are generally conducted for public infrastructure and public facilities projects in cases where:

- The activity serves a defined subset of a larger jurisdiction that does not exactly overlap with census data (for example, a water district, neighborhood, or street);
- Census data have a high margin of error
- There is documented evidence that Census data do not reflect current conditions.

Income surveys cannot be used:

- Solely because census data indicate that the service area does not meet the 51% LMI threshold
- To redefine or manipulate a service area for the purpose of qualifying under LMI
- In combination with LMISD or ACS data to create a blended LMI percentage

**New Applicants for NYS CDBG funds are encouraged to use HUD income survey methodology over NYS income survey methodology**

NYS developed this income survey methodology for grant applicants and recipients several years before HUD released its own income survey toolkit. NYS income survey methodology does not conflict with HUD's methodology, however it is more restrictive.

In 2025, NYS CDBG allowed Applicants and Recipients to use either NYS or HUD income survey methodology. As of January 1, 2027, NYS CDBG will start to phase out its income survey methodology in preference for HUD materials so that income surveys can be more consistently administered and monitored.

Starting January 1, 2027, all NYS CDBG Applicants administering income surveys must use HUD income survey methodology in applications for funding. HUD's income survey guide can be found here and additional HUD survey tools are available here.

Because survey data remains valid for 5 years after the completion of the survey, the NYS income survey toolkit remains available for reference for previous grant Recipients or Applicants that have already started or completed an income survey using this methodology. **Income surveys conducted using the NYS methodology will not be accepted starting January 1, 2032.**

## INCOME SURVEYS

### *Defining the Service Area*

Applicants must first determine the service area for their project to determine the total number of residential units (occupied, vacant and seasonal) in the project area. Activities that benefit an entire community are considered to have an area wide benefit and the service area is the entire community excluding social service residences such as those operated by the New York State Office of Mental Retardation and Developmental Disabilities, group quarters, prisons, dormitories, etc. Activities that benefit a smaller or targeted group only benefit a designated area of a community. If you are trying to determine the LMI status of households in a neighborhood that is benefiting from a NYS CDBG funded activity, that neighborhood is the service area. Instead of a neighborhood, the service area may be a town, it may be as large as a county, or it may be defined some other way.

### *Non-Random Income Survey*

A non-random income survey is conducted when an Applicant wants to survey the entire service area of an activity. This type of income survey is typically used in areas with a relatively small population and the intent is to gather information from 100% of the households in the service area.

### *Response Rates*

After defining the size of the service area, the Applicant must determine the number of responses needed to estimate the overall characteristics of the service area accurately. Using the tables below, applicants can determine the number of households that must respond to the income survey.

**NON-RANDOM INCOME SURVEY: REQUIRED RESPONSE RATE**

| # OF HOUSEHOLDS IN THE SERVICE AREA | REQUIRED RESPONSE RATE |
|---|---|
| 1 - 50 | 95% |
| 51-100 | 90% |
| 101-200 | 80% |
| 201-300 | 70% |
| 301-400 | 60% |
| 401-600 | 55% |
| 601-800 | 50% |
| 800-1000 | 45% |
| 1,000 or more | 40% |

The following formula should be used to determine the survey response rate:

$$\frac{\textbf{Total Number of Surveys Returned}}{\textbf{Total Number Surveyed}} = \textbf{Response Rate}$$

If the initial response rate is lower than the required response rate, applicants must either repeat follow-up actions or survey additional persons. **Applicants that do not meet the minimum response rate will be at risk of a determination of non-compliance of the LMI National Objective. Applicants must include as an attachment to their application, the survey methodology and a tabulation of the survey results. OCR reserves the right to review, re-tabulate and ultimately reject any questionable survey methodology, instruments and data. Applicants should be prepared to defend the validity of their survey methodology, instruments and data when the LMI Area Benefit is demonstrated to be no more than 55%.**

Applicants can achieve more accurate estimates if they do not write off a household as unreachable too quickly. When conducting a door-to-door income survey, applicants should make two or more passes through the area (at different times) in order to catch a family at home. Only after at least two tries or an outright refusal should a sampled household be replaced. No matter what you do, however, some households just will not be home during the time of 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 household income. To be considered an adequate response, the interview must be completed, and you must obtain complete and accurate information on the respondent's household income.

