

SUPPORTING STATEMENT

A. Justification

1. Necessity of Information Collection

The U.S. Census Bureau requests authorization from the Office of Management and Budget (OMB) to extend the expiration date for the 2004 Panel of the Survey of Income and Program Participation (SIPP) to February 28, 2008. This will provide the time necessary to conduct the Wave 10, 11, and 12 interviews for the 2004 Panel of the SIPP. The interviews will include the core SIPP, which has already been approved by OMB under Authorization No. 0607-0905. Due to budget constraints, there are no topical modules for the Wave 10, 11, and 12 interviews.

The SIPP represents a source of information for a wide variety of topics and allows information for separate topics to be integrated to form a single and unified database so that the interaction between tax, transfer, and other government and private policies can be examined. Government domestic policy formulators depend heavily upon the SIPP information concerning the distribution of income received directly as money or indirectly as in-kind benefits and the effect of tax and transfer programs on this distribution. They also need improved and expanded data on the income and general economic and financial situation of the U.S. population. The SIPP has provided these kinds of data on a continuing basis since 1983, permitting levels of economic well-being and changes in these levels to be measured over time.

The survey is molded around a central "core" of labor force and income questions that remain fixed throughout the life of a panel.

The SIPP is designed as a continuing series of national panels of interviewed households that are introduced every few years, with each panel having durations of 3 to 4 years. The 2004 Panel is scheduled for 4 years and will include 12 waves which began on February 1, 2004. All household members 15 years old or over are interviewed using regular proxy-respondent rules. They are interviewed a total of 12 times (12 waves), at 4-month intervals, making the SIPP a longitudinal survey. Sample people (all household members present at the time of the first interview) who move within the country and reasonably close to a SIPP primary sampling unit will be followed and interviewed at their new address. Individuals 15 years old or over who enter the household after Wave 1 will be interviewed; however, if these people move, they are not followed unless they happen to move along with a Wave 1 sample individual.

The OMB has established an Interagency Advisory Committee to provide guidance for the content and procedures for the SIPP. Interagency subcommittees were set up to recommend specific areas of inquiries for supplemental questions.

The SIPP is authorized by Title 13, United States Code, Section 182.

2. Needs and Uses

Information quality is an integral part of the pre-dissemination review of information disseminated by the Census Bureau (fully described in the Census Bureau's Information Quality Guidelines). Information quality is also integral to information collections conducted by the Census Bureau, and is incorporated into the clearance process required by the Paperwork Reduction Act.

Data provided by the SIPP are being used by economic policymakers, the Congress, state and local governments, and federal agencies that administer social welfare or transfer payment programs, such as the Department of Health and Human Services and the Department of Agriculture.

3. Use of Information Technology

The survey is administered using computer-assisted personal interviewing (CAPI) methodologies. The Census Bureau field representatives (FRs) collect the data from respondents using laptop computers, and the data are transmitted to the Census Bureau headquarters via high-speed modems. Automation significantly enhances our efforts to collect high-quality data with skip instructions programmed into the instrument and with information obtained in earlier interview segments fed back to the respondent. By incorporating design features that make it easier to collect and record respondent information, response burden can be minimized. Appropriate screening and lead-in questions, which serve to skip respondents out of sections of the questionnaire that are not relevant or applicable, are built into the automated instrument.

Preliminary analysis from an Internet field test conducted by the SIPP Methods Panel in August and September 2000 indicated that using the Internet as a mode of collection for a complex demographic survey such as SIPP is not feasible. The conclusions of the test indicated that Internet survey technology is not currently sophisticated enough to handle the complexity of a typical survey conducted by the Census Bureau's Demographic Surveys Division and the complicated skip patterns and rostering that they entail. Low response rate combined with technological challenges and limitations indicate that the costs of converting a complex questionnaire to an online survey far outweigh the benefits we may see, even in a multimode environment. The final report is available upon request.

4. Efforts to Identify Duplication

To ascertain whether duplication exists between the SIPP and ongoing or previously approved Census Bureau information collections, we examined the following surveys:

- Supplements to the CPS.
- The American Housing Survey.
- The National Crime Victimization Survey.
- The Consumer Expenditure Survey.
- The National Health Interview Survey.

