

SUPPORTING STATEMENT
U.S. Department of Commerce
U.S. Census Bureau
2011 Field Test of the Re-engineered Survey of Income & Program Participation

A. Justification

1. Necessity of Information Collection

The U.S. Census Bureau requests authorization from the Office of Management and Budget (OMB) to conduct the 2011 Field Test for the Re-engineered Survey of Income and Program Participation (SIPP).

The Census Bureau's SIPP CAPI interview will use an event history calendar (EHC) interviewing method and a 12-month, calendar-year reference period in place of the current SIPP questionnaire approach with a sliding 4-month reference period. The Census Bureau is re-engineering the SIPP to accomplish several goals including improving the collection instrument and processing system, development of the EHC, use of the administrative records data, and increased stakeholder interaction. See Attachment A for interview questions.

The SIPP represents a source of information for a wide variety of separate topics to be integrated to form a single and unified database in order to examine the interaction between tax, transfer, and other government and private policies. Government domestic policy formulators depend heavily upon the SIPP information to determine the effect of tax and transfer programs on the distribution of income received directly as money or indirectly as in-kind benefits. 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, by measuring levels of economic well-being and changes in these levels over time.

The main objective of the SIPP has been to provide accurate and comprehensive information about the income and program participation of individuals and households in the United States. The survey's mission is to provide a nationally representative sample for evaluating: 1) annual and sub-annual income dynamics, 2) movements into and out of government transfer programs, 3) family and social context of individuals and households, and 4) interactions among these items. The re-engineering of SIPP pursues these objectives in the context of several goals - cost reduction and improved accuracy, relevance, timeliness, reduced burden on respondents, and accessibility. The

Re-engineered SIPP will collect detailed information on cash and non-cash income (including participation in government transfer programs) one time per year. A major use of the SIPP has been to evaluate the use of and eligibility for government programs and to analyze the impacts of options for modifying them.

A key component of the re-engineering process involves the proposed shift from the every-four-month data collection schedule of traditional SIPP to an annual data collection schedule for the re-engineered survey. To accomplish this shift with minimal impact on data quality, the Census Bureau proposes employing the use of an event history calendar (EHC) to gather SIPP data. The Re-engineered SIPP will interview respondents in one year intervals, collecting data for the previous calendar year as the reference period. The content of the Re-engineered SIPP will combine the content of the 2008 Panel SIPP core as well as selected topical module questions. The Re-engineered SIPP will not contain free-standing topical modules. The EHC will allow recording dates of events and spells of coverage and should provide monthly transitions of program receipt and coverage, labor force transitions, health insurance transitions, and others.

The 2011 Re-engineered SIPP Field Test will be conducted in all 12 Census Regional Offices from January 2011 to April 2011. Approximately 4,000 households are selected for the 2011 Re-engineered SIPP, of which, approximately 2,600 households are expected to be interviewed. We estimate that each household contains 2.1 people aged 15 and above, yielding approximately 5,500 person-level interviews in the field test. Interviews take one hour on average. The total annual burden for the 2011 Re-engineered SIPP interviews (includes recontact experiment) will be 5,681¹ hours in FY 2011.

Recontact Experiment

As the SIPP transitions from three interviews per year to one interview per year, new methods need to be tested for how to stay in contact with respondents so they can be located for the following year's interview. Once interviews have been completed for the 2011 SIPP field test, a recontact experiment will take place. The goal of this experiment is to develop address update procedures which will facilitate locating original sample members who may have moved, and which can be implemented prior to and during the next interview period. The main facets of the experiment are: 1) to test how a combination of a change of address form (Attachment F) mailed with or without a small monetary incentive, or no contact between interview periods, effect attrition and the ability to locate respondents in the second wave of interviewing (Type

¹See page 8 for table on burden hours.

A and Type D wave 2 non-response), and 2) to develop address update procedures which will facilitate locating original sample members who may have moved.

