Appendix C. **Source and Accuracy of Estimates**

SOURCE OF DATA

The SIPP universe is the noninstitutionalized resident population living in the United States. This population includes persons living in group quarters, such as dormitories, rooming houses, and religious group dwellings. Crew members of merchant vessels, Armed Forces personnel living in military barracks, and institutionalized persons, such as correctional facility inmates and nursing home residents, were not eligible to be in the survey. Also, United States citizens residing abroad were not eligible to be in the survey. Foreign visitors who work or attend school in this country and their families were eligible; all others were not eligible. With the exceptions noted above, persons who were at least 15 years of age at the time of the interview were eligible to be interviewed in the survey.

The 1987 and 1988 panel SIPP samples are located in 230 Primary Sampling Units (PSUs) each consisting of a county or a group of contiguous counties. Within these PSUs, expected clusters of two living quarters (LQs) were systematically selected from lists of addresses prepared for the 1980 decennial census to form the bulk of the sample. To account for LQs built within each of the sample areas after the 1980 census, a sample containing clusters of four LQs was drawn from permits issued for construction of residential LQs up until shortly before the beginning of the panel.

In jurisdictions that don't issue building permits or have incomplete addresses, small land areas were sampled and expected clusters of four LQs within were listed by field personnel and then subsampled. In addition, sample LQs were selected from a supplemental *frame* that included LQs identified as missed in the 1980 census.

The first interview of the 1987 and 1988 panels was conducted during February, March, April, and May of 1987 and 1988 respectively. Approximately one-fourth of the sample was interviewed in each of these months. Each sample person was visited every 4 months thereafter. At each interview the reference period was the 4 months preceding the interview month.

Occupants of about 93 percent of all eligible living quarters participated in the first interview of each panel. For subsequent interviews, only original sample persons and persons living with them were eligible to be interviewed. Original sample persons were followed if they moved to a new address, unless the new address was more than 100 miles from a SIPP sample area. Then, telephone interviews were attempted. All first wave noninterviewed households were automatically designated as noninterviews for all subsequent interviews. When original sample persons moved to remote parts of the country and couldn't be reached by telephone, moved without leaving a forwarding address, or refused to be interviewed, additional noninterviews resulted.

As a part of most waves, subjects are covered that don't require repeated measurement during the panel - subjects are covered once during the panel or annually - and are of particular interest to data users and policy makers. Also, respondent burden is reduced by collecting data once for the panel or annually. A specific set of topical questions are referred to as a topical module. For this report the topical modules analyzed include questions on child care. They were implemented in Wave 6 of the 1987 panel and Wave 3 of the 1988 panel.

Since Wave 6 of the 1987 panel and wave 3 of the 1988 panel are concurrent and contain the same relevant topical modules on child care, the data were combined and analyzed as a single data set. The primary motivation for combining this data is to obtain an increase in sample size and offset the effects, if any, of panel conditioning and nonresponse over the life of the panel.

Noninterviews. Tabulations in this report were drawn from interviews conducted from October 1988 through January 1989. Table C-1 summarizes information on nonresponse rates for the interview months in which the data used to produce this report were collected.

Table C-1. **Combined 1987 and 1988 Panel Household Sample Size by Month and Interview Status**

Month	Eligible	Interviewed	Noninterviewed	Nonresponse rate (percent)[1]
October 1988	6500	5600	900	14
November 1988	6400	5500	900	14
December 1988	6400	5600	900	14
January 1989	6400	5500	800	13

[1]Due to rounding of all numbers at 100, there are some inconsistencies. The percentage was calculated using unrounded numbers.

Some respondents do not respond to some of the questions. Therefore, the overall nonresponse rate for some items such as income and money related items

are higher than the nonresponse rates in table C-1. For more discussion of nonresponse see the Quality Profile for the Survey of Income and Program Participation, May 1990, by T. Jabine, K. King, and R. Petroni, available from Customer Services, Data Users Services Division, of the U.S. Census Bureau (301-763-6100).

ESTIMATION

The estimation procedure used to derive SIPP person weights in each panel involved several stages of weight adjustments. In the first wave, each person received a base weight equal to the inverse of his/her probability of selection. For each subsequent interview, each person received a base weight that accounted for movers.