A review of information collections conducted outside the Census Bureau indicated that no past or current national survey duplicates the SIPP with respect to its longitudinal component or its scope and coverage.

The Census Bureau tries to avoid unnecessary duplication in all of its surveys and will continue to do so. Our views on the duplication problem were stated in a letter from William P. Butz to James B. MacRae, Jr., OMB, on July 29, 1988. In that letter, we proposed three conditions under which duplication is warranted as follows:

- When the duplication supplies necessary classifying variables for data analysis.
- When the duplication prevents more extensive duplication.
- When the users' analyses require the duplicate questions on a particular survey.

Outside these areas of justified duplication, we think that duplication is unwarranted. The Census Bureau has always attempted to avoid such situations in its own surveys and will continue to do so. We are continuing to examine the content of the SIPP topical modules and recurring CPS supplements to determine whether these contain inappropriate duplication, and we will take steps to eliminate any that we find from future collection efforts. To the best of our ability, we also try to make sponsors of other surveys aware of existing sources of data on subjects about which they propose to collect information. Having notified a sponsor of such potential duplication, however, it is not within our purview to deny a new or existing data collection effort if the sponsor wishes to proceed with it. This clearance request points out the duplication and the need for it from our perspective, as well as that of the Interagency Advisory Committee.

5. Minimizing Burden

The Census Bureau uses appropriate technology to keep respondent burden to a minimum. Examples of technology used to minimize respondent burden include use of appropriate screening and lead-in questions that serve to skip respondents out of sections of the CAPI instrument that are not relevant or applicable to them, use of flashcards to aid respondents with multiple-response categories, and arrangement of questions and sections of the CAPI instrument that will make sense to the respondent

and facilitate the flow of administration from one topic area to another.

6. Consequences of Less Frequent Collection

The SIPP is designed as a continuing series of national panels of interviewed households that are introduced every few years, with each panel having durations typically of 3 to 4 years. The 2004 Panel is scheduled for 4 years and will include 12 waves which began on February 1, 2004. The survey uses a 4-month recall period with approximately one-fourth of the sample households being interviewed each month. A less frequent data collection schedule could cause a severe reduction in the accuracy of reporting due to memory decay. Also, a major feature of the SIPP is that it produces a time series of data as described above. Breaks in the series arising from cessation of the interviewing would severely limit these data's usability.

7. Special Circumstances

There are no special circumstances associated with this clearance request.

8. Consultations Outside the Agency

The OMB established an Interagency Advisory Committee to provide guidance for the content and procedures for the SIPP. That committee, along with the subcommittee on the topical modules, has worked actively with the Census Bureau to assure that the SIPP content and procedures collect the appropriate data and that duplications between surveys are minimized to the extent possible.

We published a notice in the Federal Register on November 21, 2006, inviting public comment on our plans to submit this request (71 FR, pg. 67327). We received one comment regarding the burden, budget, and usefulness of the SIPP data.

9. Paying Respondents

The Census Bureau's current plans are to continue to use incentives during the 2004 Panel. During Wave 1 the respondents were sent the advance letter in a Priority mail envelope. Starting in Wave 1 through Wave 9 of the SIPP 2004 Panel, 100 percent of the survey households were eligible for an incentive of a debit card worth \$40. The debit card with its unique PIN number can be cashed at any ATM machine. The incentive was offered by FRs interviewing the eligible case if the case was clearly planning to leave the survey. The incentive was used to persuade them to respond. It was made clear at the time the incentive was offered that a complete interview was required before the debit card and unique PIN number was given. In response to an

OMB request to continue to study the SIPP attrition issue, we sent a special letter to households that had refused to participate for two consecutive waves (Waves 4 and 5). These households were informed that in return for their completed interview a debit card would be mailed to the household.

10. Assurance of Confidentiality

We are conducting this survey under the authority of Title 13, United States Code, Section 182. Section 9 of this law requires us to keep all information strictly confidential. The respondent will be informed of this and that this is a voluntary survey by a letter from the Director of the Census Bureau that will be sent to all participants in the survey (Attachment A).