**Applicants must ensure that the entire service area is surveyed. When tabulating the results of the survey, applicants may identify surveys that were not completed accurately, or vital information is missing. In such cases, the survey must be rejected and included as non-LMI in the tabulation.**

### *Vacant and Seasonal Housing*

All vacant and seasonal housing units must be included in the total number of households and persons benefiting. However, for the purpose of conducting an income survey and meeting the required response rate, these units are deducted from the group to be surveyed. The Applicant must clearly demonstrate on a map, the exact location of all vacant and seasonal housing.

### *Designing the Income Survey*

It is important that all the individuals surveyed are asked the same exact questions in the same format and the responses are recorded correctly. To ensure this, a written questionnaire is needed. Each question should be clear, written in simple language, and convey only one meaning. Applicants should include questions

designed to elicit information that will substantiate compliance with the National Objectives as well as questions that are considered important to the activity.

Applicants should be aware that experience has shown that overly detailed surveys may adversely affect the response rate. Income survey questions should be designed to provide, at a minimum, data regarding family size, household income, housing tenure, head of household status and racial and ethnic composition. The survey should request the respondent to provide their annual household income or the most recent HUD Income Limits should be listed in ranges that will allow the Applicant to determine whether the respondent is at or below 30%, 50%, or 80% of area median income or above.

### *Types of Survey Questions*

When designing the income survey questionnaire, applicants should select the best format that will solicit the information needed. There are two question formats that applicants can use in an income survey: open-ended and closed-ended. An example of an open-ended question is: “What do you think is this community’s most important need?” The respondent is allowed to answer in any way he/she chooses. Usually, several blank lines are provided for an answer.

A closed-ended question is one that forces the respondent to make a choice: “Do you like the new community center?” Answer yes or no. “Is your income below $5,000; between $5,000 and $10,000; or above $10,000?” Typically, closed-ended questions have a box to check for the appropriate answer.

**Income survey questions should be brief and simple and should not be loaded or biased. The interviewer should not imply that the neighborhood would benefit or receive Federal funding if respondents say that they are of LMI. The questions must be designed to determine truthfully and accurately whether respondents have LMIs. It is permissible to note that the reason for the income survey is to gather essential information to support an application for funding under the State or to undertake a CDBG funded activity in the area.**

Applicants should also bear in mind that questions about income are personal. Many people are suspicious or reluctant to answer questions about incomes -- especially if they do not understand the reason for the question. One way to handle this problem is to ask questions about income at the end of a somewhat lengthy questionnaire on other community development matters. In this instance, a local agency can use this questionnaire to gather some information on what the neighborhood sees as important needs or to gather feedback on some policy or project. At the end of such a questionnaire, it usually is possible to ask questions on income more discreetly. If this option is chosen, however, the interviewer should be cautioned that an excessively lengthy questionnaire might cause respondents to lose interest before the survey is completed. The ideal length would probably be less than ten minutes, although certainly you could develop a longer questionnaire if it were necessary.

Of course, it is also possible to ask only the critical questions on income. You should know best how people in your community will respond to such questions. With a proper introduction that identifies the need for the information, you can generate an adequate level of response through a questionnaire with just two questions on income level.

**Income limits can be found at HUD Income Limits (Limits) for use in determining eligible income. The Limits are arranged by Metropolitan Statistical Area and County. They show the area median income and the income limits at 30%, 50% and 80% by household size. Applicants use the income limits in the income survey instrument and/or in calculating the results of the income survey. Household size and income are needed to determine if a household meets the LMI requirements.**

***Racial/Ethnic Composition Data***

HUD requires racial and ethnic composition data on all beneficiaries of the State CDBG Program for input into their Integrated Disbursement Information System. OCR also provides this data to HUD in its Annual Performance Report to HUD. **Even though racial and ethnic data is not required as part of this application, OCR will request this information from Recipients in the Annual Performance Report**.

