

## Appendix B. Definitions and Explanations

**Population coverage.** The estimates in this report are restricted to persons 16 years of age and over in 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.** The age of the person is based on the age at the time of the beginning of the survey, that is, at the close of 1986 and beginning of 1987.

**Race and Hispanic origin.** In this report, the population is divided into two groups on the basis of race: White and Black. Persons of Hispanic origin were determined on the basis of a question that asked for self-identification of the person's origin (or 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 some other Hispanic origin. Persons of Hispanic origin can be of any race.

**Highest grade attended.** The highest grade attended by persons with job accessions is as of the beginning of the survey and is based on the following question: "What is the highest grade or year of regular school this person attended?"

**Job accession.** In this report, a job accession was defined as not having a job in one month but having a job in the following month. The method for identifying whether or not a person had a job in the course of a month was the "employer id number." In the course of a SIPP interview, if a respondent reported that a job had been held during a month (either by himself or herself, or for someone else in the household), an employer id number is assigned to that individual's wage and salary job; if no job were held, the employer id number would be zero. The definition was made operational, therefore, by comparing month-to-month values of the employer id number across the 28-month survey period. Obviously, a number of jobs could have been held and numerous employer id numbers recorded. (In each SIPP interview, interviewers are instructed to "...enter the employer for whom...worked the most hours during the 4-month period or the most recent employer.") On the SIPP 1987 longitudinal file up to two jobs can be identified (or two employer id numbers recorded) in the course of any one month. This situation may represent either a transition from one primary job to another or a case of multiple job holding. In the first instance, although a new job had been entered, it would not be counted as a

job accession under the definition used in this report. In the second instance, where a person has taken a second job, the job accession would not be counted either. This is because only the primary or main job is included in the definition.

**Marital status.** The marital status classification is based on five major categories: married, widowed, divorced, separated, and never married. Marital status in this report is as of the first job accession.

**Monthly family income.** Persons were classified as members of a married-couple family, other family type, or as an unrelated individual as of the time of the first job accession. Their monthly family income, therefore, represents the sum of all cash income received by the individual and/or other family members. It may represent income from employment, assets (such as CD's, rental property, savings accounts), and other sources (such as Social Security, Aid to Families With Dependent Children, pensions, State unemployment compensation, and so on).

**Industry.** The industry of the first job accession is based on the census industrial classification system which was developed within the context of the Standard Industrial Classification (SIC) system prepared by the Office of Management and Budget. Thirteen major groups were used: agriculture, forestry and fisheries; mining; construction; manufacturing; transportation, communications, and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; business and repair services; personal services; entertainment and recreation services; professional and related services, and public administration. The definitions of the goods-producing industries and high paying and low paying service-producing industries can be found in the text.

**Occupation.** The industry of the first job accession is based on the census occupational classification system and was developed to be consistent with the 1980 Standard Occupational Classification (SOC) Manual published by the U.S. Department of Commerce. It consists of 13 groups: executive, administrative, and managerial occupations; professional specialty occupations; technicians and related support occupations; sales occupations; administrative support occupations, including clerical; private household occupations; protective service occupations; service occupations, except protective service and private household occupations; farming, forestry, and fishing occupations; precision production, craft, and repair occupations;

machine operators, assemblers, and inspectors; transportation and material moving occupations, and handlers, equipment cleaners, helpers, and laborers.

**Hourly rate of pay.** The hourly rate of pay refers to the rate of pay received at the time of the first job accession. It is obtained by two direct questions: "Was ... paid by the hour on this job?" and "What was ...'s regular hourly pay rate at the end of (read last month or 'to' date in item 3b)? Given the 4-month reference period in SIPP, it is conceivable that a person could have taken an hourly paid job in

the first month of the reference period, received a raise during the reference period, and, therefore, not report the wage rate at which he or she entered.

**Weekly earnings.** Weekly wage and salary earnings relate to the month in which a person experienced their first job accession. They were obtained by dividing the monthly earnings reported in the month in which the job accession occurred by the number of weeks worked by the individual in that month.