As part of the recontact experiment we will be mailing a letter of explanation with the change of address form. The first version of the letter (Attachment D) will be mailed to a subset of cases with the offer of monetary incentive. The second version of the letter (Attachment E) will be mailed to a subset of cases that will not offer a monetary incentive.

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

2. Needs and Uses

Information quality, as described by the Census Bureau's Information Quality Guidelines, is an integral part of the pre-dissemination review of information released by the Census Bureau. Information quality is essential to data collections conducted by the Census Bureau and is incorporated into the clearance process required by the Paperwork Reduction Act.

Implementing the EHC methodology in 2011 is intended to help respondents recall information in a more natural "autobiographical" manner by using life events as triggers to recall other economic events. For example, a residence change can in many cases occur contemporaneously with a change in employment. The entire process of compiling the calendar focuses, by its nature, on consistency and sequential order of events, and attempts to correct for otherwise missing data. For example, if the respondents are unemployed, they may then look for a job, and then become employed.

The 2011 Field Test instrument will be evaluated in several domains including field implementation issues and data comparability vis-à-vis the SIPP 2008 Panel and administrative records. Distributional characteristics such as the percent of persons receiving TANF, Food Stamps, Medicare, who are working, who are enrolled in school, or who have health insurance coverage reported in the EHC will be compared to the same distributions from the 2008 SIPP Panel. The primary focus will be to examine the quality of data that the new instrument yields for low-income programs relative to the current SIPP and other administrative sources. The field test sample is focused in low income areas in order to increase the "hit rate" of households likely to participate in government programs. In general, there are two ways we will evaluate data quality:

(1) We will compare monthly estimates from the field test to estimates from parallel sample areas in the 2008 SIPP panel for characteristics such as participation in Food

Stamps, TANF, SSI, WIC, and Medicaid. We plan on conducting a rigorous statistical analysis using the model established for the 2010 SIPP-EHC evaluation, where data from the 2008 Panel and 2010 SIPP-EHC for calendar year 2009 were mapped to a common analysis standard. The tests of significance conducted for the differences in monthly participation levels, identification of patterns of significance, and the likelihood of transition will again be applied to the CY2010 comparison mapped data. Additional content will be included in the mapped data to expand the comparisons beyond the focus of the EHC section of the instrument. As with the 2010 SIPP-EHC, we will also compare paradata related to interview performance (length and non-response) by region, interviewer and household characteristics, and training performance as measured by the certification test.

(2) For a small subset of characteristics, and for a subset of sample areas, we will have access to administrative record data. These data will permit a more objective data quality assessment. The acquisition of administrative data from national and especially from states is difficult and time consuming. We continue to work with Texas, Maryland, Illinois, and Wisconsin to acquire state level data (primarily focused on Food Stamps/SNAP and TANF). Additional state discussions are in progress. From national level administrative records, we are working to acquire additional wave 2 (SIPP Panel 2008) data from IRS, the detailed and summary earnings records, OASDI, SSI, Medicare, and Medicaid (from CMS). To the extent that data can be obtained in a timely way for CY2010, we will include validation evaluations of the responses given both in the 2008 Panel and the 2011 SIPP-EHC data. These administrative data can tell us the rate of both positive and negative mis-reporting, as well as some indication of the accuracy of the timing of reports. The ability to make good comparisons with administrative data is dependent on the match rate, the timing of the receipt of the data, as well as the accuracy and quality of the time related data in the administrative records. The importance of developing systems which can integrate administrative reports with survey data will continue to be demonstrated with this project.

Results from both the 2011 Field Test and the 2008 SIPP Panel will be used to inform final decisions regarding the design, content, and implementation of the Re-engineered SIPP for production beginning in 2014. This OMB clearance request is for the 2011 Field Test only; a separate OMB clearance request will be submitted for the 2012 field test.

