

APPENDIX B

DATABASES USEFUL FOR RETIREMENT ANALYSIS

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APPENDIX B

DATABASES USEFUL FOR RETIREMENT ANALYSIS

This appendix describes several databases that have been used for study of retirement, pension, and social security policy:

Current Population Survey (CPS) Monthly Survey and March Income Supplement

Current Population Survey (CPS) Employee Benefits Supplement

Current Population Survey (CPS) Retiree Benefits Supplement

Current Population Survey-Social Security Administration (CPS-SSA) Exact-Match Files

Survey of Income and Program Participation (SIPP)

Panel Study of Income Dynamics (PSID)

The Survey of Consumer Finances (SCF)

Statistics of Income (SOI) Individual Income Tax Returns

1977 National Medicare Care Expenditures Survey (NMCES); 1980 National Medical Care Utilization and Expenditures Survey (NMCUES); 1987 National Medical Expenditure Survey (NMES)

It focuses on the CPS, the SIPP, and the PSID, because these databases have been used most widely for retirement analysis and modeling.

Current Population Survey (CPS) Monthly Survey and March Income Supplement

The CPS is a continuing monthly cross-sectional survey of a large sample of U.S. households. The survey's primary purpose is to collect data on labor force status for people age 15 and older to permit determining the monthly unemployment rate for the nation and large states (the survey provides annual average unemployment rates for all states). In most months, the survey includes supplemental questions on other topics. For over 40 years, the March CPS has included an extensive supplement of questions on income and employment status during the previous calendar year.

The Bureau of Labor Statistics is the major sponsor of the CPS. The Census Bureau sponsors the March income and some other supplements, while other agencies occasionally provide funding for special supplements. The Census Bureau conducts the survey and processes the data.

The current CPS sample size is about 46,800 households. In addition, the March supplement includes another 2,500 households with at least one adult of Hispanic origin as of the previous November interview, plus a small number of households of Armed Forces members. Each household (more precisely, each address) is in the sample for 4 months, out for 8 months, and in for another 4 months. Information is obtained for all residents found at the interview; out-movers are not followed.

Data collected in the regular interview include demographic characteristics; labor force participation, hours worked, reason for part-time work, reason for temporary absence from job, industry and occupation in the prior week; job search behavior in the previous four weeks if not working and when last worked; usual hours and usual earnings, union membership, reasons left last job, reasons not looking for work (for selected rotation groups). Data collected in the March supplement include labor force participation and job history in the prior calendar year; annual income for the prior year by detailed source, including earnings, self-employment, public and private transfers, pensions and annuities, social security, and assets; participation in noncash benefit programs, including energy assistance, food stamps, public housing, school lunch; health insurance coverage, and pension coverage.¹

Table 1 lists several variables in the March CPS that may be useful for retirement, pension, or social security modeling or analysis. Table 2 lists the major income sources and labor market variables in the March CPS. The Summary Description Table provides details about the CPS.

¹Health insurance coverage and pension coverage information from the CPS is discussed in Employee Benefit Research Institute (1997).

TABLE 1**SELECTED VARIABLES FROM THE
MARCH CURRENT POPULATION SURVEY****Person Record**

<u>Item</u>	<u>Mnemonic</u>	<u>Location</u>
Adjusted gross income	AGI	684
AFDC or some other type of assistance received	PAW-TYP	302
Age	A-AGE	15
Alimony income amount received	ALM-VAL	421
Alimony payments - Y,N	ALM-YN	420
Attending or enrolled in a high school, college or university	A-ENRLW	142
Capital gains, amount of	CAP-GAIN	689
Capital losses, amount of	CAP-LOSS	694
Child support payments received - Y, N	CSP-YN	414
Child support payments value	CSP-VAL	415
Children in household	HIELSE2	477
Children not in household	HIELSE3	478
Civilian labor force	A-CIVLF	152
Class of worker	A-CLSWKR	109
Country of birth	PENATVTY	722
Current earnings - Hourly pay	A-HERNTF	642
Current earnings - Weekly pay	A-WERNTF	641
Detailed industry recode	A-DTIND	157
Detailed occupation recode	A-DTOCC	161
Disability income other than Social Security or Veterans benefits - Y, N	DIS-YN	345
Disability income, other	DIS-SC2	348
Disability income, source 1	DIS-VAL1	350
Disability income, source 2	DIS-VAL2	355
Disability income, total	DSAB-VAL	360
Dividends received, Y,N	DIV-YN	391

TABLE 1 (continued)**SELECTED VARIABLES FROM THE
MARCH CURRENT POPULATION SURVEY**

<u>Item</u>	<u>Mnemonic</u>	<u>Location</u>
Duration of unemployment	A-WKSLK	96
Earn income tax credit	EIT-CRED	665
Earnings before deductions, value	ERN-VAL	228
Earnings from employer or self-employment, value	TCERNVAL	637
Earnings, total value	PEARNVAL	448
Educational assistance	ED-YN	404
Educational assistance, government	OED-TYP1	405
Educational assistance, other	OED-TYP3	407
Educational assistance, scholarships, grants etc.	OED-TYP2	406
Educational assistance, total value	ED-VAL	408
Educational attainment	A-HGA	22
Family relationship	A-FAMREL	32
Family type	A-FAMTYP	31
Farm self employment income	TCFFMVAL	640
Farm self-employment earnings value	FRM-VAL	263
Farm self-employment earnings, total value	FRSE-VAL	269
Federal income tax liability	FED-TAX	660
Final weight	A-FNLWGT	50
Financial assistance - Y,N	FIN-YN	426
Financial assistance income	FIN-VAL	427
Full time labor force	A-FTLF	153
Full/part-time status	A-WKSTAT	149
Health problem or a disability which prevents working	DIS-HP	343
High school/college enrollment	A-HSCOL	143
Hourly earnings	A-HRSPAY	131
Hours per week worked at all jobs	PEHRUSLT	719
Hours worked last week at all jobs	A-HRS1	76

