Appendix B. Definitions and Explanations

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

Age. Age classification is based on age as of last birthday (quarterly tabulations) or age as of the beginning of the 28-month period (longitudinal tabulations).

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 the origin of some other household member) from a "flashcard" listing ethnic origins. Hispanics were those who indicated that their 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.

Householder. The instructions call for listing first the person (or one of the persons) in whose name the home is owned or rented. If the house is owned jointly by a married couple, either the husband or the wife may be listed first, thereby becoming the reference person, or householder, to whom the relationship of the other household members is recorded. One person in each household is designated as the "householder." The number of householders, therefore, is equal to the number of households.

Family. The term "family" refers to a group of two or more persons related by birth, marriage, or adoption who reside together; all such persons are considered as members of one family. For example, if the son of the person who maintains the household and the son's wife are members of the household, they are treated as members of the parent's family. Every family must include a householder; two or more people living in the same household who are related to one another, but are not related to the householder, form an "unrelated subfamily" and are not included in the count of families.

Subfamily. A subfamily is a married couple with or without children, or one parent with one or more own single children under 18 years old living in a household but not including among its members the person or couple maintaining the household. Because a subfamily does not include a householder, it is by definition excluded from the count of families. There are two kinds of subfamilies, related and unrelated.

Related subfamily. A related subfamily is a subfamily whose members are related to the person or couple maintaining the household. The most common example of a related subfamily is a young married couple sharing the home of the husband's or wife's parents. Members of a related subfamily are also members of the householder's family.

Unrelated subfamily. Unrelated subfamilies are not included in the count of families, nor are the members of unrelated subfamilies included in the count of family members. An unrelated subfamily is a subfamily whose members are not related to the person or couple maintaining the household. Members of unrelated subfamilies may include such persons as guests, lodgers, or resident employees and their relatives living in a household. Unrelated subfamily members are not part of the householder's family. Even though unrelated subfamilies are not counted as families, they are treated as families for the purpose of determining whether their members are above or below the poverty level.

Married-couple family. A married couple, as defined for census purposes, is a husband and wife enumerated as members of the same household. The married couple may or may not have children living with them. The expression "husband-wife" or "married-couple" before the term "household," or "family" indicates that the household, or family, is maintained by a husband and wife.

Other family type. Families which are not maintained by a married couple are designated "other family" type in this report. These include families in which the householder is a woman with no husband present and families in which the householder is a man with no wife present.

Unrelated individuals. The term "unrelated individuals" refers to persons 15 years old and over (other than inmates of institutions) who are not living with any relatives. An unrelated individual may (1) constitute a

one-person household, (2) be part of a household including one or more other families or unrelated individuals, or (3) reside in group quarters such as a rooming house. Thus, a widow living by herself or with one or more other persons not related to her, a lodger not related to the householder or to anyone else in the household, and a servant living in an employer's household with no relatives are examples of unrelated individuals. The poverty status of unrelated individuals is determined independently of other household members' incomes.

Years of school completed. Data on years of school completed were derived from the combination of answers to questions concerning the highest grade of school attended by the person and whether or not that grade was finished. The questions of educational attainment apply only to progress in "regular" schools. Such schools included public, private, and parochial elementary and high schools (both junior and senior), colleges, universities, and professional schools (whether day schools or night schools). Thus, regular schooling is that which may advance a person toward an elementary school certificate, a high school diploma, or a college, university, or professional school degree.

Work experience. A person with work experience is one who, during the 28-month period, did any civilian work for pay or profit or worked without pay on a family-operated farm or business at any time, on a part-time or full-time basis.

Full-period, full-time worker. A full-period, full-time worker is one who worked primarily at full-time (that is 35 hours or more per week) civilian jobs during the entire 28-month period.

Income. The cash income concept used in this report includes the sum of all income received from any of the sources listed in table B-1. Rebates, refunds, loans and capital gain or loss amounts from the sale of assets, and interhousehold transfers of cash such as allowances are not included.

Accrued interest on Individual Retirement Accounts, KEOGH retirement plans, and U.S. Savings bonds are also excluded. This definition differs somewhat from that used in the annual income reports based on the March CPS income supplement questionnaire. The data in those reports, published in the Current Population Reports, Series P-60, are based only on income received in a regular or periodic manner and, therefore, exclude lump-sum or one-time payments, such as inheritances, or insurance settlements which are included as income in SIPP. Educational assistance, which is included in the March CPS income concept, is not included in the SIPP income concept.

The income amounts represent amounts actually received during the month, before deductions for income and payroll taxes, union dues, Part B Medicare premiums, etc.

The SIPP income definition includes three types of earnings: wages and salary, nonfarm self-employment, and farm self-employment. The definition of nonfarm self-employment and farm self-employment is not based on the net difference between gross receipts or sales and operating expenses, depreciation, etc. The monthly amounts for these income types are based on the salary or other income received from the business by the owner of the business or farm during the 4-month period. Earnings from all jobs and self-employment are included.

While the income amounts from most sources are recorded monthly for the 4-month reference period, property income amounts such as interest, dividends, and rental income, were recorded as totals for the 4-month period. These totals were distributed equally between months of the reference period for purposes of calculating poverty status in this report.

