



OFFICE OF THE SECRETARY OF THE TREASURY



OFFICE OF REVENUE SHARING
2401 E STREET, N.W.
COLUMBIA PLAZA HIGHRISE
WASHINGTON, D.C. 20226

MAR 10 1976

Dear Mr. Sullivan:

This is in response to your letter of January 7, 1976 concerning the Census Bureau's population and per capita income estimates of record for use in the calculation of the general revenue sharing allocation for the City of Cambridge, Massachusetts.

I am pleased to inform you that the Bureau of the Census has revised the 1973 population estimate for the City of Cambridge from 96,059 to 102,095. This revised estimate will be used in the calculation of the revenue sharing entitlement for Cambridge in both the final allocation for Entitlement Period (EP) 6 and the initial allocation for EP 7. The effect for EP 6, if any, of this revised population estimate will be reflected in payments made during EP 7 and reported to you as an adjustment on the EP 7 Planned Use Report which we will forward to you in April 1976.

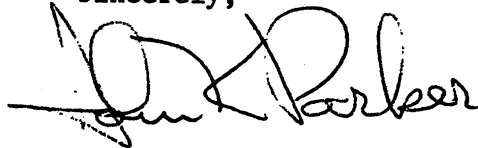
At our request, the Census Bureau has reviewed its 1972 per capita income (PCI) estimate for Cambridge. That Agency has advised us that the 1972 PCI figure of \$4,562 for Cambridge remains the best available estimate. The 1972 PCI estimates for all places of 500 or more population in 1970 are based on the 1969 PCI from the 1970 census. The basic estimating procedure involves estimating the rate of change in PCI from 1969 to 1972 and applying that rate of change to the 1969 value. These updates of PCI are independent of population estimates. The population revision has no effect on the PCI estimate, since the two figures were developed independently of each other.

The main source of income data used to estimate changes in income by the Census Bureau was the 1972 Federal tax returns. Based on Federal tax returns filed by residents of Cambridge, the Census Bureau estimates that between 1969 and 1972 per capita earnings increased approximately 15 percent. Social Security and Public Assistance payments to persons

in the Cambridge area were estimated to have increased by 53 percent on a per capita basis. This rate of increase is the same as that for your county area. The PCI of \$4,562 for Cambridge represents a 17 percent increase above the 1969 PCI. This rate of increase is approximately 1.5 percentage points below the county average. In the judgment of the Census Bureau, it is a reasonable estimate and the best available at this time.

Please be assured that the Office of Revenue Sharing shares your concern that the most accurate data available be used in calculating general revenue sharing allocations. If you have further questions on this matter, please let us know.

Sincerely,

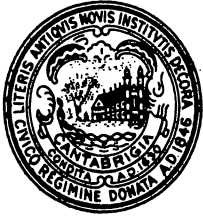


John K. Parker
Acting Director
Office of Revenue Sharing

Cambridge City
Mr. James Sullivan
City Manager
City Hall
Cambridge, Massachusetts 02139

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CITY OF CAMBRIDGE

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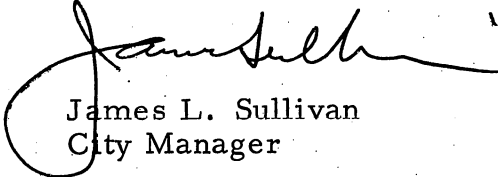
EXECUTIVE DEPARTMENT
JAMES L. SULLIVAN
City Manager

March 22, 1976

To the Honorable, the City Council:

Enclosed please find a copy of a communication which I received from John K. Parker, Acting Director of the Office of Revenue Sharing, in regard to the Bureau of the Census revising the 1973 population estimate for the City of Cambridge from 96,059 to 102,095 for use in the calculation of the revenue sharing entitlement for Cambridge.

Very truly yours,



James L. Sullivan
City Manager

JLS/mbf
Enc.

Agenda #2 **F-82**

Re: to the Bureau of the Census revising
the 1973 population estimate for the City of
Cambridge.

In City Council,
March 22, 1976

3/22/76

Placed on File