A noninterview factor was applied to the weight of every occupant of interviewed households to account for persons in noninterviewed occupied households which were eligible for the sample. (Individual Inonresponse within partially interviewed households was treated with imputation. No special adjustment was made for noninterviews in group quarters.)

A factor was applied to each interviewed person's weight to account for the SIPP sample areas not having the same population distribution as the strata from which they were selected.

The Bureau has used complex techniques to adjust the weights for nonresponse. For a further explanation of the techniques used, see the *Nonresponse Adjustment Methods for Demographic Surveys at the U.S. Bureau of the Census*, November 1988, Working paper 8823, by R. Singh and R. Petroni. The success of these techniques in avoiding bias is unknown. An example of successfully avoiding bias can be found in "Current Nonresponse Research for the Survey of Income and Participation" (paper by Petroni, presented at the Second International Workshop on Household Survey Nonresponse, October 1991).

An additional stage of adjustment to persons' weights was performed to reduce the mean square errors of the survey estimates. This was accomplished by ratio adjusting the sample estimates to agree with monthly Current Population Survey (CPS) type estimates of the civilian (and some military) noninstitutional population of the United States by demographic characteristics including age, sex, and race as of the specified date. The CPS estimates by age, sex, and race were themselves brought into agreement with estimates from the 1980 decennial census which have been adjusted to reflect births, deaths, immigration, emigration, and changes in the Armed Forces since 1980. In addition, SIPP estimates were controlled to independent Hispanic controls and an adjustment was made so that husbands and wives within the same household were assigned equal weights. All of the above adjustments are implemented for each reference month and the interview month.

ACCURACY OF ESTIMATES

SIPP estimates are based on a sample; they may differ somewhat from the figures that would have been obtained if a complete census had been taken using the same questionnaire, instructions, and enumerators. There are two types of errors possible in an estimate based on a sample survey: nonsampling and sampling. We are able to provide estimates of the magnitude of SIPP sampling error, but this is not true of nonsampling error. Found in the next sections are descriptions of sources of SIPP nonsampling error, followed by a discussion of sampling error, its estimation, and its use in data analysis.

Nonsampling Variability. Nonsampling errors can be attributed to many sources, e.g., inability to obtain information about all cases in the sample; definitional difficulties particularly in the term "child care arrangement" (the interpretation may vary by region and/or government regulations in the area); differences in the interpretation of questions; inability or unwillingness on the part of the respondents to provide correct information, particularly if they feel the correct answer is an undesirable one; inability to recall information, errors made in the following: collection such as in recording or coding the data, processing the data, estimating values for missing data; biases resulting from the differing recall periods caused by the interviewing pattern used; and undercoverage. Quality control and edit procedures were used to reduce errors made by respondents, coders and interviewers. More detailed discussions of the existence and control of nonsampling errors in the SIPP can be found in the *SIPP Quality Profile.*

Undercoverage in SIPP results from missed living quarters and missed persons within sample households. It is known that undercoverage varies with age, race, and sex. Generally, undercoverage is larger for males than for females and larger for Blacks than for Nonblacks. Ratio estimation to independent age-race-sex population controls partially corrects for the bias due to survey undercoverage. However, biases exist in the estimates to the extent that persons in missed households or missed persons in interviewed households have characteristics different from those of interviewed persons in the same age-race-sex group. Further, the independent population controls used have not been adjusted for undercoverage in the Census.

A bias may also occur in estimates related to unsupervised children. An example of such an estimate is total number of unsupervised children. The following causes for bias are suggested.

1. The complexity of the questions and concepts used to identify unsupervised children may have led to confusion among respondents.

2. In some jurisdictions the parents of children found to be "unsupervised" could be charged with the crime "child neglect."
3. Respondents may fear they are placing a child in jeopardy by disclosing that the child is alone or unsupervised.
4. It may be more socially desirable to report that a child is supervised than that the child is not supervised.

The misreporting of any specific child care arrangement may affect the overall distribution of child care arrangements shown in this report. For example, an underestimate in the proportion of children being left without adult supervision would result in overestimates for one or more of the other child care arrangements.

Comparability with Other Estimates. Caution should be exercised when comparing data from this report with data from other SIPP publications or with data from other surveys. The comparability problems are caused by such sources as the seasonal patterns for many characteristics, different nonsampling errors, and different concepts and procedures. Refer to the *SIPP Quality Profile* for known differences with data from other sources and further discussion.

