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 level of well-being of the population and how economic situations are related 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 child care programs can be expanded and refined, based on the information from this survey.

SURVEY CONTENT

There are three basic elements contained in the overall design of the content of the survey. The first is a control card that serves several important functions. The control card is used to record basic social and demographic characteristics for each person in the household at the time of the initial interview. Because households in the SIPP panels of 1985 through 1987 were interviewed up to eight times, the card is also used to record changes in characteristics such as age, educational attainment, and marital status, and to record the dates when persons enter or leave the household. Finally, during each interview, information on each source of income received and the name of each job or business is transcribed to the card.

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, and participation status in various programs during the 4-month reference period prior to the interview date. Some of the important elements of labor force activity are recorded separately for each week of the period. Income recipience 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. The sixth wave of the 1987 SIPP panel and the third wave of the 1988 panel contained items on child care arrangements used by families with children under 15 years of age. These panels were used to produce the data shown in this report.

SAMPLE DESIGN

Each household in the SIPP sample is scheduled to be interviewed at 4-month periods. The reference period for most of the core income and labor force items is the 4-month period preceding the interview. For example, households interviewed in October 1988 were asked questions for the months June, July, August, and September. In the case of the child care items, the reference period is for the month prior to the interview date.

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 (occasionally, only three rotation groups are interviewed). This design was chosen because it provides a smooth and steady work load for data collection and processing.

In this report, wave 6 of the 1987 panel and wave 3 of the 1988 panel covered the common interview months of October, November, and December 1988, and January 1989. This overlapping design provides a larger sample 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 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 cases where there were missing or inconsistent data in the child care items, a survey nonresponse was assigned a value in the imputation phase of processing. (See appendix D for more details about the imputation procedures.)

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 length of the survey period (about 2 1/2 years). 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 many 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.