

# Evaluating the 2013 CPS ASEC Income Redesign Content Test

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# CPS ASEC

- The most widely-used survey conducted by the government.
  - Basis of official national poverty statistics
  - Official estimate of median household income
- Suffers from misclassification and underreporting of income
  - Contracted Westat Inc. to evaluate issues and conduct cognitive testing on potential instrument improvements.

# Reasons for Income Field Test

- Improve data quality
  - Address misreporting, item nonresponse, and errors resulting from respondent fatigue
  - Enrollment in means-tested programs is under-reported
  - Under-reporting of income amounts
- Take better advantage of an automated instrument
  - Aid in respondent recall
  - Decrease errors resulting from respondent fatigue

# Reasons Cont.

- Reflect the changing retirement environment
  - Aggregate holdings in newer types of retirement accounts exceed those of traditional pension plans
  - Retirement, pension, and annuities are under-reported
- Improve clarification and reporting of asset income
  - Includes Interest, Dividends, and property income

# Overview of Changes to the Income Section of the ASEC

- Removal of family income screener
  - In traditional ASEC only households with a combined family income of less than \$75,000 are asked means-tested transfer program questions.
- Separation of “Source” and “Amount” Questions
  - Dual-pass approach
- Three different tailored skip patterns

# Overview of Changes to the ASEC...cont.

- Income range follow-ups for Don't know/Refused
- Distinguishing between retirement accounts and other interest earning assets
- Revised disability, survivor, and retirement questions

# Dual-pass Approach

Now I will ask you about the amount of income you received from various sources in 2012.

1. Enter 1 to Continue

What is the easiest way for you to tell us your  
EXAMPLE SURVIVOR FILLIN;  
weekly, every other week, twice a month,  
monthly, or yearly?

1. Weekly  
 2. Every other week  
 3. Twice a month  
 4. Monthly  
 7. Yearly

- First Pass- identify all sources of income
- Second Pass- collect amounts

# Tailored Skip Patterns

- Low-income
  - Public assistance, food stamps, WIC, school lunches, public housing and energy assistance come first
- Seniors 62+
  - Disability, Social Security, SSI, Veterans' benefits, Pensions, Annuities, and Retirement accounts come first
- Default (all others)
  - Closely follows current ASEC instrument

# Income Range Follow-ups

Could you please tell me if you received less than \$10,000, between \$10,000 and \$20,000, or over \$20,000 for the TOTAL amount you received in EXAMPLE SURVIVOR FILLIN during 2012?

- 1. Less than \$10,000
- 2. Between \$10,000 and \$20,000
- 3. \$20,000 or more

Did you receive less than \$1,000, between \$1,000 and \$5,000, or over \$5,000 in EXAMPLE SURVIVOR FILLIN during 2012?

- 1. Less than \$1,000
- 2. Between \$1,000 and \$5,000
- 3. Over \$5,000

- For Don't know/ Refused the Redesign presented an income bracket with range values.
- The values in the brackets depended on the source of income.
- Second range only if lowest value is chosen in first range.

# Retirement, Pensions, and Annuities

- Retirement and Annuities in the Redesign are stand-alone questions separated out of Pensions.
- The Redesigned instrument asks specifically about Pensions, then Retirement accounts, and lastly Annuities.

# Withdrawals/Distributions from Retirement Accounts

Did you withdraw any money or receive a distribution from your 401k account in 2012?

1. Yes  
 2. No

Did you withdraw any money or receive a distribution from your 403(b) account in 2012?

1. Yes  
 2. No

- For each retirement account identified there is a new question on withdrawals and distributions.
- For respondents 70+, 'including distributions required to take'.
- Roll over?

# Interest from Retirement Accounts

Within the 401(k) account, how much did you earn in interest or dividends during 2012?  
Please include small amounts reinvested or credited to the account.

• Enter dollar amount

The Census Bureau can estimate the amount earned in this account based on the size of the account. So can you tell me how much money was in your 401(k) account at the end of 2012?

• Enter dollar amount

- Interest/dividends earned on each retirement account.
- New screen that allows the respondent to give us the 'Total amount in the account' and the Census Bureau will calculate interest earned.

# Non-Retirement Accounts

Now I will ask about assets that may have paid interest or dividends in 2012 outside of the retirement accounts.

At anytime during 2012 did you:

Have money in an interest-earning checking account?

1. Yes  
 2. No

Did you receive any capital gains distributions from your share of stocks or mutual funds in 2012?

1. Yes  
 2. No

- New questions designed to identify interest/dividends earned from non-retirement accounts
- Respondents with stocks/mutual funds are asked about capital gains

# Caution Using Estimates

***Disclaimer:*** These data are being released on request, despite concerns about their quality. The Census Bureau's policy is not to withhold data that are available, unless releasing such data would violate confidentiality requirements. The Census Bureau recommends using these data only for research or evaluation purposes, and not to make statements about characteristics of the population or economy because they do not meet the criteria outlined in the Census Bureau's Statistical Quality standard: Releasing Information Product.

# Income Source Reciprocity

Income Source	Percentage Point Difference (Redesign – Production)
<b>Earnings:</b>	
Worked at a job/business	- 2.9
Seasonal Work	1.1
<b>Unemployment Compensation:</b>	
State or Federal	0.2
Supplemental Unemployment Benefits	0.0
Union or Strike Benefits	0.0
Worker's Compensation	0.3

# Income Source Reciprocity

Income Source	Percentage Point Difference (Redesign – Production)
Disability income received (excluding SSDI)	2.2
Social Security	<b>13.8</b>
Supplemental Security Income	-0.4
Retirement, Pensions, Annuities	<b>37.7</b>
Interest Earning Accounts (non-retire)	17.5
Survivor Benefits	1.0

# Income \$ Amount Provided

Income Source	Percentage Point Difference (Redesign – Production)
Earnings	9.1
Unemployment Compensation	0.4
Worker's Compensation	0.3
Social Security	9.9
Supplemental Security Income	-0.5
Survivor Benefits	0.8

# Income \$ Amount Provided

Income Source	Percentage Point Difference (Redesign – Production)
Public Assistance	-0.3
Disability income	3.1
Veteran Benefits	0.7
Interest	<b>31.8</b>
Retirement	5.4

# Aggregate Income

Income Source	Percent Difference (Redesign <i>without</i> Range value – Production)	Percent Difference (Redesign <i>with</i> Range value – Production)
Total Income	* <b>31</b>	* <b>44</b>
Total Earnings	* 30	* 43
Unemployment Compensation	12	15
Worker's Compensation	48	* 61
Social Security	- 4	- 2
Supplemental Security Income	* - 39	* - 39

\* Statistically significant at the 90 percent confidence level.

# Aggregate Income

Income Source	Percent Difference (Redesign <i>without</i> Range value – Production)	Percent Difference (Redesign <i>with</i> Range value – Production)
Survivor Benefits	<b>- 11</b>	<b>16</b>
Public Assistance	9	10
Disability income	<b>* 488</b>	<b>* 556</b>
Dividends	<b>* 50</b>	<b>* 113</b>
Interest	<b>* 399</b>	<b>* 598</b>
Retirement	<b>* 31</b>	<b>* 41</b>

\* Statistically significant at the 90 percent confidence level.

# Continuing Research

- Create median household income using weighted data and apply it to poverty measures
- 3/8-5/8 sample split scheduled for the 2014 ASEC
- Continued improvements to the instrument and training of the interviewers