
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.

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.

Children. Children in this report refer to all persons under 15 years old in interviewed households at the beginning of the 1984 SIPP Panel and for whom 32 months of data were collected.

Parent. "Parent" includes step-, adoptive, as well as biological parents. Interviewers were instructed to identify the mother, if she was a household member, otherwise the father as the "parent" of the child. If the identified parent at a given interview was married and living with a spouse, the child was considered to be living with two parents. The sex of the identified parent and spouse was used to determine whether a child lived with his or her mother, and/or father at the first and subsequent interviews.

Living arrangements during the panel. In tables A and B of this report, children are divided into six mutually exclusive subgroups based on their family living arrangements during the panel. Those defined as "always two parents" lived with a parent and that parent's spouse at the first interview and continuously resided with these same two individuals throughout the panel. Those defined as "mother always present, father leaves" resided with the same female parent at each of the eight interviews but did not have a male parent present in the household at one or more of the interviews subsequent to the first interview. The "mother only group" resided with a

female parent at each of the eight interviews but that female parent did not have a spouse present in the household at any point during the survey. The "father enters group" resided with the same female parent throughout the survey. That female parent did not have a spouse living in the household at the first interview but had an identified spouse present in the household at one or more subsequent interviews. The residual group of children who did not continuously live with a female parent throughout the survey were subdivided into two groups: those who lived with a male parent at the first interview and continued to reside with that same parent at each subsequent interview and all other children (i.e., those who either never lived with a parent or who experienced a break in living with both their mother and their father).

Household. A household consists of all the persons who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live and eat with any other persons in the structure and there is direct access from the outside or through a common hall.

A household includes the related family members and all the unrelated persons, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated persons sharing a housing unit as partners, is also counted as a household. The count of households excludes group quarters.

Family. A family is a group of two persons or more (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such persons (including related subfamily members) are considered as members of one family.

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 onetime 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.

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.

Earnings. 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.

Poverty definition. The poverty definition used in this report is based on the government's official definition but was calculated on a monthly basis using the family

composition at that time rather than fixing it throughout the year as is done in the Current Population Survey. These data differ from the official figures and are not part of the standard data series on poverty established by Directive 14 from the Office of Management and Budget. Official figures are published annually from the March Current Population Survey in the P-60 series of Current Population Reports.

The poverty definition is based on an index developed at the Social Security Administration in 1964 and revised by Federal interagency committees in 1969 and 1981. The poverty concept is a statistical measure based on the Department of Agriculture's 1961 Economy Food Plan. It reflects the different consumption requirements of families in relation to their size and composition, and the age of the family householder. A ratio of food expenditures to income of one-third, based on the Department of Agriculture's 1955 Survey of Food Consumption, was used to derive the original poverty thresholds from the economy food plan. The poverty thresholds have been updated annually based on changes in the Consumer Price Index.

Symbols. A dash (—) represents zero or rounds to zero, "B" means that the base for the derived figure is less than 200,000, and "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.

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

Earnings from Employment	Employer or union temporary sickness policy
Wages and salary	Payments from a sickness, accident, or disability insurance policy purchased on your own
Nonfarm self-employment income	Aid to Families with Dependent Children (AFDC), (ADC)
Farm self-employment income	General assistance or General relief
Income from Assets (Property Income)	Indian, Cuban, or Refugee assistance
Regular/passbook savings accounts in a bank, savings and loan or credit union	Foster child care payments
Money market deposit accounts	Other welfare
Certificate of deposit or other savings certificates NOW, Super NOW, or other interest-earning checking accounts	Child support payments
Money market funds	Alimony payments
U.S. Government securities	Pensions from a company or union
Municipal or corporate bonds	Federal Civil Service or other Federal civilian employee pensions
Other interest-earning assets	U.S. Military retirement
Stocks or mutual fund shares	National Guard or Reserve Forces retirement
Rental property	State government pensions
Mortgages	Local government pensions
Royalties	Income from paid-up life insurance policies or annuities
Other financial investments	Estates and trusts
Other Income Sources	Other payments for retirement, disability or survivors, G.I. Bill/VEAP education benefits
Social Security	Income assistance from a charitable group
U.S. Government Railroad Retirement	Other unemployment compensation (Trade Adjustment Act benefits, strike pay, other)
Federal Supplemental Security	Veterans' compensation or pensions
State Administered Supplemental Security income	Money from relatives or friends
State unemployment compensation	Lump sum payments
Supplemental Unemployment Benefits	Income from roomers or boarders
Black Lung payments	National Guard or Reserve pay
Worker's compensation	Incidental or casual earnings
State temporary sickness or disability benefits	Other cash income not included elsewhere