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. Response burden can be minimized by incorporating design features that make it easier to collect and record respondent information. 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 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 Current Population Survey (CPS)
- The American Housing Survey
- The National Crime Victimization Survey
- The Consumer Expenditure Survey
- The National Health Interview Survey
- The American Community 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:

- a. When the duplication supplies necessary classifying variables for data analysis.
- b. When the duplication prevents more extensive duplication.
- c. 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. However, if upon such notification of potential duplication the sponsor wishes to proceed with collection, we will go forward with a new or existing data collection effort. 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 flash cards to aid respondents with multiple response categories; and the arrangement of questions and sections of the CAPI instrument that facilitate the flow of administration from one topic area to another. The Re-engineered SIPP should likely lower respondent burden due to one interview per year rather than three in the previous SIPP instrument.

6. Less Frequent Collection

The Re-engineered SIPP will interview respondents in one year intervals, using the previous calendar year as the reference period. As a consequence of the one year reference period in the Re-engineered SIPP, the possibility of increased memory decay by respondents exists. However, the test of the EHC should help to curb this possible problem by linking respondents memories with significant events. See earlier explanation above.

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. For the 2010 Re-engineered Dress Rehearsal, the Census Bureau held five subject area meetings (health, general income and government programs, assets and wealth, labor force, and demographics and other items) with SIPP stakeholders. The responding data users indicated a broad need for most of the SIPP core content. Select areas of content were added based on stakeholders input for lost topical module content. The 2011 Field Test will include the content from the 2010 Dress Rehearsal and will include revisions as a result of the 2010 test.

We published a notice in the *Federal Register* on June 23, 2010, Vol. 75, No. 120, page 35,764, inviting public comment on our plans to submit this request. We received no comments on the Federal Register notice.

9. Paying Respondents

The Census Bureau does not plan to pay respondents during the 2011 Re-engineered SIPP Field Test. However, as part of the recontact experiment, a small monetary incentive will be included with the change of address form for a portion of the households. The use of an incentive will allow us to examine the effectiveness of an incentive on the response rate of the change of address form. Please refer to section 1 above for a description of the recontact experiment.

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 respondents will be informed of the confidentiality of their responses 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 (Attachments B and C).

11. Justification for Sensitive Questions

The sources of income and assets are among the kinds of data collected and 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 to lessen their sensitivity.

12. Estimate of Respondent Burden

Based on our experience with the 1996, 2001, 2004, and 2008 SIPP panels and in-house testing, the burden estimates for FY 2011 are as follows:

**2011 RE-ENGINEERED SIPP TEST
FY 2011 BURDEN HOUR SUMMARY**

| | Respondents | Waves | Responses | Hours Per Response | Total Hours |
|----------------------|-------------|-------|-----------|--------------------|-------------|
| Interview | 5,500 | 1 | 5,500 | 1.0 | 5,500 |
| Recontact Experiment | 2,170 | 1 | 2,170 | .083 | 181 |
| Totals | 5,500 | 1 | 7,670 | .58 | 5,681 |

We will obtain interviews from approximately 2,600 households, yielding approximately 5,500 individual interviews (2.1 individuals 15 years old or over per household).

Approximately 2,170 households will receive recontact materials. We estimate no more than five minutes of burden per household. Therefore, 5 minutes (.083 hours) X 2,170 households = 10,850 minutes/60 = ~181 hours.

The total number of burden hours requested for 2011 Re-engineered SIPP field test interviews is 5,681.

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.

14. Cost to Federal Government

The production costs of all parts of this field test are approximately \$10,000,000 in FY 2011. 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

The 2011 Re-engineered SIPP Field Test is submitted as a reinstatement.

16. Project Schedule

The 2011 Re-engineered SIPP Field Test advance letters will be mailed prior to interviewing. The 2011 field test interviews will be conducted from January 2011 to April 2011. No public use data product will be released, however, the research and evaluation of the data will occur from June 1, 2011 to June 1, 2013. A field activity status report will be available in May 2011.

17. Request Not to Display Expiration Date

Not applicable.

18. Exceptions to the Certification

There are no exceptions to the certification.