

Income and the 2014 CPS ASEC

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Outline

- 2014 ASEC split-panel design
- Survey instrument changes
- Income estimates released last September
- Research since last September

Improvement Timeline

- Evaluations against administrative benchmarks back to 2007
- Conducted evaluations and cognitive tests in 2011
- Conducted a telephone interview field test in March 2013
 - Indicated likely increases in income reciprocity and higher income amounts
- Split-panel implementation in the 2014 ASEC
 - Full production environment
 - 30,000 addresses eligible for redesigned, 68,000 eligible for traditional

Overview of Changes to the Income Section of the ASEC

- Separation of “Reciprocity” and “Amount” questions
 - Dual-pass approach
- Three different tailored skip patterns
- Income range follow-ups for “Don’t know” or “Refused” income amounts
- Distinguishing between property income from retirement accounts and other interest earning assets

Overview of Changes to the ASEC...cont.

- Collect withdrawals and distributions amounts from retirement accounts
- Revised disability, survivor, and retirement questions
- Removal of family income screener
 - In traditional questionnaire, only households with a combined family income of less than \$75,000 are asked means-tested transfer program questions

Dual-pass Approach

Redesign Questions

During 2013, did you or anyone in this household receive any Social Security payments from the U.S. government?

Who?

Now I will ask you about the amount of income you and others in this household received from various sources in 2013. Let's start with you.

How much did you receive in Social Security payments in 2013?

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

Tailored Skip Patterns

- Lower-income households
 - Public assistance, food stamps (SNAP), WIC, free and reduced school lunches, public housing and energy assistance come first
- Households with a member aged 62+
 - Disability, Social Security, SSI, Veterans' benefits, Pensions, Annuities, and Retirement accounts come first
- Default (all others)
 - Closely follows traditional questionnaire order

Income Range Follow-ups

Redesign Questions

Could you tell me if you received

- **less than \$10,000,**
- **between \$10,000 and \$20,000, or**
- **over \$20,000**

in Social Security payments in 2013?

Did you receive

- **less than \$1,000,**
- **between \$1,000 and \$5,000, or**
- **over \$5,000**

in Social Security payments in 2013?

- For Don't know/ Refused redesigned ASEC presents an income bracket with range values
- The values in the brackets depends on the source of income
- Second range question only if lowest value is chosen in first range

Pensions, Annuities and Retirement Accounts

Redesign Questions

During 2013 did you receive any pension income from a previous employer or union?

During 2013 did you receive any income from an annuity?

At any time during 2013 did you have any retirement accounts such as a 401(k), 403(b), IRA, or other account designed specifically for retirement savings?

- Retirement and annuities are stand-alone questions separated out of pensions
- The redesigned instrument asks specifically about pensions, then annuities and then retirement accounts

Withdrawals/Distributions from Retirement Accounts

Redesign Questions

Did you withdraw any money or receive a distribution from your [ACCOUNT TYPE] in 2013?

Did you re-invest or "roll over" any of the money into an IRA or some other kind of retirement plan?

- For each retirement account identified there is a new question on withdrawals and distributions
- For respondents 70+, “including distributions you may have been required to take”
- Roll over to another account?

Interest from Retirement Accounts

Redesign Questions

Within [ACCOUNT TYPE] , how much did you earn in interest or dividends during 2013? Please include small amounts reinvested or credited to the account.

The Census Bureau can estimate the amount earned in this account based on the size of the account. How much money did you have in your [ACCOUNT TYPE] at the end of 2013?

- 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

Redesign Questions

Now I will ask about assets that may have paid interest or dividends in 2013 outside of the retirement account(s).

Did you have money in an interest-earning checking account?

How much did you receive in (interest/dividends) during 2013, including even small amounts reinvested or credited to accounts?

How much did you receive in capital gains distributions in 2013?

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

September 2014 Release

2012 Income	2013 Income	2014 Income
Traditional income questions Full Sample	Traditional income questions (68,000 addresses) Redesigned income questions (30,000 addresses)	Redesigned income questions Full Sample

- All 2013 estimates in the report were based on the traditional set of questions
- Preserved continuity between the years
 - Consistent questions
 - Used the same processing system

September 2015 Release

2012 Income	2013 Income	2014 Income
Traditional income questions	Traditional income questions (68,000 addresses)	Redesigned income questions
Full Sample	Redesigned income questions (30,000 addresses)	Full Sample

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Research

- Adapting the existing processing system to the new questions
- Comparing estimates from Traditional and Redesign
- Combining the Traditional and Redesign samples