Sampling Variability. Standard errors indicate the magnitude of the sampling error. They also partially measure the effect of some nonsampling errors in response and enumeration, but do not measure any systematic biases in the data. The standard errors for the most part measure the variations that occurred by chance because a sample rather than the entire population was surveyed.

USES AND COMPUTATION OF STANDARD ERRORS

Confidence Intervals. The sample estimate and its standard error enable one to construct confidence intervals, ranges that would include the average result of all possible samples with a known probability. For example, if all possible samples were selected, each of these being surveyed under essentially the same conditions and using the same sample design, and if an estimate and its standard error were calculated from each sample, then:

1. Approximately 68 percent of the intervals from one standard error below the estimate to one standard error above the estimate would include the average result of all possible samples.
2. Approximately 90 percent of the intervals from 1.6 standard errors below the estimate to 1.6 standard errors above the estimate would include the average result of all possible samples.
3. Approximately 95 percent of the intervals from two standard errors below the estimate to two standard errors above the estimate would include the average result of all possible samples.

The average estimate derived from all possible samples is or is not contained in any particular computed interval. However, for a particular sample, one can say with a specified confidence that the average estimate derived from all possible samples is included in the confidence interval.

Hypothesis Testing. Standard errors may also be used for hypothesis testing, a procedure for distinguishing between population characteristics using sample estimates. The most common types of hypotheses tested are 1) the population characteristics are identical versus 2) they are different. Tests may be performed at various levels of significance, where a level of significance is the probability of concluding that the characteristics are different when, in fact, they are identical.

All statements of comparison in the report have passed a hypothesis test at the 0.10 level of significance or better. This means that, for differences cited in the report, the estimated absolute difference between parameters is greater than 1.6 times the standard error of the difference.

To perform the most common test, compute the difference $X_A - X_B$, where X_A and X_B are sample estimates of the characteristics of interest. A later section explains how to derive an estimate of the standard error of the difference $X_A - X_B$. Let that standard error be s_{DIFF}. If $X_A - X_B$ is between -1.6 times s_{DIFF} and +1.6 times s_{DIFF}, no conclusion about the characteristics is justified at the 10 percent significance level. If, on the other hand, $X_A - X_B$ is smaller than -1.6 times s_{DIFF} or larger than +1.6 times s_{DIFF}, the observed difference is significant at the 10 percent level. In this event, it is commonly accepted practice to say that the characteristics are different. Of course, sometimes this conclusion will be wrong. When the characteristics are, in fact, the same, there is a 10 percent chance of concluding that they are different.

Note that as more tests are performed, more erroneous significant differences will occur. For example, at the 10 percent significance level, if 100 independent hypothesis tests are performed in which there are no real differences, it is likely that about 10 erroneous differences will occur. Therefore, the significance of any single test should be interpreted cautiously.

Note Concerning Small Estimates and Small Differences. Summary measures are shown in the report only when the base is 200,000 or greater. Because of the large standard errors involved, there is little chance that estimates will reveal useful information when computed on a base smaller than 200,000. Also, nonsampling error in one or more of the small number of cases

providing the estimate can cause large relative error in that particular estimate. Estimated numbers are shown, however, even though the relative standard errors of these numbers are larger than those for the corresponding percentages. These smaller estimates are provided primarily to permit such combinations of the categories as serve each user's needs. Therefore, care must be taken in the interpretation of small differences since even a small amount of nonsampling error can cause a borderline difference to appear significant or not, thus distorting a seemingly valid hypothesis test.

Standard Error Parameters and Tables and Their Use. Most SIPP estimates have greater standard errors than those obtained through a simple random sample because clusters of living quarters are sampled for the SIPP. To derive standard errors that would be applicable to a wide variety of estimates and could be prepared at a moderate cost, a number of approximations were required. Estimates with similar standard error behavior were grouped together and two parameters (denoted "a" and "b") were developed to approximate the standard error behavior of each group of estimates. Because the actual standard error behavior was not identical for all estimates within a group, the standard errors computed from these parameters provide an indication of the order of magnitude of the standard error for any specific estimate. These "a" and "b" parameters vary by characteristic and by demographic subgroup to which the estimate applies. Table C-2 provides base "a" and "b" parameters to be used for Fall 1988 estimates.