TABLE 1 (continued)**SELECTED VARIABLES FROM THE
MARCH CURRENT POPULATION SURVEY**

<u>Item</u>	<u>Mnemonic</u>	<u>Location</u>
Hours worked per week	HRSWK	181
Income received, other - Y,N	OI-YN	434
Income sources, other	OI-OFF	432
Income, other	OI-VAL	435
Income, other persons total value	POTHVAL	457
Industry	A-IND	103
Interest income received	INT-VAL	386
Interest received - Y,N	INT-YN	385
Is ... enrolled in school as a full- time or part-time student	A-FTPT	144
Labor force status recode	A-LFSR	112
Major industry code	A-MJIND	155
Major occupation code	A-MJOCC	159
March supplement final weight	MARSUPWT	66
Marginal tax rate	MARG-TAX	703
Marital status	A-MARITL	17
Money earned from other work	ERN-OTR	235
No dividends received	DIV-NON	392
Nonfarm self employment income	TCSEVAL	639
Occupation	A-OCC	106
Other wage and salary earnings	WAGEOTR	236
Own business self-employment - Y,N	SEMP-YN	255
Own business self-employment earnings, other work	SE-VAL	830
Own business self-employment earnings, total value	SEMP-VAL	256
Own business self-employment, other work	SEOTR	249
Pension or retirement income other than Social Sec. or Veterans benefits - Y,N	RET-YN	366
Pension plan participant	PENINCL	483

TABLE 1 (continued)**SELECTED VARIABLES FROM THE
MARCH CURRENT POPULATION SURVEY**

<u>Item</u>	<u>Mnemonic</u>	<u>Location</u>
Pension plan provided by employer or union	PENPLAN	482
Person income, total	PTOTVAL	440
Primary family relationship	A-PFREL	33
Public assistance or welfare value received	PAW-VAL	305
Public assistance received - Y,N	PAW-YN	301
Race	A-RACE	25
Reason for not working	RSNNOTW	170
Reason for unemployment	PRUNTYPE	706
Recode - Census division of current residence	GEDIV	219
Recode - Census division of previous residence	MIG-DIV	220
Recode - FIPS state code of previous residence	MIG-ST	216
Relationship to reference person allocation flag for basic CPS	A%RRP	489
Rent income	RNT-VAL	399
Rent income received - Y,N	RNT-YN	398
Retirement income received, total	RTM-VAL	379
Retirement income source, type 1	RET-SC1	367
Retirement income, other, type 2	RET-SC2	368
Retirement income, type 1	RET-VAL1	369
Retirement income, type 2	RET-VAL2	374
Sex	A-SEX	20
Social Security payments received - Y,N	SS-YN	290
Social Security payments received, value	SS-VAL	291
Social Security retirement payroll	FICA	674
Source of earnings from longest job	ERN-SRCE	234
State income tax liability	STATETAX	669
Stock dividends value	DIV-VAL	393
Supplemental Security income	SSI-VAL	819

TABLE 1 (continued)**SELECTED VARIABLES FROM THE
MARCH CURRENT POPULATION SURVEY**

<u>Item</u>	<u>Mnemonic</u>	<u>Location</u>
Supplemental Security income received - Y,N	SSI-YN	296
Supplemental unemployment benefits received	SUBUC	276
Survivor's benefits other than Social Security or Veterans benefits - Y,N	SUR-YN	322
Survivor's income received, total	SRVS-VAL	337
Survivor's income, source 1	SUR-VAL1	327
Survivor's income, source 2	SUR-VAL2	332
Tax filer status	FILESTAT	657
Taxable income amount	TAX-INC	698
Total wage and salary earnings value	WSAL-VAL	243
Unemployment compensation benefits - Y,N	UC-YN	275
Unemployment compensation benefits value	UC-VAL	278
Union unemployment or strike benefits received	STRKUC	277
Usual hrs worked per week	A-USLHRS	128
Veterans payments income (5 types)	VET-VAL	317
Veterans payments received - Y,N	VET-YN	310
Wage and salary earnings, other, value	WS-VAL	824
Wage and salary income	TCWSVAL	638
Weekly earnings - hourly workers (gross)	A-GRSWK	135
Weeks worked	WKSWORK	171
Weeks worked less than 35 hours	PTWEEKS	185
Worked 35 hours or more a week at job	A-USLFT	79
Worked less than 35 hours	PTYN	184
Worker's compensation payments received - Y,N	WC-YN	283
Worker's compensation payments, type	WC-TYPE	284
Worker's compensation payments, value	WC-VAL	285

TABLE 2

**INCOME SOURCES AND LABOR MARKET VARIABLES
IN THE MARCH CURRENT POPULATION SURVEY**

<u>Person Record Variables</u>	<u>Family Record</u>
<i>Income Sources</i>	
Earnings	
* Wage and salary income	+
* Nonfarm self-employment income	+
Own business self-employment earnings	+
* Farm self-employment income	+
* Other wage and salary earnings	
Total wage and salary earnings	
Asset Income	
* Capital gains	
Capital losses	
* Interest income	+
* Rent income	+
* Stock dividends	+
Retirement Income	
* Pension or retirement income other than Social Security or Veterans benefits (two sources)	
* Social Security payments	+
Retirement income received, total	+
Disability income	
	+
* Disability income other than Social Security or Veterans benefits (two sources)	
* Social Security	
Survivor's income	
	+
* Survivor's benefits other than Social Security or Veterans benefits (two sources)	
* Social Security	
Unemployment benefits	
	+
* Unemployment compensation benefits	
* Supplemental unemployment benefits	
* Union unemployment or strike benefits	

TABLE 2 (continued)

**INCOME SOURCES AND LABOR MARKET VARIABLES
IN THE MARCH CURRENT POPULATION SURVEY**

<u>Person Record Variables</u>	<u>Family Record</u>
* Worker's compensation payments	+
<i>Transfer Income</i>	
* Public assistance or welfare AFDC or some other type of assistance	+
* Supplemental Security income	+
* Earn income tax credit	
* Educational assistance	+
* Financial assistance income	+
* Veterans payments income (five types)	+
* Alimony income	+
* Child support payments	+
* Income, other	+
 Person income, total	
 <i>Labor Market Experience</i>	
Labor force participation	
Employment/unemployment	
Weeks worked last year	
Average/usual hours worked per week	
Average wage/weekly earnings	
Current earnings - Hourly pay	
Current earnings - Weekly pay	

- * Indicates separate income source in CPS person record
- + Indicates variable included in family records

Current Population Survey (CPS) Employee Benefits Supplement

In 1972, 1979, 1983, 1988, and 1993, the Pension Welfare Benefits Administration (PWBA) of the U.S. Department of Labor sponsored a supplement to the CPS which collected information on employee pension coverage and participation under employer-sponsored pension and health benefits plans.

