

SUPPORTING STATEMENT

U.S. Department of Commerce
U.S. Census Bureau
Annual Social and Economic Supplement
to the Current Population Survey
OMB Control Number xxxx-xxxx

Part A - Justification

Question 1. Necessity of the Information Collection

This request is for approval of a new collection that will supplement the Annual Social and Economic Supplement (Parallel Survey) to the Current Population Survey (CPS), to be conducted in March 2015. The CPS Annual Social and Economic Supplement (ASEC) is used to produce official estimates of income and poverty, and it serves as the most widely cited source of estimates on health insurance and the uninsured. Health insurance questions have been asked in the CPS since 1980 as a part of a mandate to collect data on noncash benefits. These statistics have far-ranging implications for policy and funding decisions. In 2014, the Census Bureau redesigned the health insurance and income instruments on the CPS. The intention of the CPS ASEC redesign was to obtain an improved calendar-year estimate of health insurance coverage. The redesign also consisted of new questions on health insurance exchanges and questions on take-up of employer-sponsored insurance (ESI).

This data collection is in reaction to the FY15 Omnibus Appropriations Bill (HR 83), which directs the U.S. Census Bureau to collect data for the Annual Social and Economic Supplement to the Current Population Survey using the same health insurance questions included in previous years, in addition to the revised questions implemented in February 2014.

This data collection will be separate and independent from the ASEC conducted in February, March, and April. However, it will employ the ASEC questionnaire used in survey year 2013, prior to the recent redesign of income and health insurance questions in 2014. The resulting data will serve to provide a baseline for comparison to a scheduled data collection in February, March, and April from the 2015 ASEC,

which will consist of the redesigned questions.

The Census Bureau will conduct the CPS Parallel ASEC using personal visit and telephone interviewing by Field Representatives from six regional offices and interviewers from three telephone centers. Approximately 5,000 addresses will receive their first interview (month-in-sample 1), 1,600 addresses will receive their fifth interview (month-in-sample 5), and approximately 21,000 addresses will have another interview after having had the full complement of CPS interviews. The survey is being conducted under the legal authority of Title 13, United States Code, Section 182.

The proposed supplement, as it will appear in the CPS instrument, is shown in Attachment A.

This request also asks for clearance for the forms that are used in conjunction with the ASEC supplement. These forms include:

<u>Form No.</u>	<u>Description</u>	<u>Attachment</u>
CPS-580 (ASEC)(L)	Advance letter sent to each household in sample.	E
CPS-580 (L)SP	Same letter as above translated into Spanish.	G
CPS-676	Pamphlet with information from the ASEC.	H
CPS-676(SP)	Same pamphlet as above but in Spanish.	I

These forms are made available so that the respondents will have a clear understanding of the purpose and uses of the CPS ASEC supplement.

Question 2. Needs and Uses

As described above, this data collection will provide comparison data on health insurance coverage to policy decision-makers, to compare the effects of the redesigned instrument on estimates of health insurance. As the chart below shows, health insurance comparison data will be available for several combinations of survey reference years and

questionnaire designs. An “x” indicates data will be available for comparison for the particular year and questionnaire design (old being prior to the revisions, new being after).

<u>Survey Reference Year</u>	<u>Old</u>	<u>New</u>
<u>2012</u>	<u>X</u>	
<u>2013</u>		<u>X</u>
<u>2014</u>	<u>X</u>	<u>X</u>

The planned comparison measures are:

- a. The percentage of the population covered by health insurance at any time during the reference calendar year
- b. The percentage of the population not covered by health insurance at any time during the reference calendar year
- c. The percentage of the population with public or private insurance.

The ASEC instrument, as it will be administered for this supplement, will contain topics related to income, poverty, and health insurance, and can be divided into five logical series of questions as follows:

- a. Work Experience (See Attachment A: Items Q29A-Q4788)

The work experience items provide a unique measure of the dynamic nature of the labor force as viewed over a 1-year period. These items produce statistics that show movements in and out of the labor force by measuring the number of periods of unemployment experienced by people, the number of different employers worked for during the year, the principal reasons for unemployment, and part-/full-time attachment to the labor force. We can make indirect

measurements of discouraged workers and others with a casual attachment to the labor market.

- b. Personal Income and Noncash Benefits (See Attachment A: Items Q48A-Q52C4, Q56a-Q7324, Q74a)

The ASEC supplement collects data on a number of personal income and noncash benefit sources as listed below:

Sources of Income

Earned Income

Unemployment and Workers' Compensation

Social Security and Supplemental Security Income

Public Assistance and Veterans Payments

Survivor Benefits and Disability Income

Retirement and Pensions

Interest, Dividends, and Property Income

Education Assistance

Child Support and Alimony

Regular Financial Assistance and Other Income

The income data from the ASEC are used by social planners, economists, government officials, and market researchers to gauge the economic well being of the country as a whole and selected population groups of interest. Government planners and researchers use these data to monitor and evaluate the effectiveness of various assistance programs. Market researchers use these data to identify and isolate potential customers. Social planners use these data to forecast economic conditions and to identify special groups that seem to be especially sensitive to economic fluctuations. Economists use ASEC data to determine the effects of various economic forces, such as inflation, recession, recovery, and so on, and their differential effects on various population groups. A prime statistic of

interest is the classification of people in poverty and how this measurement has changed over time for various groups. Researchers evaluate ASEC income data not only to determine poverty levels but also to determine whether government programs are reaching eligible households.

c. Household Noncash Benefits (See Attachment A: Items Q80-Q94)

These items collect data on participation in the school lunch, public housing, food stamp, and fuel assistance programs.