Medicare. The Medicare Program is designed to provide medical care for the aged and disabled. The Basic Hospital Insurance Plan (Part A) is designed to provide basic protection against hospital costs and related post-hospital services. This plan also covers many persons under 65 years old who receive Social Security or railroad retirement benefits based on long-term disability. Part A is financed jointly by employers and employees through Social Security payroll deductions. Qualified persons 65 years old and over who are not otherwise eligible for Part A benefits may pay premiums directly to obtain this coverage. The Medical Insurance Plan (Part B) is a voluntary plan which builds upon the hospital insurance protection provided by the basic plan. It provides insurance protection covering physicians' and surgeons' services and a variety of medical and other health services received either in hospitals or on an ambulatory basis. It is financed through monthly premium payments by each enrollee, and subsidized by Federal general revenue funds.

The term "covered" means enrolled in the Medicare Program. In order to be counted, the person did not necessarily have to receive medical care paid for by Medicare.

Medicaid. The Medicaid Program is designed "to furnish medical assistance on behalf of needy families with dependent children, and of aged, blind, or permanently and totally disabled individuals whose incomes and resources are insufficient to meet the costs of necessary medical services." The program is administered by State agencies through grants from the Health Care Financing Administration of the Department of Health

Table B-1. **Income Sources Included in Monthly Cash Income**

Earnings from Employment
- Wages and salary
- Nonfarm self-employment income
- Farm self-employment income

Income from Assets (Property Income)
- Regular/passbook savings accounts in a bank, savings and loan or credit union
- Money market deposit accounts
- Certificate of deposit
- NOW, Super NOW, or other interest-earning checking accounts
- Money market funds
- U.S. Government securities
- Municipal or corporate bonds
- Other interest-earning assets
- Stocks or mutual fund shares
- Rental property
- Mortgages
- Royalties
- Other financial investments

Other Income Sources
- Social Security
- U.S. Government Railroad Retirement
- Federal Supplemental Security Income
- State Administered Supplemental Security Income
- State unemployment compensation
- Supplemental Unemployment Benefits
- Black Lung payments
- Worker's compensation
- State temporary sickness or disability benefits
- Employer or union temporary sickness policy
- Payments from a sickness, accident, or disability insurance policy purchased on your own
- Aid to Families with Dependent Children (AFDC), (ADC)
- General assistance or General relief
- Indian, Cuban, or Refugee assistance
- Foster child care payments
- Other welfare
- Child support payments
- Alimony payments
- Pensions from a company or union
- Federal Civil Service or other Federal civilian employee pensions
- U.S. Military retirement
- National Guard or Reserve Forces retirement
- State government pensions
- Local government pensions
- Income from paid-up life insurance policies or annuities
- Estates and trusts
- Other payments for retirement, disability or survivors, G.I. Bill/VEAP education benefits
- Income assistance from a charitable group
- Other unemployment compensation (Trade Adjustment Act benefits, strike pay, other)
- Veterans' compensation or pensions
- Money from relatives or friends
- Lump sum payments
- Income from roomers or boarders
- National Guard or Reserve pay
- Incidental or casual earnings
- Other cash income not included elsewhere

and Human Services. Funding for medical assistance payments consists of a combination of Federal, State, and in some cases, local funds.

Medicaid is for the most part a categorical program with complex eligibility rules which vary from State to State. There are two basic groups of eligible individuals: the categorically eligible and the medically needy. The major categorically eligible groups are all Aid to Families with Dependent Children (AFDC) recipients and most Supplemental Security Income (SSI) recipients. Other categorically eligible groups are (1) those who meet basic State cash assistance eligibility rules (the aged, blind, or disabled; needy single parents with children; and, in some States, needy unemployed parents with children who are not currently receiving money payments), and needy persons who meet categorical eligibility standards but are institutionalized for medical reasons (e.g., low-income elderly persons in nursing homes). However, such institutionalized persons are not included in the SIPP universe and, therefore, are not reflected in these statistics.

In roughly one-half of the States, coverage is extended to the medically needy: persons meeting categorical age, sex, or disability criteria whose money incomes and assets exceed eligibility levels for cash assistance but are not sufficient to meet the cost of medical care. In such States, qualifying income and asset levels are usually above those set for cash assistance. Families with large medical expenses relative to their incomes and assets may also meet medically needy eligibility standards in these States.

The Medicaid question on the SIPP attempted to identify all adults who were covered by Medicaid. The term "covered" means enrolled in the Medicaid program, e.g., had a Medicaid medical assistance card or incurred medical bills which were paid for by Medicaid. In order to be counted, the person did not have to receive medical care paid for by Medicaid.

Low-income status. The low-income definition used in the report is based on the government's official poverty definition. A person's monthly low-income status in this report was determined by comparing the person's family income in a month against the appropriate monthly poverty thresholds (one-twelfth of the annual poverty threshold). If the person's family income was below the monthly poverty thresholds, the person was classified as having low-income for the month.

Symbols. A dash (—) represents zero or rounds to zero, the symbol "B" means that the base for the derived figure is less than 200,000 and the symbol "X" means not applicable.

Rounding. Percentages are rounded to the nearest tenth of a percent; therefore, the percentages in a distribution do not always add to exactly 100.0 percent. The totals, however, are always shown as 100.0. Moreover, individual figures are rounded to the nearest thousand without being adjusted to group totals, which are independently rounded; percentages are based on the unrounded numbers.