The supplement contained questions on such items as coverage and participation rates under employer pension and health plans, the extent to which terminating employees have taken preretirement lump-sum distributions from pension plans, the uses which they have made of preretirement distributions, and the extent to which laid off workers have elected to continue health coverage under COBRA. The surveys since 1988 have included information about 401(k) plans, IRAs, Keoghs, and primary vs. supplemental plans. The survey was based on a half sample of the CPS and covered approximately 30,000 households. The survey sample includes only persons employed at the time of the interview. The April 1993 survey sample included about 27,000 workers. The most recent supplement was conducted in April 1993. Prior supplements were conducted in April or May of 1972, 1979, 1983, and 1988. The Employee Benefits Supplement to the CPS was discontinued after 1993 and has been replaced by a survey included as a Topical Module to the Survey of Income and Program Participation (SIPP).

Current Population Survey (CPS) Retiree Benefits Supplement

The Pension Welfare Benefits Administration (PWBA) periodically cosponsors CPS supplements that collect data on the coverage status of employees under employer-sponsored pension and health plans.

This supplement asks questions of everyone age 40 and over with prior labor force experience about their benefit receipt status under employer-provided pension plans, amounts of annuity and lump sum pension benefits received, age of initial benefit receipt, wage replacement rates, and post-retirement benefit increases. The supplement also collects data on the health coverage status of retirees, the availability to retirees and their families of employer-sponsored health plan coverage, and the costs of coverage to retirees. The most recent supplement was conducted in September 1994, and included the entire 60,000 CPS household sample. Prior retiree supplements were conducted in August 1988 (on retiree health benefits) and December 1989 (on retiree pension benefits).

Current Population Survey-Social Security Administration (CPS-SSA) Exact-Match Files

CPS-SSA exact-match files are matches, prepared by the Census Bureau and SSA, of records in the March Current Population Survey with social security administrative records of quarters of coverage and taxable earnings under the OASDI program. The records are linked for the same individuals on the basis of social security number and other information. Two such files, the 1973 and 1978 CPS-SSA exact-matches, have been used for policy analysis and research. (The 1973 file also included a match to IRS tax return data.) The original DYNASIM2 model used the 1973 CPS-SSA exact match as its base data file, and the original PRISM used the 1978 exact match. No CPS-SSA exact matches have been carried out subsequently, largely because of confidentiality concerns. An exact-match of the 1984 SIPP panel and SSA records was completed for research use by special sworn employees of SSA. An exact-match of the 1990-1993 SIPP panels and SSA records was completed for research use by special sworn employees of SSA and served as the base data file for the SSA MINT model.

Survey of Income and Program Participation (SIPP)

The SIPP is an ongoing panel survey of adults age 15 and older in the civilian, noninstitutionalized population, sponsored by the Bureau of the Census. The first panel began in fall 1983 and completed 9 interviews (waves) at 4-month intervals with an initial sample of about 20,000 households, following all adults in these households and also interviewing children and other adults who resided with original sample members. Subsequent panels began in February of each year except 1994 and 1995, with initial household sample sizes of about 13,500 (1985); 12,000 (1986, 1987, 1988, 1989); 21,900 (1990); 14,300 (1991); 19,600 (1992); 19,900 (1993); and 36,800 (1996). Interviews for these panels were completed of 8 waves (1985); 7 waves (1986, 1987); 6 waves (1988); 3 waves (1989); 8 waves (1990, 1991); and 9 waves (1992, 1993, 1996).

Data collected each interview include demographic characteristics; monthly information on labor force participation, job characteristics, and earnings; monthly information on detailed sources and amounts of income from public and private transfer payments, noncash benefits (such as food stamps, Medicaid, Medicare, and health insurance coverage); and information for the 4-month period on income from assets. Data collected in topical modules asked once or twice in one or more panels cover a wide range of subjects, including: annual income and income taxes; child care and child support; educational financing and enrollment; eligibility for selected programs; employee benefits; health and disability; housing costs and finance; individual retirement accounts; personal history (fertility, marital status, migration, welfare reciprocity, and other topics); and wealth (property, retirement expectations and pension plan coverage, assets and liabilities). In addition, each panel includes a topical module with variable content designed to respond to the needs of policy analysis agencies.

Topical modules covering information on assets and liabilities and on retirement expectations and pension plan coverage were collected in the 1984, 1985, 1986, 1987, 1990, 1991, 1992, 1993, and 1996 panels. After the April 1993 Current Population Survey (CPS) Employee Benefit Supplement, the Employee Benefit Supplement is no longer collected in the CPS and has been replaced by the SIPP topical module. The most recent household asset and liability information to be released was collected in the SIPP 1993 panel, Wave 7, during February-May 1995. The most recent pension coverage and participation information to be released was collected in the SIPP 1993 panel, Wave 9, during October 1995-January 1996. The sample size is about 18,000 households with about 36,000 persons age 15 and older. The 1990, 1991, 1992, and 1993 SIPP Panels have been matched to social security earnings records. However, the matched files are not available to the public. The data elements in the Topical Module on assets and liabilities are listed in Table 3. Data elements in the Topical Module on retirement expectations and pension coverage are listed in Table 4.

TABLE 3

**SELECTED DATA ELEMENTS INCLUDED IN THE SIPP 1993 PANEL,
WAVE 7 TOPICAL MODULE, ASSETS AND LIABILITIES
DATA COLLECTED FEBRUARY - MAY 1995**

<u>Item</u>	<u>Data Dictionary Page</u>
Basic demographic characteristics	1-3
state	
relationship to reference person	
age	
sex	
race	
marital status	
educational attainment	
ethnicity	
Housing Equity and Costs	
For house that is not mobile home	3
Tenure: own, rent, other	3
Home owner	3
When purchased: month, year	4
Mortgage or other debt	4
How many mortgages	4
Asked for each of 2 mortgages:	
Principal currently owed	4
When mortgage obtained: month, year	4
Original amount	4
Total number of years payments are to be made	4
Current interest rate	4
Interest rate variable or fixed	4
FHA or VA mortgage program	4
Principal owed on all other mortgages	5
Current market value of property	5
For mobile home	
Tenure: own, rent, other	5
Mortgage or other debt	5
Principal currently owed	5
Current market value of property	5

TABLE 3 (Continued)