For those users who wish further simplification, we have also provided general standard errors in tables C-3 and C-4. Note that these standard errors must be adjusted by a factor from table C-2. The standard errors resulting from this simplified approach are less accurate. Methods for using these parameters and tables for computation of standard errors are given in the following sections.

Standard Errors of Estimated Numbers. There are two ways to compute the approximate standard error, s_x, of an estimated number shown in this report. The first uses the formula

$$s_x = fs \qquad (1)$$

where f is a factor from table C-2, and s is the standard error of the estimate obtained by interpolation from table C-3. Alternatively, s_x may be approximated by the formula,

$$s_x = \sqrt{ax^2 + bx} \qquad (2)$$

from which the standard errors in table C-3 were calculated. Here x is the size of the estimate and a and b are the parameters in table C-2 associated with the particular type of characteristic. Use of formula 2 will provide more accurate results than the use of formula 1. When calculating standard errors for numbers from cross-tabulations involving different characteristics, use the factor or set of parameters for the characteristic which will give the largest standard error.

Illustration. The SIPP estimate of the total number of children under 15 years old living in the United States with working mothers in Fall 1988 is 30,287,000. The appropriate "a" and "b" parameters to use in calculating a standard error for the estimate are obtained from table C-2. They are a = -0.0000848 and b = 4755, respectively. Using formula (2), the approximate standard error is

$$\sqrt{(-0.0000848)\,(30{,}287{,}000)^2 + (4755)\,(30{,}287{,}000)} = 257{,}000$$

The 90-percent confidence interval as shown by the data is from 29,876,000 to 30,698,000. Therefore, a conclusion that the average estimate derived from all possible samples lies within a range computed in this way would be correct for roughly 90 percent of all samples.

Using formula (1), the appropriate "f" factor (f = .52) from table C-2, and the standard error of the estimate by interpolation using table 3, the appropriate standard error is

$$s_x = (0.52)\,(676{,}000) = 352{,}000$$

The 90-percent confidence interval as shown by the data is from 29,724,000 to 30,850,000.

Standard Errors of Estimated Percentages. The reliability of an estimated percentage, computed using sample data for both numerator and denominator, depends on the size of the percentage and its base. When the numerator and denominator of the percentage have different parameters, use the parameter (or appropriate factor) from table C-2 indicated by the numerator.

The approximate standard error, $s_{(x,p)}$, of an estimated percentage p can be obtained by use of the formula

$$s_{(x,p)} = fs \qquad (3)$$

where p is the percentage of persons/families/households with a particular characteristic such as the percent of persons owning their own homes.

In this formula, f is the appropriate "f" factor from table C-2 and s is the standard error of the estimate obtained by interpolation from table C-4.

Alternatively, it may be approximated by the formula:

$$s_{(x,p)} = \sqrt{\frac{b}{x}(p)(100-p)} \qquad (4)$$

from which the standard errors in table C-4 were calculated. Here x is the total number of persons, families, households, or unrelated individuals in the base of the percentage, p is the percentage (0 p 100), and b is the "b" parameter in table C-2 associated with the characteristic in the numerator of the percentage. Use of this formula will give more accurate results than use of formula (3) above.

Illustration. The SIPP estimate for the number of children under 15 years old is 53,448,000. Of these, 56.7 percent had working mothers in Fall 1988. Using formula (4) and the "b" parameter of 4755 (from table C-2), the approximate standard error is

$$\sqrt{\frac{(4755)}{(53,448,000)}(56.7)\,(100 - 56.7)} = 0.5\%$$

Consequently, the 90-percent confidence interval as shown by these data is from 55.9 to 57.5 percent.

Using formula (3), the appropriate "f" factor (f = 0.52) from table C-2, and the appropriate s by interpolation using table C-4, the approximate standard error is

$$s_x = (0.52)\,(0.9) = 0.5\%$$

The 90-percent confidence interval shown by these data is from 55.9 to 57.5 percent.