11. Justification for Sensitive Questions

The sources of income and assets are among the kinds of data collected. These data may be considered to be of a sensitive nature. The Census Bureau takes the position that the collection of these types of data is necessary for the analysis of important policy and program issues and has structured the questions and FR application of them to lessen their sensitivity. The FRs fill in the SIPP-24003 Reminder Card during an interview for people who are not able to provide answers to certain critical items in the questionnaire. The Reminder Card (Attachment B) contains a list of items designated as call-back items for which the FR telephones the respondent after the interview to obtain the missing information.

12. Estimate of Respondent Burden

Based on our experience with the 1996 and 2001 SIPP Panels and in-house testing, the burden estimates for FY 2007 are as follows:

**2004 SIPP PANEL
FY 2007 BURDEN HOUR SUMMARY**

	Respondents	Waves	Responses	Hours Per Response	Total Hours
Interview	44,713	3	134,139	.33	44,266
Reinterview	1,064	3	3,192 ¹	.167	533
Totals	44,713	3.07 ²	137,331	.32 ³	44,799

We will obtain interviews from approximately 21,292 households each wave, yielding about 134,139 individual interviews during Waves 10, 11, and 12 (2.1 individuals 15 years old or over per household). The household interviews will be conducted at 4-month intervals.

The total number of burden hours requested for Waves 10, 11, and 12, inclusive of the core instrument and reinterview is 44,799.

13. Estimate of Cost Burden

There are no direct costs to respondents participating in the survey, other than the time involved in answering the survey questions.

¹ The 1,064 cases in reinterview will be contacted twice during the same wave. Therefore, the total number of **respondents** is 44,713 per wave (included in original interview sample).

² The weighted average for waves is determined by taking the number of respondents interviewed once during a wave (43,649 contacts), plus the number of households that will be interviewed twice during a wave due to reinterview (2,128 contacts), and dividing this sum by the number of total respondents in the SIPP/CAPI sample (44,713 respondents), times three waves; this comes out to 3.07 (weighted average).

³The weighted average for hours per response is determined by multiplying the number of interview responses by the response hours (134,139 * .33), plus the number of reinterview responses multiplied by the response hours (3,192 * .167), and dividing this sum by the total number of responses per fiscal year (137,331); this comes out to 0.32.

14. Cost to Federal Government

The cost of all parts of this survey is \$20,000,000 in FY 2007. That amount is included in the estimate of total costs to the federal government of the Census Bureau's current programs supplied to the OMB.

15. Reason for Change in Burden

Due to budget constraints we are limiting the sample for the 2004 Wave 10, 11, and 12 interviews to 21,292 households per wave. Therefore, the burden is decreasing to 44,799 burden hours through January 2008.

16. Project Schedule

The Census Bureau will release a series of cross-sectional, topical module, and longitudinal reports from the 2004 Panel. Longitudinally edited core files as well as topical module files will be released.

Wave-based data can be used to create a basic set of statistics from the SIPP core. These statistics can be used to evaluate the survey, to profile the participants in various programs, to examine the characteristics of the population in need, and to examine how the economy is changing. Such statistics can include average monthly estimates of:

- Median household income.
- Number of workers and their median earnings.
- Number of people in poverty.
- People with labor force activities.
- People who spent time looking for work or on layoff.
- Participants in government programs, such as:
 - Public assistance.
 - Social security and supplemental security income.
 - School lunches.
 - Food stamps.
 - Medicare and medicaid.
 - Public or subsidized housing.
 - Unemployment and workers' compensation.

These statistics (crossed by race, age, and other characteristics) from each SIPP wave would be the basis for a report (or fact sheet) on the economic situation of Americans and their families.

Longitudinal data products will enable us to examine issues such as:

- Annual income and poverty estimates based on different definitions of income.

- People experiencing unemployment and median unemployment spells.
- The characteristics of people ever participating in government programs and people who participated in each month.
- Median program participation spells.
- The characteristics of people with lapses in health insurance coverage.
- Median spells without health insurance.
- Family and household transitions.

In addition, as our observation length grows, we will be better able to examine issues such as long- versus short-term poverty and program participation.

17. Request Not to Display Expiration Date

We will display the OMB expiration date on the Director's Letter.

18. Exceptions to the Certification

There are no exceptions.