Housing costs	5
Rent/mortgage payment	5
Electricity/gas/utilities	5
Composition of household (HH)	5
Who paid housing costs	5
How much each person paid	6
Pay for care of child or disabled person	6
Total cost of care	6
Public or subsidized housing (Y,N)	6
Other Real Estate	6
Who is 1 st owner, 2 nd owner	6
Value of equity	7
Motor Vehicles	7
How many owned	7
For each of 3 motor vehicles:	
Who owns vehicle (1 st person, 2 nd person)	7
Year of vehicle	7
Owned free and clear or is money owed	7
How much currently owed	7
Used for business or transportation of disabled person	7
Imputed value of vehicle based on make, model and year	9
Other vehicles (boat, motorcycle, recreational vehicle, other)	8
For each of 2 other vehicles:	
Who owns vehicle	8
Market value	8
Owned free and clear or is money owed	8
How much currently owed	8
Self-employment/own business	16
For each of two businesses	
Self-employed, sole proprietorship (Y,N)	16
Percent of business owned	16
Value of business before debts	16
Total debt owed against business	16
Stocks and mutual funds	17
Market value of stocks or mutual funds jointly/individually held	17
Any debt or margin account held against these stocks (Y,N)	17
Amount of debt or margin account	17

TABLE 3 (Continued)

Rental Income and Property	17
Own any rental property jointly/individually (Y,N)	17
How many properties	17
What type of property (vacation home, other residential, farm, commercial, equipment, other)	17
Market value of rental properties	18
Mortgage or other debt on properties (Y,N)	18
Principal owed on the properties	18
Value of share of equity in rental properties owned with others	19
Mortgages, royalties, other financial investments	19
Principal owed to household members on mortgages	19
Equity in other financial investments	19
Interest earning assets	20
Value of savings accounts, money market deposit accounts, CDs, interest earning checking accounts, joint/individual	20
Money owed to household members by other outside household	20
U.S. savings bonds	20
Own (Y,N), Value	20
Checking accounts which do not earn interest, joint/individual	20,21
Own (Y,N), Value	21
Debts	21
Money owed for store bills or credit card bills, joint/individual	21
Owe (Y,N), Amount	21
Bank/credit union loans, joint/individual	
Owe (Y,N), Amount	21
Other debt, joint/individual	21
Owe (Y,N), Amount	21
IRA, Keogh Accounts	22
Has IRA (Y,N)	22
How many years contributed to IRA	22
Total balance or market value of IRA	22
Types of assets held in IRAs	22
Certificates of deposit, other savings money market funds municipal or corporate bonds U.S. savings bonds	

TABLE 3 (Continued)

stocks or mutual fund shares	
other assets	
Has Keogh account (Y,N)	22
How many years contributed to Keogh account	22
Total balance or market value of Keogh account	22
Types of assets held in Keogh accounts	22
Certificates of deposit, other savings	
money market funds	
municipal or corporate bonds	
U.S. savings bonds	
stocks or mutual fund shares	
other assets	
 Life Insurance	
Has life insurance (including employer group policy) (Y,N)	22
Type of life insurance (term, whole life, both)	22
Are any life insurance policies provided through employer (Y,N)	23
Face value of life insurance policies provided through employer	23
 Asset summary	
savings accounts	
money market accounts	
certificates of deposit	
NOW accounts	
money market funds	
U.S. government securities	
municipal or corporate bonds	
other interest earning assets	
stocks or mutual fund	
rental property	
mortgages	
royalties	
other financial investments	
equity in own business	
sale of business or property	
checking accounts without interest	
U.S. savings bonds	
IRA accounts	
Keogh accounts	
real estate	

TABLE 3 (Continued)

Household summary

Home equity

Total debt owed on home

Net equity in vehicles

Business equity

Interest earning assets held in banking institutions

Interest earning assets held in other institutions

Equity in stocks and mutual fund shares

Real estate other than home -- equity in rental properties and other real estate

Other assets

IRA and Keogh accounts

Total household wealth

Secured debt

Unsecured debt

Total debt

Total net worth

TABLE 4

**SELECTED DATA ELEMENTS INCLUDED IN THE SIPP 1993 PANEL,
WAVE 9 TOPICAL MODULE,
RETIREMENT EXPECTATIONS AND PENSION COVERAGE
DATA COLLECTED OCTOBER 1995 - JANUARY 1996**

<u>Item</u>	<u>Data Dictionary Page</u>
Basic demographic characteristics	1-2
state	
relationship to reference person	
age	
sex	
race	
marital status	
educational attainment	
ethnicity	
G. Basic Needs	2
Household (HH) did not meet essential expenses	2
Types of expenses	3
Sources of help	3-4
Enough food to eat	4
Feelings about family income	5
Income needed to make ends meet	5
How much need to spend to provide necessities	5
A. Retirement Expectations and Pension Plan Coverage	5-10
Employer establishment size	5
Employer firm size	6
Employer has retirement plan (Y,N)	6
Employer has deferred profit sharing plan (Y,N)	6
Participate in plan (Y,N)	6
Why not participate	6
More than one plan on job 1,2	7
Plan type: defined benefit/defined contribution	7
Employer contribution? Y/N	7
Employee contribution? Y/N, amount	7
How long participate	8
Vesting	8
Lump sum payment	8

TABLE 4 (Continued)

401(k) – Employer offers	8
Participate	8
Employer contribution	8
Account balance (amount in plan)	8
Self-employed	9
Own business retirement plan	9
Expect retirement benefits from other job(s)	9
private employer	
military	
federal government	
state and local government	
union	
other	
Number of years worked	9
Received a lump sum payment from a pension plan	9
when	
how much	
Rolled over into IRA	10
Disposition of lump sum payment	10
purchase home, pay off mortgage	
child education	
unemployment	
pay off loans, bills	
savings account	
investments	
start business	
car, boat, etc.	
medical, dental expense	
general expenses	
 B. Work schedule	 12
How many jobs	
Hours per day	
Days last week	
Work at home	
 C. Child care	 16
Arrangements	
Hours	
Cost	

TABLE 4 (Continued)

D. Children's well-being	44
Health	
Time read stories to child	
Outings	
TV rules and practices	
Hours watch TV	
TV programs watch	
Organizations, sports teams, lessons, etc.	
Injuries, accidents	
Neighborhood conditions	
Child support arrangements	
Child custody and visitation arrangements	

The SIPP is a large and comprehensive database with information for persons, families, and households on the economic, demographic, and social variables relevant to analysis of pensions, savings behavior, and individual household economic conditions. Beginning in 1984 and approximately every two years thereafter, the SIPP has collected information on pension coverage, participation, and vesting. The SIPP sample is selected to be representative of the U.S. civilian, noninstitutional population. The 1995 database includes about 18,000 households, with about 49,000 persons, including about 36,000 persons age 15 and older. The 1995 sample includes about 13,000 households with income less than \$50,000, and about 7,100 households with income less than \$25,000. In October 1995-January 1996 detailed information on employer pension coverage, participation, vesting, account balances, and pension expectations was collected.

