Appendix A. Overview of the SIPP Program

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 changes in the well-being of the population and the relationship to the demographic and social characteristics of individuals. The data collected in SIPP will be 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 new 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 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 contained in the overall design of the survey content. The first is a control card 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 and to record the dates when persons enter or leave the household. Finally, during each interview, information on each source of income reviewed 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 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 recipiency 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 postsecondary 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 will be included during selected household visits. The topical modules cover areas that need not be examined every 4 months. Certain of these topical 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. No topical modules were included in the first or second waves of the 1985 SIPP panel. (See the following section on sample design and table A-1 for definition of the term "wave.") The third wave topical modules covered assets and liabilities. The fourth wave topical modules covered 1) support for nonhousehold members and work-related expenses, 2) marital history, 3) migration history, 4) fertility history, and 5) household relationships. The fifth wave topical modules covered 1) annual income and retirement accounts, 2) taxes, and 3) school enrollment and financing. The sixth wave topical modules covered 1) child care arrangements and child support agreements, 2) support for nonhousehold members, 3) job offers, 4) health status and utilization of health care services, 5) long term care, and 6) disability status of children. The seventh wave topical modules covered 1) assets and liabilities, and 2) retirement expectations and pension plan coverage. The eighth wave topical modules covered 1) annual income and retirement accounts, 2) taxes, and 3) school enrollment and financing.

SAMPLE DESIGN

The SIPP sample design for the 1985 panel consists of about 17,800 housing units selected to represent the noninstitutional population of the United States. (See appendix C for more details on the procedures used to select the sample.) About 14,300 of these were occupied and eligible for interview. Table A-1 shows the sample design for the first panel of SIPP. Each household in the sample was scheduled to be interviewed at 4-month intervals over a period of 2 1/2 years beginning in February 1985. The reference period for the questions is the 4-month period preceding the interview. For example, households interviewed in February 1985 were asked questions for the months October, November, and December 1984 and January 1985. This household was interviewed again in June 1985 for the February through May period. 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.[1]

Table A-1. **Design of the 1985 SIPP Panel**

Rotation	Wave	Interview month	Reference months
2	1	Feb. 85	Oct., Nov., Dec. (84), Jan (85)
3	1	Mar. 85	Nov., Dec. (84), Jan., Feb. (85)
4	1	Apr. 85	Dec. (84), Jan., Feb., Mar. (85)
1	1	May 85	Jan., Feb., Mar., Apr. (85)
2	2	Jun. 85	Feb., Mar., Apr., May (85)
3	2	Jul. 85	Mar., Apr., May, Jun. (85)
4	2	Aug. 85	Apr., May, Jun., Jul. (85)
1	3	Sept. 85	May, Jun., Jul., Aug. (85)
2	3	Oct. 85	Jun., Jul., Aug., Sept. (85)
3	3	Nov. 85	Jul., Aug., Sept., Oct. (85)
4	3	Dec. 85	Aug., Sept., Oct., Nov. (85)
1	4	Jan. 86	Sept., Oct., Nov., Dec. (85)
2	4	Feb. 86	Oct., Nov., Dec (85), Jan (86)
3	4	Mar. 86	Nov., Dec. (85), Jan., Feb. (86)
4	4	Apr. 86	Dec. (85), Jan., Feb., Mar. (86)
1	5	May 86	Jan., Feb., Mar., Apr. (86)
2	5	Jun. 86	Feb., Mar., Apr., May (86)
3	5	Jul. 86	Mar., Apr., May, Jun. (86)
4	5	Aug. 86	Apr., May, Jun., Jul. (86)
1	6	Sept. 86	May, Jun., Jul., Aug. (86)
2	6	Oct. 86	Jun., Jul., Aug., Sept. (86)
3	6	Nov. 86	Jul., Aug., Sept., Oct. (86)
4	6	Dec. 86	Aug., Sept., Oct., Nov. (86)
1	7	Jan. 87	Sept., Oct., Nov., Dec. (86)
2	7	Feb. 87	Oct., Nov., Dec. (86), Jan. (87)
3	7	Mar. 87	Nov., Dec. (86), Jan., Feb. (87)
4	7	Apr. 87	Dec. (86), Jan., Feb., Mar. (87)
1	8	May 87	Jan., Feb., Mar., Apr. (87)
2	8	Jun. 87	Feb., Mar., Apr., May (87)
3	8	Jul. 87	Mar., Apr., May, Jun. (87)
4	8	Aug. 87	Apr., May, Jun., Jul. (87)

A third panel of smaller size was introduced in February 1986 and has been introduced in February of each succeeding year. This overlapping design provides a larger sample size from which cross-sectional estimates can be made. The overlap also enhances the survey's ability to measure change by lowering the standard errors on differences between estimates for two points in time.

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

[1]Note that for the 1985 panel, the first rotation group was not included in the second wave of data collection.

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 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 1/2 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.