

Introduction to SIPP



This section briefly describes the evolution and analytic uses of SIPP and compares it with other surveys.

- *Evolution of SIPP*
 - SIPP Origins*
 - Early SIPP Panels*
 - The 1996 Redesign*
- *Analytic Uses of SIPP Data*
- *SIPP vs. Other Surveys*

Evolution of SIPP

The Survey of Income and Program Participation (SIPP) arose from the need for detailed longitudinal data on income and participation in government transfer programs. Existing surveys did not provide the information necessary to estimate future costs and coverage for transfer programs and to evaluate the effectiveness of those programs. Also, policy makers and analysts wanted better statistics to track changes in income distribution.

[Link to a chart that lists the types of income recorded in SIPP.](#)

SIPP Origins

In the late 1970s the Department of Health, Education and Welfare (DHEW) initiated the Income Survey Development Program (ISDP) to address identified data needs on income and program participation. To promote the collection of high-quality data, DHEW emphasized the following design elements:

- Relatively short reference period to promote complete and accurate recall of detailed information
- Linkage of survey data to program records

Participants in each panel of this longitudinal survey were asked every 3 months about their income, labor force participation, and other characteristics.

Early SIPP Panels

The Census Bureau incorporated lessons learned from the ISDP into the design of SIPP, which was implemented in October 1983.

Although the proposed design for the pre-1996 Panels included (1) overlapping panels of 20,000 households, (2) a new panel beginning each year, and (3) panels continuing for 32

months, actual panel size, duration, and starting date varied because of budget constraints and the decision in the early nineties to redesign SIPP. For example, actual panel duration from 1989 to 1996 was as follows:

- 1989 Panel—12 months
- 1990 and 1991 Panels—32 months
- 1992 Panel—40 months
- 1993 Panel—36 months

During the early SIPP panels, the Census Bureau continually improved SIPP's sampling, weighting, and imputation procedures. Researchers and analysts also investigated the need for more fundamental changes in SIPP. Many of their ideas were incorporated into the 1996 Panel.

The 1996 Redesign

Ongoing SIPP research indicated that SIPP users needed data covering more spells of program participation and larger samples for subgroup analyses. In response, the Census Bureau incorporated the following major design changes in the 1996 Panel:

- Nonoverlapping samples of approximately 37,000 households
- 1996 Panel duration of 4 years (with subsequent panels spanning 3 years)
- Oversampling of households from areas with high poverty concentrations

The 1996 redesign also featured other important changes, including the following:

- The introduction of computer-assisted interviewing—a feature that should improve longitudinal consistency in the data files
- Changes in variable names 
- Improved data editing and imputation procedures that make more use of prior wave data

SIPP *tip*

Appendix A of the SIPP Users' Guide contains four sections showing the correspondence between the core wave file variables in 1993 and those in 1996. ([Link to a view of the cross-walk in Appendix A.](#))

These and other aspects of the redesign are discussed in later sections of this tutorial as well as in the *SIPP Users' Guide*, the *SIPP Quality Profile*, and several SIPP working papers.

Analytic Uses of SIPP Data

SIPP was implemented primarily to support longitudinal studies. However, the breadth of subjects and detail of data in the topical module files have made these cross-sectional files useful and important to many subject analysts.

Longitudinal Features. SIPP analysts can examine selected dynamic characteristics of the population, such as changes in income and in household and family composition, eligibility for and participation in transfer programs, labor force behavior, and other associated events. SIPP allows analysts to address the following types of questions:

- How have changes in program eligibility rules or benefit levels affected recipients?
- What are the primary determinants of turnover in programs such as Food Stamps?
- What effects do changes in household composition have on economic status and program eligibility? **tip**

This tutorial and the *SIPP Users' Guide* contain various suggestions and cautions pertinent to longitudinal analyses. Analysts who have previously worked only with cross-sectional data should pay particular attention to those statements.

Cross-Sectional Features. SIPP is the only regular source for valuable cross-sectional data on topics such as:

- Cost of child care
- Nonincome measures of economic hardship
- Child and adult disability
- Pension coverage
- Household wealth (assets and liabilities)

SIPP tip

To provide 10 years of data measuring program eligibility, access, and participation, the Census Bureau implemented the Survey of Program Dynamics (SPD) as an annual follow-up to the 1992 and 1993 SIPP Panels. SPD data will be collected until 2002.

Comparison of SIPP with Other Surveys

Two other major national surveys collect information that overlaps some SIPP data.

The Current Population Survey (CPS). Primarily a survey of employment, the CPS also collects income information. But SIPP and the CPS differ in important ways:

- CPS income data are not collected in the detail deemed necessary to measure a household's economic status and eligibility for program benefits.
- The CPS is a cross-sectional survey of households and does not track original sample members over time.

The Panel Study of Income Dynamics (PSID). The PSID is a nationally representative longitudinal sample of approximately 9,000 households, about 5,000 of which have been tracked since 1968. The PSID's broad content includes sociological and psychological measures.

Although the PSID focuses on economics and demographics, PSID income and expenditure data differ from SIPP data:

- PSID data are not collected in the same detail or breadth as SIPP data.
- PSID interviews are conducted annually. The long reference period for many income and expenditure items places a difficult recall burden on sample members.

[Link to a table that highlights major features of SIPP, the CPS, and the PSID.](#) Analysts can use the information in the table to help them choose the appropriate survey for a particular analysis. 

SIPP *tip*

Relative to the other surveys, SIPP is particularly strong in collecting detailed income data, including information on assets and wealth. That information is relevant for analyzing public assistance programs and changes in the distribution of income.