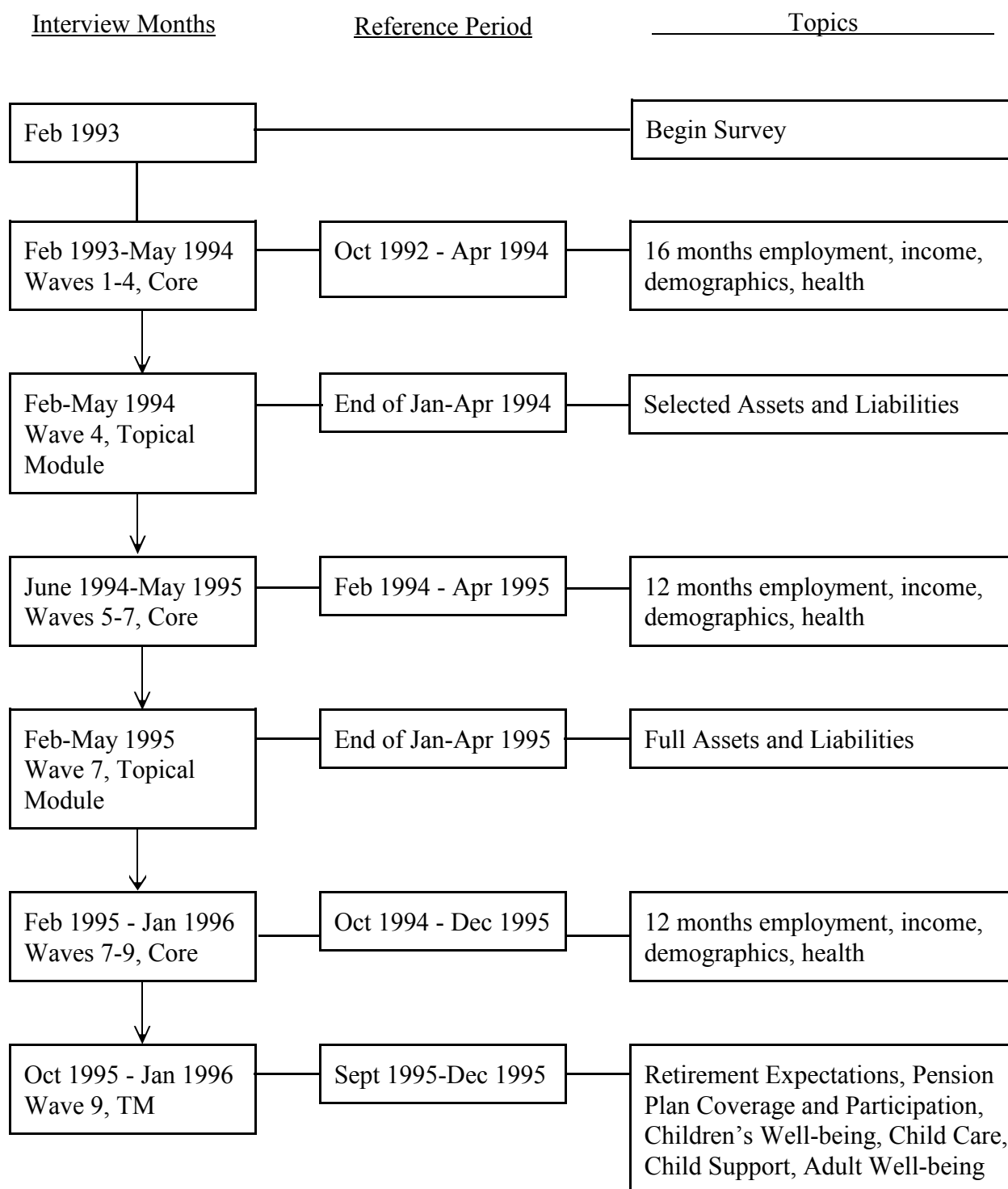
Information on pension plan coverage, participation, and vesting has also been collected in 1972, 1979, 1983, 1988, and 1993 in the Current Population Survey (CPS) Employee Benefit Supplements. After 1993, the CPS Employee Benefit Supplement was discontinued. The information it collected is now provided by the SIPP. Comparisons of the CPS and SIPP pension coverage data for 1993 indicate that for similar demographic groups the data in the two surveys are very similar, and trends between 1983-84 and 1993 in the two surveys are similar (Iams, 1995).

The SIPP is a semi-longitudinal survey. For the 1993 SIPP Panel households were interviewed at four month intervals over the period from February 1993 through January 1996. Each household in this panel was interviewed nine times over a period of 36 months. The data provide a picture of how the economic conditions of the households changed over the period October 1992 through December 1995. Similar SIPP panels are available for the periods October 1989 - August 1992, October 1990 - July 1993, and October 1991 - March 1995. These databases could be used to study trends over the 1990-1995 period.

The semi-longitudinal nature of the SIPP, covering a period of 36 months, permits investigation of some of the short term dynamics of income, assets, pension coverage, health, and retirement. The 1993 SIPP Panel provides 16 months of data preceding the collection of selected data on assets and liabilities, another 12 months of data preceding collection of data on full assets and liabilities, and then another 12 months of data before collection of data on retirement expectations and pension coverage. The longitudinal structure of the 1993 SIPP panel is shown in Figure 1.

FIGURE 1

SIPP 1993 PANEL TIME LINE



Notes for Figure 1: The reference period for each Core interview is the preceding four months. The reference period for each Topical Module (Waves 4, 7 and 9) is the last day of the preceding month. Each wave is composed of four rotation groups, each one of which is interviewed in a separate month. For example, in Wave 1, one rotation group was interviewed in February 1993 with reference to the period October 1992-January 1993; a second rotation group was interviewed in March 1993 with reference to the period November 1992-February 1993, a third rotation group was interviewed in April 1993 with reference to the period December 1992-March 1993, etc. The 1993 Panel comprised a total of nine waves. Figure 1 includes Wave 7 Core twice, to show that for each Topical Module, including the Wave 9 Topical Module on Pension Coverage, we would construct data on employment, income, and demographic conditions for the previous 12 months for each individual. For the Wave 4 Topical Module we could construct such data for the previous 16 months.