Income Summary Measures: 2013

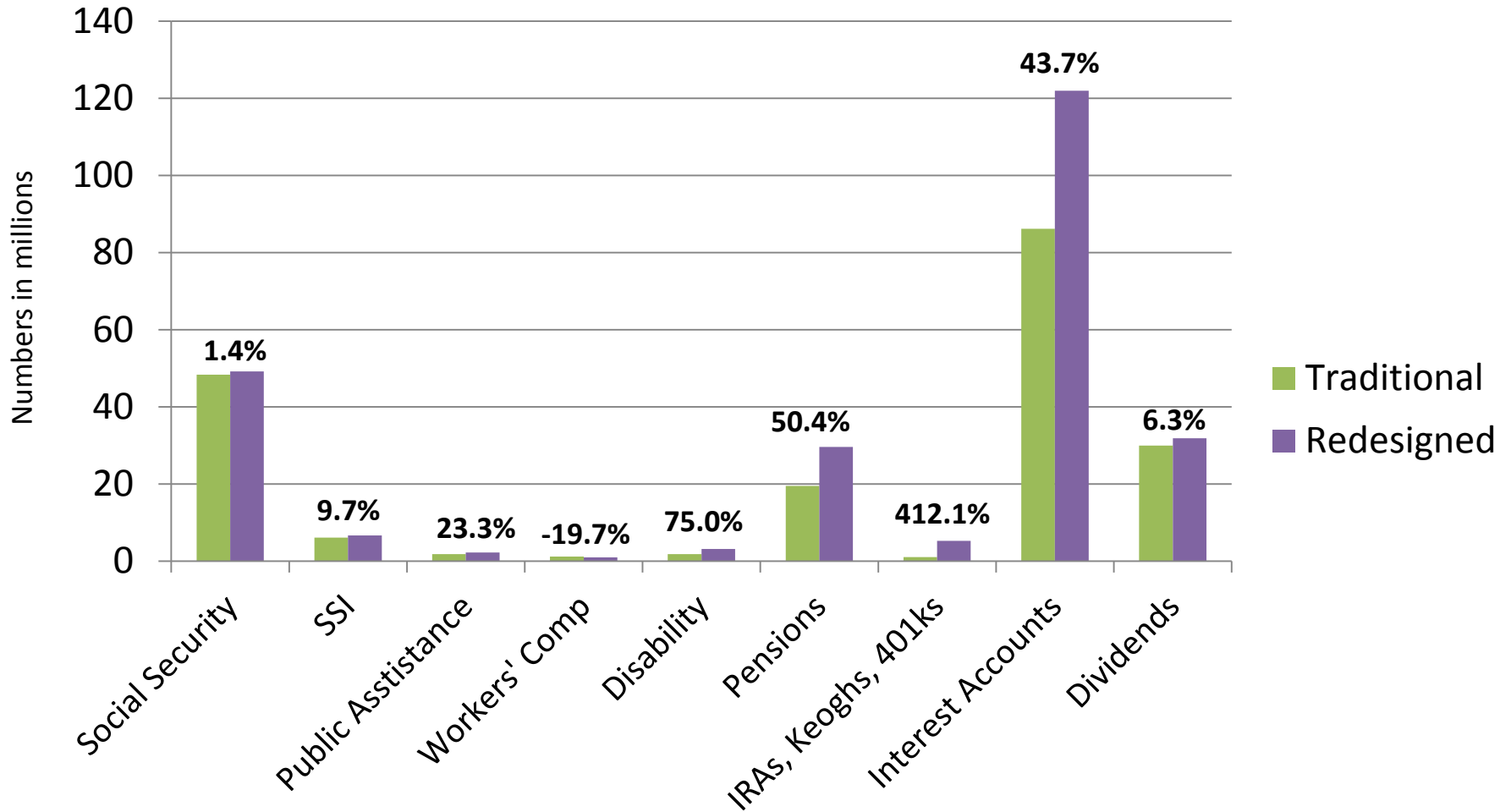
Traditional and Redesigned

Subgroup	Traditional Median Income (T)	Redesigned Median income (R)	Percentage Change in Median Income $[(R - T)/T]$
All Households	\$51,939	\$53,585	*3.2
Family households	\$65,587	\$66,923	*2.0
Married-couple	\$76,509	\$78,897	*3.1
White, not Hispanic	\$58,270	\$60,329	*3.5
Age of Householder 45 to 54 years	\$67,141	\$70,598	*5.1
Age of Householder 65 years and older	\$35,611	\$37,297	*4.7

*An asterisk preceding an estimate indicates change is statistically different from zero at the 90 percent confidence level.

