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## Appendix A. Overview of the SIPP Program

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### BACKGROUND

The Survey of Income and Program Participation (SIPP) provides a major expansion in the kind and amount of information available to analyze the economic situation of households and persons in the United States. The information supplied by this survey is expected to provide a better understanding of the level and changes in the level of well-being of the population and of how economic situations are related to the demographic and social characteristics of individuals. The data collected in the SIPP is especially useful in studying Federal transfer programs, estimating program cost and effectiveness, and assessing the effect of proposed changes in program regulations and benefit levels. Analysis of other important national issues such as tax reform, Social Security program costs, and national health insurance can be expanded and refined, based on the information from this survey.

The first interviews in the SIPP took place in October 1983, nearly 8 years after the research and developmental phase, the Income Survey Development Program (ISDP), was initiated by the Department of Health, Education, and Welfare in 1975. Between 1975 and 1980, extensive research was undertaken to design and test new procedures for collecting income and related socioeconomic data on a subannual basis and in a longitudinal framework. Much of the work centered around four experimental field tests that were conducted in collaboration with the Bureau of the Census to examine different concepts, procedures, questionnaires, and recall periods. Two of the tests were restricted to a small number of geographic sites; the other two were nationwide. In the first nationwide test, the 1978 Research Panel, approximately 2,000 households were interviewed. Because of the relatively small number of interviews, controlled experimental comparisons of alternatives were not possible; however, the panel did demonstrate that many new ideas and methods were feasible. It also laid a foundation for the largest and most complex test: the 1979 Research Panel. This panel consisted of a nationally representative sample of 8,200 households and provided a vehicle for feasibility tests and controlled experiments of alternative design features.

In the fall of 1981, virtually all funding for ISDP research and planning of the continuing SIPP program was deleted from the budget of the Social Security Administration. The loss of funding for fiscal year 1982

brought all work on the new survey to a halt. In fiscal year 1983, however, money for initiation of the new survey was allotted in the budget of the Bureau of the Census. Work began almost immediately in preparation for the survey to start in October 1983. The design of the questionnaire for the first interview was similar in structure to that used in the 1979 ISDP panel study with two important exceptions. First, the reference period for the questions was extended from 3 months to 4 months in order to reduce the number of interviews and, therefore, lower costs. Second, the questions covering labor force activity were expanded in order to provide estimates that were closer, on a conceptual basis, to those derived from the Current Population Survey (CPS). The design also incorporated a number of other modifications resulting from experience with the 1979 pilot study.

### SURVEY CONTENT

There are three basic elements in the overall design of the survey. The first is a control card that serves several important functions. The control card is used to record basic social and demographic characteristics for each person in the household at the time of the initial interview. Because households are interviewed a total of eight or nine times, the card is also used to record changes in characteristics such as age, educational attainment, and marital status and to record the dates when persons enter or leave the household. Finally, during each interview, information on each source of income received and the name of each job or business is transcribed to the card so that this information can be used in the updating process in subsequent interviews.

The second major element of the survey content is the core portion of the questionnaire. The core questions are repeated at each interview and cover labor force activity, the types and amounts of income received during the 4-month reference period, and participation status in various programs. Some of the important elements of labor force activity are recorded separately for each week of the period. Income reciprocity and amounts are recorded on a monthly basis with the exception of amounts of property income (interest, dividends, rent, etc.). Data for these types are recorded as totals for the 4-month period. The core also contains questions covering attendance in post secondary schools, private health insurance coverage, public or subsidized rental housing, low-income energy assistance, and school breakfast and lunch participation.

The third major element is the various supplements or topical modules that are included during selected household visits. The topical modules cover areas that need not be examined every 4 months. Certain modules are considered to be so important that they are viewed as an integral part of the overall survey. Other topical modules have more specific and more limited purposes. The household relationships topical module, administered during the second wave of the 1991 SIPP panel, was used to produce the data shown in this report.

## **SAMPLE DESIGN**

Each household in the SIPP sample is scheduled to be interviewed at 4-month periods. The reference period for most of the core income and labor force items is the 4-month period preceding the interview. For example, households interviewed in June 1991 were asked questions for the months February, March, April, and May. Since the information collected in the household relationships module refer to the interview month, the period covered in this report is June through September 1991.

The sample households within a given panel are divided into four subsamples of nearly equal size. These subsamples are called rotation groups, and one rotation group is interviewed each month. In general, one cycle of four interviews covering the entire sample, using the same questionnaire, is called a wave. This design was chosen because it provides a smooth and steady work load for data collection and processing.

## **SURVEY OPERATIONS**

Data collection operations are managed through the Census Bureau's 12 permanent regional offices. A staff of interviewers assigned to SIPP conduct interviews by personal visit each month with most interviewing completed during the first 2 weeks of that month. Completed questionnaires are transmitted to the regional offices where they undergo an extensive clerical edit before being entered into the Bureau's SIPP data processing

system. Upon entering this processing system, the data are subjected to a detailed computer edit. Errors identified in this phase are corrected and computer processing continues.

Two of the major steps of computer processing are the assignment of weights to each sample person and imputation for missing survey responses. The weighting procedures assure that SIPP estimates of the number of persons agree with independent estimates of the population within specified age, race, and sex categories. The procedures also assure close correspondence with monthly CPS estimates of households. In almost all cases, a survey nonresponse is assigned a value in the imputation phase of processing. The imputation for missing responses is based on procedures generally referred to as the "hot deck" approach. This approach assigns values for nonresponses from sample persons who did provide responses and who have characteristics similar to those of the nonrespondents.

The longitudinal design of the SIPP dictates that all persons 15 years old and over present as household members at the time of the first interview be part of the survey throughout the entire 2.5-year period. To meet this goal, the survey collects information useful in locating persons who move. In addition, field procedures were established that allow for the transfer of sample cases between regional offices. Persons moving within a 100-mile radius of an original sampling area (a county or group of counties) are followed and continue with the normal personal interviews at 4-month intervals. Those moving to a new residence that falls outside the 100-mile radius of any SIPP sampling area are interviewed by telephone. The geographic areas defined by these rules contain more than 95 percent of the U.S. population.

Because most types of analysis using SIPP data will be dependent not on data for individuals but on groups of individuals (households, families, etc.), provisions were made to interview all "new" persons living with original sample persons (those interviewed in the first wave). These new sample persons entering the survey through contact with original sample persons are considered as part of the sample only while residing with the original sample person.