Similar data for earlier SIPP panels are available on pension coverage and participation and family wealth in 1991 and 1993, with accompanying data on income, employment, housing, and socioeconomic characteristics of families and households. These data sets would permit comparative analysis of trends in pensions, saving, and household investments over time.

The SIPP was preceded by the **Income Survey Development Program (ISDP)**, sponsored by the Department of Health and Human Services and the Social Security Administration. The ISDP conducted research on the design of a new income survey and sponsored several data collection efforts, including the 1979 ISDP Research Panel. The 1979 ISDP obtained data similar to SIPP for an initial sample of about 9,500 households (including oversamples of low-income and high-income households), who were interviewed 6 times at 3-month intervals.

The Panel Study of Income Dynamics²

The Panel Study of Income Dynamics (PSID) is a longitudinal study of a representative sample of U.S. individuals and the family units in which they reside. It emphasizes the dynamic aspects of economic and demographic behavior, but it includes a broad range of information, including sociological and psychological measures. The PSID is a very large and complex collection of survey data on the individuals and families associated with a panel of approximately 5,000 families that were originally selected to be surveyed in 1968. Interviews with the heads of those families who could be contacted, and with the heads of families derived from the original families (including single adults) have been conducted annually since 1968. The survey has had relatively low attrition rates and successful recontact efforts. Consequently, the sample size has grown to approximately 7,000 core households in 1990 and almost 8,700 in 1995. Final data for 1968-1993 have been released. Early release data for 1994-1997 are available. As of 1997, the PSID had collected information about almost 60,000 individuals, spanning as many as 30 years of their lives.³ The study is conducted at the Survey Research Center (SRC) of the Institute for Social Research at the University of Michigan.

The Sample

Starting with a national sample of 5,000 U.S. households in 1968, the PSID has reinterviewed individuals from those households every year since that time, whether or not they are living in the same dwelling or with the same people.⁴ Adults have been followed as they have grown older, and children have been observed as they advance through childhood and into adulthood, forming family units of their own.

Information about the original 1968 sample individuals and their current co-residents (spouses, cohabitators, children, and anyone else living with them) was collected each year from 1968 through 1997, and every second year after 1997. In 1990, a representative national sample of 2,000 Latino households, differentially sampled to provide adequate numbers of Puerto Rican, Mexican-American, and Cuban-Americans, was added to the PSID database. This sample was

²This description is based on documentation of the PSID available on the Institute for Social Research Panel Study of Income Dynamics web site, <http://www.isr.umich.edu/src/psid>, and from interviews with Tecla Loup of the PSID staff.

³The total number of persons for whom there is a record in the complete database is 59,882. This includes persons in a sample of 2,000 Latino households which were added to the sample in 1990 and removed after 1996, and persons in 441 immigrant households which were added in 1997. Some of the original families were dropped after 1996, so for some individuals in those families there are no data after 1996. As of 1996 the PSID had collected information about approximately 51,000 individuals who were related to the original families in the 1968 survey, spanning as many as 29 years of their lives

⁴After 1997 the PSID survey is conducted every two years. Households were not surveyed in 1998 or 2000.

dropped in 1996. In 1997 a sample of 441 immigrant families, selected to be representative of all immigrants, was added to the database.

Data Collection and Content

Interviewing was conducted on an annual basis from 1968 through 1997, and the data files contain the full span of information collected over the course of the study. The PSID provides a wide variety of information about both families and their individual members, plus some information about the areas where they live. The central focus of the data is economic and demographic, with substantial detail on income sources and amounts, employment, family composition changes, and residential location. Content of a more sociological or psychological nature is also included in some waves of the study. Information gathered in the survey applies to the circumstances of the family unit as a whole (e.g., type of housing) or to particular persons in the family unit (e.g., age, earnings). While some information is collected about all individuals in the family unit, the greatest level of detail is for the primary adults heading the family unit.

Core Questions

Over the years, the general design and content of the study have remained largely unchanged. The central focus is on income sources and amounts, employment, family composition changes, and demographic events. Table 5 lists the major core topics. Beginning in 1985, comprehensive retrospective fertility and marriage histories of individuals in the households have been assembled. Other important topics covered include housing and food expenditures, housework time, and health status.

Supplements to the PSID

In the early years, respondents were asked about their housing and neighborhood characteristics, child care, achievement motivation, job training, and retirement plans. In more recent years, special topics include extensive supplements on education, military combat experience, health, kinship networks, and wealth. Table 5 lists several of the supplementary topics. A series of health supplements conducted in the early 1990s contain questions regarding the health of family members aged 55 and above: general health status, activities of daily living, nursing home stays, home-based care episodes, and major health expenditures. This set of questions provides extensive coverage over a six-year period of the health status of older PSID family unit members. In 1993-1994, a Health Care Burden Supplement focused on health care expenditures of the elderly and the extent to which family members spent either time or money taking care of their parents.

TABLE 5

MAJOR TOPICS IN THE PSID

Core Topics

- Income sources and amounts
- Poverty status
- Public assistance in the form of food or housing
- Other financial matters (e.g., taxes, inter-household transfers)
- Family structure and demographic measures (e.g., marital events; birth and adoptions; children forming households)
- Labor market work (e.g., employment status, work/unemployment/vacation/sick time; occupation, industry; work experience)
- Housework time
- Housing (e.g., own/rent, house value/rent payment, size)
- Geographic mobility (e.g., when and why moved; where Head grew up; all states Head has lived in)
- Socioeconomic background (e.g., education, ethnicity, religion, military service; parents' education, occupation, poverty status)
- Health (e.g., general health status; disability)

Other Major Supplemental Topics

- Housing and neighborhood characteristics (1968-1972, 1977-1987)
- Achievement motivation (1972)
- Child care (1977)
- Job training and job acquisition (1978)
- Retirement plans (1981-1983)
- Health – health status, health expenditures, health care of the elderly and parent's health (1986, 1990, 1991, 1993-1995)
- Kinship – financial situation of parents, time and money help to and from parents (1980, 1988)
- Wealth – assets, savings, pension plans, fringe benefits (1984, 1989, 1994, 1999)
- Education – grade failure, private/public school, extracurricular activities, school detention, special education, Head Start Programs, criminal offense (1995)
- Military combat experience (1994)

File Structure of the PSID Data

The PSID file format consists of separate, single-year files with family-level data collected in each wave (i.e., 26 family files for data collected from 1968 through 1993), and one cross-year individual file with individual-level data collected from 1968 to the most recent released wave. Each family file contains one record for each family interviewed in the specified year and contains

the family-level variables collected in that year. (The 1968 file contains 4,802 records, and the 1992 file contains 9,829 records.) The cross-year individual file contains one record for each person ever in a PSID family through the current year. (The 1968-1992 cross-year individual file contains 50,915 records.) The records in the cross-year individual file contain the Family ID of the family with which the person was associated in each year. The cross-year individual file contains all individual-level variables for 1968 through the current year.