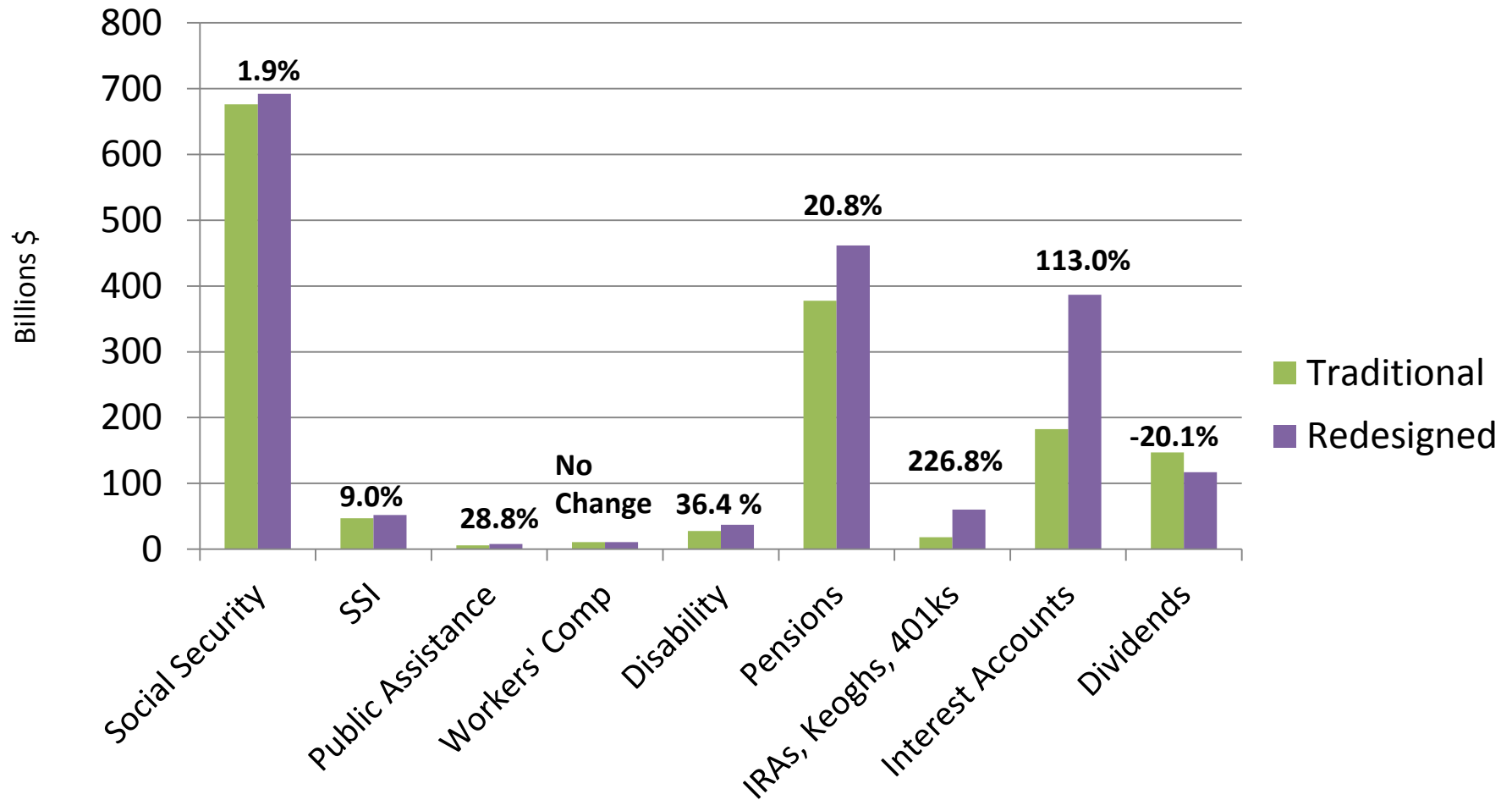
Source: U.S. Census Bureau, Current Population Survey, 2014 Annual Social and Economic Supplement.

