

Appendix B. Definitions and Explanations

Population coverage. The estimates in this report are restricted to the civilian, noninstitutional population (age 16 and over) of the United States and members of the Armed Forces living off post or with their families on post.

Age. The age of the person is based on the age of the person at the beginning of the 32-month period.

Race. The population is divided into three groups on the basis of race: White, Black, and "other races." The last category includes American Indians, Asian/Pacific Islanders, and any other race except White and Black.

Hispanic origin. Persons of Hispanic origin were determined on the basis of a question that asked for self-identification of the person's origin or descent. Respondents were asked to select their origin (or the origin of some other household member) from a "flash card" listing ethnic origins. Hispanics, in particular, those who indicated that their own origin was Mexican, Puerto Rican, Cuban, Central or South American, or some other Hispanic origin. It should be noted that persons of Hispanic origin may be of any race.

Looking for work (job search). Persons who looked for work in a given month are those who were 16 years old or over and (a) were without a job during at least 1 week during the month, (b) tried to get work or establish a business or profession in that week, and (c) were available to accept a job. Examples of jobseeking activities are registering at a public or private employment office, meeting with prospective employers, writing letters of application, and so on.

Layoff. The word "layoff" means release from a job because of slack work, material shortage, taking inventory, plant remodeling, and so on. Released workers anticipate recall at some future date, either specified or not. For this survey, persons were also on layoff who did not have a job but responded that they had spent at least 1 week on layoff from a job and that they were available for work. Also included were persons who responded that they were waiting to report to a new wage and salary job that was to begin within 30 days.

Spells of job search and layoff. In the 1984 SIPP Full Panel File, monthly labor force activity of persons age 16 and over is summarized by the use of eight employment status recodes (ESR's). These are:

ESR 1—With job entire month, worked all weeks.

ESR 2—With job entire month, missed one or more weeks (without pay) but not because of a layoff.

ESR 3—With job entire month, missed 1 or more weeks because of a layoff.

ESR 4—With job part of the month, but not because of a layoff or looking for work.

ESR 5—With job part of the month, some time spent on layoff or looking for work.

ESR 6—No job in month, spent entire month on layoff or looking for work.

ESR 7—No job in month, spent part of month on layoff or looking for work.

ESR 8—No job in month, no time spent on layoff or looking for work.

If an individual's ESR for a month is ESR 3, ESR 5, ESR 6, or ESR 7, the individual is considered as experiencing a 1-month spell of job search or layoff. A multi-month spell of job search or layoff would consist of the same or any combination of ESR's 3, 5, 6, or 7 in consecutive months. A monthly ESR of 1, 2, 4, or 8 terminates the spell. No distinction is made between a spell of job search and a spell of layoff in the report. Because the beginning and ending points of spells of job search or layoff cannot be precisely observed in all cases when the ESR's are used, the estimates of the duration of job search and layoff presented in this report should be considered approximations. Furthermore, these approximations will be biased upward since 1 week of job search or layoff in a month is counted as a full month of job search or layoff.

Comparability of SIPP and CPS labor force data.

SIPP labor force estimates (specifically those relating to job search and layoff) differ from the monthly labor force estimates and annual work experience estimates obtained by the Bureau of Labor Statistics (BLS) through the Current Population Survey. Differences exist in labor force concepts and definitions, as well as survey procedures and designs. For example, in the monthly CPS the data are based on activities occurring in the week containing the 12th of the month and priority is given to employment before unemployment and unemployment before not being in the labor force; in SIPP, the data are based on activities taking place in the entire month, and an individual could have been looking for a job, found a job, and been outside the labor force, all in the same month (the same priority system used in the CPS,

however, is used on a weekly basis in SIPP). Another important difference relates to recall periods. In the monthly CPS the recall period is only 1 week, but in SIPP respondents are required to recall activities on a weekly basis that occurred over the previous 4 months (the recall period in the March CPS annual work experience supplement is approximately 3 to 15 months). Differences between the monthly CPS and SIPP labor force estimates are discussed in detail in an article by Paul M. Ryscavage and John E. Bregger entitled "New Household Survey and the CPS: Labor Force Differences," *Monthly Labor Review*, September, 1985, pp. 3-12.

Health insurance coverage. In this report, health insurance coverage means that persons were covered by private health insurance. Private health insurance may be purchased on an individual basis directly from a provider or it may be obtained on a group basis from or through an employer or union. Private health insurance does not include Medicare, Medicaid (or other government health programs for low income persons) or programs that provide health care to current or past members of the Armed Forces or their dependents.

Unemployment insurance coverage. This relates to the receipt of cash benefits paid to unemployed workers through a State or local unemployment agency. It includes all benefits paid under the Federal-State unemployment insurance program as established under the

Social Security Act, as well as those benefits paid to State and local government employees, Federal civilian employees, and veterans.

Outcomes of spells. Spells of job search or layoff are completed by a person either finding or returning to a job or by withdrawing from the labor force. In the context of the ESR's, a spell of job search or layoff ending with a "job" outcome would mean a person was classified in the next month as an ESR 1 or ESR 2 or ESR 4; a spell of job search or layoff ending with a "withdrawal from the labor force" outcome would mean a person was classified an ESR 8.

Average hourly earnings. Estimates of average hourly earnings were derived by dividing the amount of earnings in a month by the product of weeks worked and usual weekly hours during the month.

Monthly household income. The monthly income estimates shown in this report for households are based on the sum of the monthly income received by each member of the household aged 15 years old or over.

Mean income. The mean income is the amount obtained by dividing the total income of a group by the number of units in that group.