The cross-year individual file does not contain all the data required for retirement and pension policy analysis. For example, income is not disaggregated sufficiently in the individual file. Income variables in the individual file include total income (disaggregated into labor income and asset income in 1991-1993), taxable income, and transfer income (disaggregated into social security and other). Much of the data required for analysis of retirement and pension issues are contained in the family-level files. To create a longitudinal database, relevant data must be extracted from the cross-year individual file and from each separate year's family file and merged. Considerable data management is required to merge the family files with the cross-year individual file to create a PSID cross-year family-individual file. Family records must be linked with cross-year individual records and relevant variables must be selected and extracted. Many variables – especially income variables – have been redefined and disaggregated since the early years of the survey. Those variables must be checked and adjusted for variable redefinitions and modifications, recoding of responses, changes in identifiers, misidentification of individuals from year to year, weight respecifications and other modifications to the variables.

Special Supplemental Files

Several special files, each with detailed information about a particular topic collected over the years, are available separately, either because the size of the files makes them too cumbersome for storage on the study's main files or because of the unique nature of the data.

- A *Wealth File* includes data from the 1984, 1989, 1994, and 1999 wealth supplements as well as other related information for those years about household saving over each five-year period, 1984-1989, 1989-1994, and 1994-1999.
- The *1988 Time and Money Transfers File* provides information regarding transfers, in the form of time and money, between a PSID family unit and other persons during the 1987 calendar year.
- A series of health supplements between 1990 and 1995 provides information on health status and health expenditures of the elderly and of their parents. The *1990 Self-Administered Health Supplement* contains information about health status, health-care coverage, and long-term care coverage of heads and wives aged 50 and above. The *1990 Telephone Health Supplement* contains detailed data on health care costs and utilization for heads and wives aged 65 and over. It also has information about health services provided or available to the elderly, such as nursing care, transportation, and meals. The *1991 Parent Health Supplement* has extensive data about the health status and health care utilization experience of the parents and parents-in-law of the head of the family.

- Questions about parents' ability to care for themselves, as well as their housing, income, and assets, were included in this supplement.
- The Demographic History Files include the *1985-1992 Childbirth and Adoption History File* and the *1968-1985 Marriage History File* which provide details about the event and timing of each childbirth, adoption, and marriage for PSID family members. Data on these files are structured in a one-record-per-event format to facilitate event-history analysis, and the information is up-to-date as of the most recent interviewing wave.
 - The *1968-1985 Relationship File* clarifies the crude relationships available on the main PSID file in early years as well as relating all pairs of individuals associated with a given family. Also included on this file are variables showing co-residence status for pairs of individuals for each year from 1968 through 1985. This file identifies the blood, marital, or cohabitational relationships between each pair of individuals who were members of family units that descended from a common, original 1968 family unit. These data are useful for social security policy analysis.
 - The *Work History Files* contain detailed information about employment and unemployment and the timing of those events.
 - The PSID has gathered substantial amounts of new information about the fact and date of death of many former PSID respondents through 1993-1995 efforts to recontact former respondents and through use of the National Death Index of the U.S. Public Health Service. The resulting information on year of death may eventually be integrated into public-release individual cross-year files. A preliminary version, current through 1994 interviewing, is available as a separate file, the *Year of Death File*, to researchers who request it.
 - As part of its 1990 interviewing wave, PSID staff asked individuals age 55 or older who were living in PSID households and who indicated they were Medicare beneficiaries to sign permission forms for access to Medicare claim records between 1984 and 1990. Those who agreed were asked to renew that permission verbally in 1991 through 1995 for Medicare claims made in those years. When combined with questionnaire information on out-of-pocket medical expenditures and the long time-series of core PSID information, the resulting Medicare Record Data can be used for studies of the health and well-being of the elderly. Summary information is available as a separate file, the *Medicare File*, to researchers who request it.

Table 6 lists selected variables included in the PSID that may be useful for retirement policy, pension and social security analysis.

TABLE 6**SELECTED VARIABLES IN THE PANEL STUDY OF INCOME DYNAMICS**

<u>Variable</u>	<u>PSID 1993 Questionnaire</u>
Housing status	Section A
Own, rent, subsidized	A19
Public housing	A34
Subsidized	A35
Neither own nor rent	A36
Type of housing: Single family, 2 family, apartment, etc.	A4
If over 55, retirement community, nursing home, etc	A6
Value of house	A20
Yearly property taxes	A21
Yearly homeowners insurance premium	A22
Mortgage, Y,N	A23
Remaining principal on mortgage	A24
Monthly mortgage payments	A25
Monthly rent	A31
Employment of head	Section B
Labor Market Status	B1
Employed	B3
Self-employed	B4
Own business	B5
Type of employer (3 employers)	B6
Occupation	B9
Industry	B10
Firm size, establishment size	B11
Wage/salary/type of pay	B12
Salary amount	B13
Hourly wage rate	B16
Tips, commission	B17
Years with current employer	B23
Reasons missed work in previous year	B60-B72
Weeks out of labor force in previous year	B75-B77
Weeks worked in previous year	B78
Average hours worked per week (3 jobs)	B79

Head not working now
Looking for work
Ever done any work for pay

Section C
C1
C4

TABLE 6 (continued)

SELECTED VARIABLES IN THE PANEL STUDY OF INCOME DYNAMICS

<u>Variable</u>	<u>PSID 1993 Questionnaire</u>
Weeks looking for work in previous year Characteristics of last job held	C6-C8
Employment of spouse Same questions as Section B	Section D
Spouse not working now Same questions as Section C	Section E
Housework, Child Care, and Food Receive food stamps How much spend on food	Section F
Health Limitations, ability to perform activities	Section H
Marriage and Children	Section J
Marital status	
Same wife as previous year	J1
Wife under/over age 45	J1
Had any children in previous year, how many	J2-J3
Adopted any children in previous year, how many	J7-J8
Marital history	
When last got married	J13
Previous marital status	J15
When became widowed	J19
When became divorced	J27
Number of children	
Background and education of wife	Section K
Race	
Ethnicity	
Veterans status	
Educational attainment	
How many years worked since age 18	
Religious preference	
Background and education of head	Section L