Income Reciprocity by Source: 2013



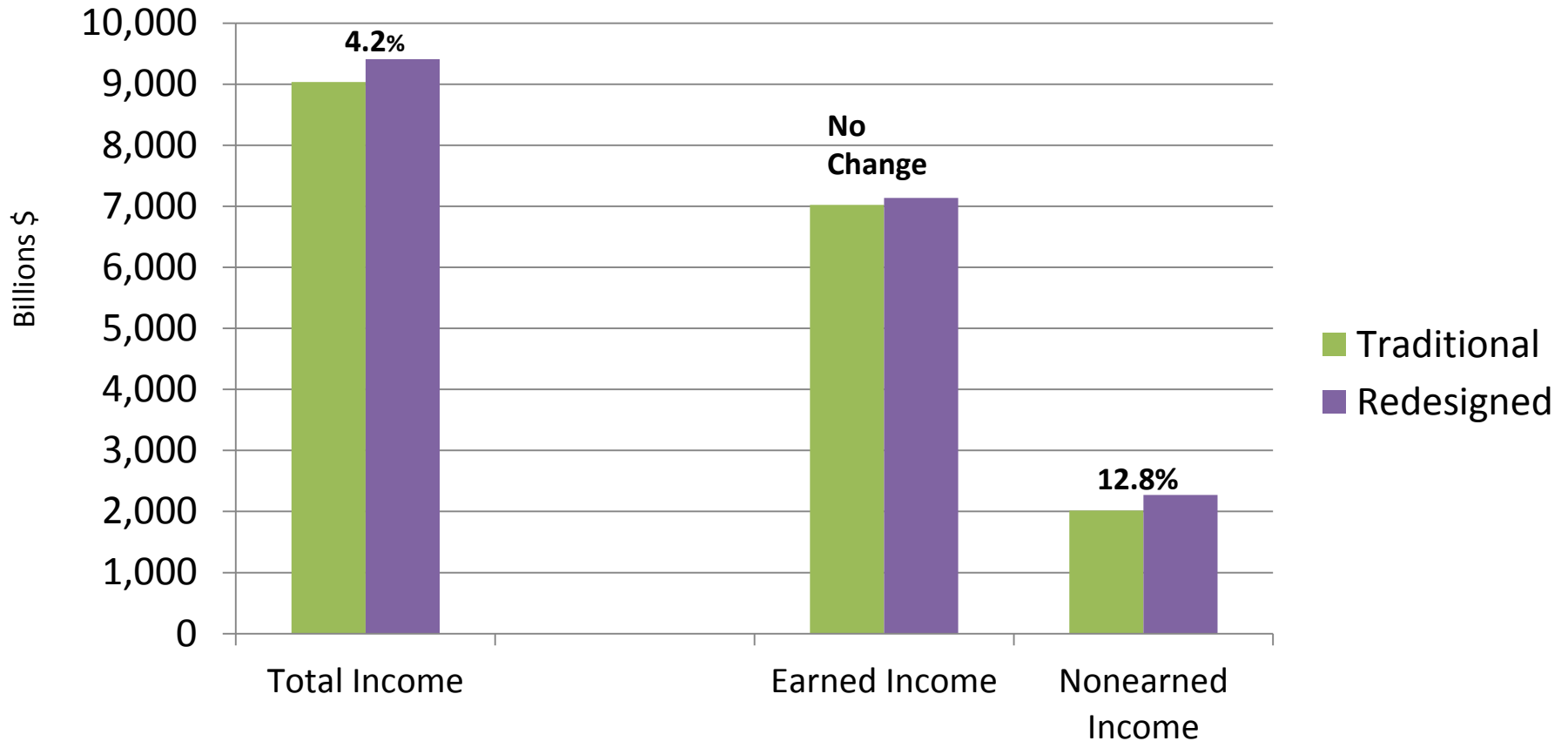
Source: U.S. Census Bureau, Current Population Survey, 2014 Annual Social and Economic Supplement.

Aggregate Income by Source: 2013



Source: U.S. Census Bureau, Current Population Survey, 2014 Annual Social and Economic Supplement.

Aggregate Income, Earned and Nonearned: 2013



Source: U.S. Census Bureau, Current Population Survey, 2014 Annual Social and Economic Supplement.

Combining the Files

- Notable difference between questionnaire reciprocity and amount reporting
- Smaller samples from the split design increased sampling variability
- The Census Bureau attempted to bridge these differences by using information from the Redesign to modify responses to the Traditional
 - “Bridging a Survey Redesign Using Multiple Imputations: An Application to the 2014 CPS ASEC”

Summary of Findings

- Redesigned ASEC showed increases in household medians, income reciprocity, and aggregates
- Redesign showed increases in reporting of targeted income sources - public assistance, retirement and asset income

Thank You

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