Standard Error of a Difference. The standard error of a difference between two sample estimates, x and y, is approximately equal to

$$s_{(x-y)} = \sqrt{s_x^2 + s_y^2 - 2rs_xs_y} \qquad (5)$$

where sx and sy are the standard errors of the estimates x and y and r is the correlation coefficient between the characteristics estimated by x and y. The estimates can be numbers, averages, percents, ratios, etc. Underestimates or overestimates of standard error of differences result if the estimated correlation coefficient is overestimated or underestimated, respectively. In this report, r is assumed to be 0.

Illustration. Suppose that we are interested in the difference in the percentage of children that receive primary child care in the child's home versus primary child care in another home in Fall 1988. Of the 30,287,000 children with employed mothers, 17.0 percent were cared for in the child's home and 14.3 percent were cared for in another home. Using parameters from table C-2, the standard errors of these percentages are approximately 0.5 percent for children cared for in the child's home and 0.4 percent for children cared for in another home.

Now, the standard error of the difference is computed using the above two standard errors. The correlation between these estimates is assumed to be zero. Therefore, the standard error of the difference is computed by formula (5):

$$\sqrt{(0.5)^2 + (0.4)^2} = 0.6\%$$

Suppose that it is desired to test at the 10 percent significance level whether the percentage of children cared for in the child's home differs significantly from the percentage of children cared for in another home. To perform the test, compare the difference of 2.7% to the product 1.6 x 0.6% = 1.0%. Since the difference is larger than 1.6 times the standard error of the difference, the data show that the estimates for the percentage of children cared for in the home and children cared for in another home differ significantly at the 10 percent level.

Table C-2. SIPP Variance Parameters for Fall 1988 Child Care Estimates (1987 Wave 6/1988 Wave 3)

Characteristic	a	b	f
Children 0-14 years	-0.0000848	4755	0.52
Total or White (15+ years)			
Income and labor force			
Both sexes	-0.0000245	4522	0.52
Male	-0.0000511	4522	0.52
Female	-0.0000468	4522	0.52
Black (15+ years)			
All others			
Both sexes	-0.0002071	6084	0.61
Male	-0.0004423	6084	0.61
Female	-0.0003893	6084	0.61

Table C-3. Standard Errors of Estimated Numbers of Persons for Fall 1988 Estimates

(Numbers in Thousands)

Size of estimate	Standard error	Size of estimate	Standard error
200	59	50,000	828
300	72	80,000	961
600	102	100,000	1,006
1,000	131	130,000	1,018
2,000	185	135,000	1,013
5,000	291	150,000	990
8,000	366	200,000	767
11,000	426	220,000	576
13,000	461	230,000	426
15,000	493		
17,000	523		
22,000	588		
26,000	633		
30,000	674		

Table C-4. Standard Errors of Estimated Percentages of Persons for Fall 1988 Estimates

Base of estimated percentage (thousands)	Estimated percentages					
	1 or 99	2 or 98	5 or 95	10 or 90	25 or 75	50
200	2.9	4.1	6.4	8.8	12.7	14.7
300	2.4	3.4	5.2	7.2	10.4	12.0
600	1.7	2.4	3.7	5.1	7.4	8.5
1,000	1.3	1.8	2.9	3.9	5.7	6.6
2,000	0.9	1.3	2.0	2.8	4.0	4.6
5,000	0.6	0.8	1.3	1.8	2.5	2.9
8,000	0.5	0.7	1.0	1.4	2.0	2.3
11,000	0.4	0.6	0.9	1.2	1.7	2.0
13,000	0.4	0.5	0.8	1.1	1.6	1.8
17,000	0.3	0.4	0.7	1.0	1.4	1.6
22,000	0.3	0.4	0.6	0.8	1.2	1.4
26,000	0.3	0.4	0.6	0.8	1.1	1.3
30,000	0.2	0.3	0.5	0.7	1.0	1.2
50,000	0.2	0.3	0.4	0.6	0.8	0.9
80,000	0.1	0.2	0.3	0.4	0.6	0.7
100,000	0.1	0.2	0.3	0.4	0.6	0.7
130,000	0.1	0.2	0.3	0.3	0.5	0.6
180,000	0.1	0.1	0.2	0.3	0.4	0.5
200,000	0.1	0.1	0.2	0.3	0.4	0.5
230,000	0.1	0.1	0.2	0.3	0.4	0.4
250,000	0.1	0.1	0.2	0.2	0.4	0.4