TABLE 6 (continued)

SELECTED VARIABLES IN THE PANEL STUDY OF INCOME DYNAMICS

<u>Variable</u>	<u>PSID 1993 Questionnaire</u>
Race	
Ethnicity	
Veterans status	
Educational attainment	
How many years worked since age 18	
Religious preference	
Income Sources	Section G
Income of head	
Farm income	G2-G4
Own business in previous year	G5
Work for own business	G9
Income from own business	G11
Wages and salaries in previous year	G12-G16
Income from professional practice or trade	G18-G19
Roomers or boarders	G18-G19
Rent	G25a-G26a
Dividends	G25b-G26b
Interest	G25c-G26c
Trust funds, royalties	G25d-G26d
ADC, AFDC	G25e-G26e
Supplemental Security Income	G25f-G26f
Other welfare	G25g-G26g
Social Security	G31-G36
Disability, retirement, survivors	G33
Veterans benefits	G37-G39
Pension, survivors, GI Bill	
Pension, retirement income, annuities, IRAs	G40-G42
Unemployment compensation	G44a-G46a
Workers compensation	G44b-G46b
Child support	G44c-G46c
Alimony	G44d-G46d
Financial assistance from relatives	G44e-G46e
Financial assistance from others	G44f-G46f
Other income	G44g-G46g
Income of wife	
Earnings from work	G51-G52
Unemployment compensation	G53-G55

TABLE 6 (continued)

SELECTED VARIABLES IN THE PANEL STUDY OF INCOME DYNAMICS

<u>Variable</u>	<u>PSID 1993 Questionnaire</u>
Workers compensation	G56-G58
Dividends	G59a-G59aa
Interest	G59b-G59bb
Trust funds, royalties	G59c-G59cc
Other assets	G59d-G59dd
ADC, AFDC	G60b-G60bb
Supplemental Security Income	G60a-G60aa
Other welfare	G60d-G60dd
Child support	G60c-G60cc
Pension, retirement income, annuities, IRAs	G61-G42
Financial assistance from relatives	G62-G62bb
Other income	G63-G63c
Income of other family unit members (OFUMs)	
Earnings from work	G94a
Interest	G94b
SSI	G94c
Welfare	G94d
Social Security	G94e
Other	G94f
Settlement from insurance company or inheritance	G99-G101
Itemize deductions	G102
Low Income Heating Assistance Payments	A17

The Survey of Consumer Finances (SCF)

The SCF is a triennial survey of the balance sheet, pension, income, and other demographic characteristics of U.S. families conducted under the auspices of the Federal Reserve Board. The SCF has been collected in 1983, 1986, 1989, 1992, 1995, and 1998. The 1983, 1986, and 1989 surveys were of the same panel of families. The SCF typically includes about 3,900-4,300 families. It is designed to oversample high-income families, which typically have considerably greater assets than other families. Of 4,299 interviews completed in 1995, 2,780 families were drawn from a random sample representative of the entire population, and 1,519 families were drawn from a list of high-income families.

Statistics of Income (SOI) Individual Income Tax Returns

The SOI individual income tax files are samples of tax returns and supporting schedules abstracted each year by the Statistics of Income Division of the IRS from approximately 100 million returns. Sample sizes are about 80,000 returns in even years and 120,000 returns in odd years. The sample is based on such criteria as principal business activity, presence or absence of a schedule, state from which filed, size of adjusted gross income (or loss) or largest specific income (or loss) items, and total assets or size of business and farm receipts. Recently, the design was altered to include an embedded longitudinal sample (i.e., to draw a portion of the returns for the same taxpayers from year to year). Data abstracted pertain to taxpayers' income, exemptions, deductions, credits, and taxes owed (due to changes in tax laws, items vary from tax year to tax year). The SOI Division also obtains samples of corporate and other types of tax returns.

Integrated Quality Control System (IQCS)

The IQCS includes samples of administrative case records for the AFDC, food stamp, and Medicaid programs that are drawn each month by the states for use in evaluating the accuracy of the determination of eligibility and benefits for these programs. Sample sizes vary by state; total average monthly sample sizes are about 6,000 cases for AFDC and 7,500 cases for food stamps. Data abstracted from the records include case information (e.g., most recent opening, number of case members, gross countable income, net countable income); demographic characteristics for each person (e.g., relationship to head of household, age, sex, race, employment status); total household income by household member and type and amount of income.

1977 National Medicare Care Expenditures Survey (NMCES); 1980 National Medical Care Utilization and Expenditures Survey (NMCUES); 1987 National Medical Expenditure Survey (NMES)

NMCES, sponsored by the National Center for Health Services Research with the National Center for Health Statistics, consisted of 6 rounds of data collection covering an 18-month period in 1977 and part of 1978 for a sample of 14,000 households. In addition, surveys were conducted of physicians and health care facilities providing care to members of the household sample during 1977 and of employers and insurance companies responsible for their insurance coverage. Data collected included expenditures and sources of payment for all major forms of medical care, demographic and socioeconomic characteristics of respondents, insurance coverage of respondents, information from medical providers about respondents, and access to medical care.

NMCUES, sponsored by the National Center for Health Statistics with the Health Care Financing Administration, consisted of 5 rounds of data collection over a 15-month period for a national sample of 6,000 households and samples of 1,000 Medicaid cases each in New York, California, Texas, and Michigan. Medicare and Medicaid records were checked for the state samples to verify eligibility and obtain claims information. Data collected included health insurance coverage, episodes of illness, number of bed days, restricted activity days, hospital admissions, physician and dental visits, other medical care encounters, prescription purchases, access to medical care services, limitations of activities, income, demographic, and socioeconomic characteristics. For each contact with the medical care system, data were obtained on health conditions, characteristics of the provider, services provided, charges, sources, and amounts of payments.

NMES, sponsored by the Agency for Health Care Policy and Research with the Health Care Financing Administration, consisted of 4 rounds of data collection covering calendar year 1987 for a sample of 14,000 households including oversamples of blacks, Hispanics, low-income people, and people with functional limitations; in addition, surveys were conducted of physicians and health care facilities providing care to members of the household sample during 1977 and of employers and insurance companies responsible for their insurance coverage; also included was an institutional survey of 13,000 residents of nursing and personal care homes, psychiatric hospitals, and facilities for the mentally retarded; data collected included expenditures and sources of payment for all major forms of medical care, demographic and socioeconomic characteristics of respondents, insurance coverage of respondents, information from medical providers about respondents, and access to medical care.