Applicants may choose to collect the racial/ethnic composition data from potential program participants during the income survey or application intake (direct benefit activities) stages. The following chart represents the racial and ethnic categories designated by HUD and how they will be reported.

| **Racial/Ethnic Composition** | | |
|---|---|---|
| | **Racial Group** | ***Hispanic** |
| **Racial Categories (HUD Designated)** | **Total # Of** | **Total # Of** |
| White | | |
| Black/African American | | |
| Asian | | |
| American Indian/Alaskan Native | | |
| Native Hawaiian/Other Pacific Islander | | |
| American Indian/Alaskan Native and White | | |
| Asian And White | | |
| Black/African American And White | | |
| American Indian/Alaskan Native & Black/African American | | |
| Other Multi-Racial | | |
| Totals | | |

* HUD has designated Hispanic as an ethnic group that is applicable to all races. A household or person may be identified as both a member of a racial group and an ethnic group**.**

***General Guidance***

Income survey materials should include detailed concise information that will aid in the successful collection of the information solicited. At a minimum, the following information should be provided to the residents:

- A brief description of why the income survey is being conducted (without stating the preferred response) and an explanation of why demographic data is being requested. This may be presented in a written or verbal format depending on the survey method.

- A statement assuring that the information is confidential. **OCR strongly advises applicants to inform candidates of the survey that the information collected is confidential and is not subject to the Freedom of Information Act (FOIA).**

- The name and telephone number of a person to be contacted if the respondent has any questions.

- Instructions for completing the questionnaire, such as **what types of income are counted toward household income and the difference between household size and number of dependents.**

At a minimum, the household size, income and demographics, the respondent's signature, date, and address should be collected.

***Confidentiality***

Applicants must ensure that the income survey process used to substantiate compliance with the LMI National Objectives includes a way to identify specific households who responded to the questionnaire yet ensures the respondent's confidentiality. **Each income survey should include a statement ensuring respondent confidentiality and the process the Applicant will undertake to ensure confidentiality.**

To preserve confidentiality, the income survey materials should be in two parts or consist of two separate pages. **The section with the respondent's name and address must be separated from the income and demographic data after receipt**. All documents related to the income survey should be stored in a locked cabinet or other secure area, which has limited access. The Applicant must impress

upon those working with the income survey data the importance of confidentiality. Note that surveys of housing conditions should be conducted separately to ensure respondent confidentiality.

Questions concerning household income and other personal questions are sensitive topics and applicants need to take this under consideration when developing their questionnaire and determining their income survey method. **If a respondent's address is requested on the questionnaire, many persons may not answer the questions relating to income truthfully, answer the questions at all, or not complete the questionnaire in its entirety.** To promote a high response rate and solicit accurate information, the questionnaire should not include identifying information, such as the person's name or address. The following are examples of acceptable methods for preserving anonymity of income survey respondents:

- Applicants may hand deliver the questionnaire to the respondent or conduct the income survey orally. At the time of delivery or upon completion of the interview, the surveyor would mark off the respondent's address from an address list. If the hand delivered questionnaire is to be returned by mail or collected by the Applicant at a later date, the collector can check off the respondent's address on the address list at the time of collection.

- If the questionnaire is to be mailed and returned by mail, the identifying information (respondent's address) can be on the return envelope. Upon receipt of the completed questionnaire, the Applicant can check off the respondent's address on the address list. The envelope and questionnaire can then be separated, and the envelope destroyed.

- Questionnaires may be coded which entails a simple method of placing a number on the questionnaires or return envelopes. Each number is assigned an address from an address list. When the questionnaire is received, a list of the codes is maintained.

- Questionnaires may consist of two parts or two separate pages. The section with the respondent's name and address can be separated from the income and demographic data after receipt. Where a door- to- door income survey is being conducted, the interviewer can instruct the respondent to separate the two parts of the questionnaire after completion and place the part with the income information in one envelope and the other part in another envelope.

- Excluding the two-part questionnaire method, applicants can review the address list to determine which addresses did not respond to the questionnaire and require follow-up contact.

***Age of Income Surveys***

The OCR will accept income surveys that are up to 3 (three) years old at the time of submission of the application. If the application will include an income survey that will be more than three years old, the applicant must submit a waiver request to the OCR at least 10 (ten) days prior to the submission date. **Requests submitted within ten (10) days prior to submission deadline date will be denied**.

To request a waiver, the following must be submitted:

- Written request on municipal letterhead including an explanation why the applicant believes the income survey is still valid
- Project map of the service area
- Copy of survey instrument
- Copy of survey results
- Copy of survey methodology
- Summary of housing units that have changed hands since the income survey was completed

The OCR will not grant a waiver to any income survey that is more than five (5) years old at the time an application is submitted.