The questions (Q80 and Q83) concerning school lunches identify households with children who participated in the Federal School Lunch Program during the previous year. These data allow for more effective analyses of the program and, along with the food stamp data, show where the client groups of the two food nutrition programs overlap.

The questions (Q85 and Q86) on public housing identify households that are owned by a housing authority or other public agency and households where a government agency is paying for part of the rent. These data allow for more effective analysis of public housing programs and measure the extent of participation among eligible families. The question (SPHS8) determines the specific source of housing assistance.

The questions (Q87 through Q94) on food stamps identify which household members received food stamps during the previous year. These data, along with the detailed supplemental income data, allow for a more comprehensive evaluation of the food stamp program and measure the extent of participation among eligible families.

Items Q93-Q94 provide a measurement of the number of households that have received government heating or cooling assistance in the previous year, and the

amount of such assistance. State agencies provide the only other available data relevant to the energy assistance program in the form of summary counts of households receiving this type of assistance, cross-classified by their annual income levels. The ASEC is the only current data set capable of cross-tabulating fuel assistance recipients/nonrecipients with their socioeconomic characteristics. This allows analysts to determine whether funds are reaching eligible households.

d. Supplemental Poverty Measures

Beginning with the 2010 ASEC, questions appeared to implement the modernized poverty measure, and can be divided into four parts: 1) Property value and presence of mortgage; 2) Medical expenditures; 3) Child support paid; and 4) Child care expenses paid. The new items are identified on the questionnaire by their names listed below:

Medical expenditures - HIPREM, OTCMEDAMT, MEDAMT, COTCAMT,
CMEDAMT

Property value/presence of mortgage - VALPROP, MORTYN, SMORTYN

Child Care Expenses Paid - CCFREQ, CCAMT, CCNUMPAY, CCTOT,
CCEST

Child Support Paid - CSPCHILD, CSPWHO, CSPREQ, CSPAMT

This information is used to produce a modernized poverty measure. Many agencies use poverty data from the Census Bureau, including the Department of Health and Human Services, the Department of Housing and Urban Development, and the Department of Agriculture. Each of these agencies, and many more, are anxious for the Census Bureau to start releasing improved poverty measures so they can ascertain how such a measure can enhance their ability to provide assistance and services to those in need. Proposed Congressional legislation specifically directs agencies, which publish documents based on the traditional (current) poverty measure, to also produce information based on this modernized

poverty measure to the fullest extent possible.

e. Migration (See Attachment A: Items MIGSAM-NX10TH)

The migration questions refer to one year ago and collect information on residency including state, county, and city. Private and government analysts use migration statistics from this supplement to determine the mobility of the country's population. Specifically, it is important to determine which areas are losing/gaining in population over the decade and to monitor the population shifts between regions and between cities, suburbs, and nonmetropolitan areas of the country. These migration patterns provide researchers the ability to predict future population decline/growth and general socioeconomic conditions for these areas.

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

Question 3. Use of Information Technology

We deem the use of personal visits and telephone interviews, using computer-assisted telephone interviewing and computer-assisted personal interviewing, the most appropriate collection methodology given existing available information technology. We are examining the Internet as a reporting option, but have not yet determined whether the Internet is feasible for a complex demographic survey such as the CPS.

Question 4. Efforts to Identify Duplication

The ASEC and the Survey of Income and Program Participation (SIPP) contain similar content, but the ASEC remains a vital data source. It provides a database for measuring economic activity dating back to 1947. The ASEC is often matched to the

other CPS supplements conducted in adjacent months, thereby greatly enhancing the utility of those datasets at minimal cost to the sponsors without increasing respondent burden. ASEC provides a higher level of statistical reliability than SIPP because the SIPP sample size is smaller than the CPS. However, SIPP collects considerably more detail on program benefits and assets, which enables measurements of wealth and well-being. The ASEC focuses on accurate cross-sectional data (providing a clear snapshot), while SIPP focuses on accurate longitudinal data (providing a moving picture).

A number of independent surveys and supplements to the CPS have contained selected income and noncash benefit items. Until the implementation of the SIPP, however, no other data source was available that provided the depth and scope of information of the kind described in Question 2.

Question 5. Minimizing Burden

This collection does not involve small businesses or other small entities.

Question 6. Consequences of Less Frequent Collection

We are only conducting this data collection once, since the frequency for the ASEC is annually, and this one-time collection will provide the necessary comparison data for analysts and policy decision-makers.

Question 7. Special Circumstances

There are no special circumstances. We collect the CPS data in a manner that is consistent with the Office of Management and Budget (OMB) guidelines.

Question 8. Consultations Outside the Agency

For more than a decade Census Bureau staff have been collaborating and communicating with individuals outside the bureau who have been closely involved in the technical matters of health insurance measurement. These individuals include Don Oellerich and Ben Sommers (at the U.S. Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation), Rob Stewart (formerly at

the U.S. Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation and now at the Congressional Budget Office), Michael Davern (of the University of Chicago and the National Opinion Research Center), Kathleen Call (of the State Health Access Data Center), Linda Bilheimer and Diane Makuc (of the National Center for Health Statistics), and Steve Hill (at the Agency for Healthcare Research and Quality). Efforts have also been made to both inform and solicit comments from the research community on research findings and plans for future tests through a number of publications, conferences and seminars.

For the income module, the Census Bureau consulted with Westat Inc. in 2011 as well as Mathematica Policy Research. In addition to those named above, the following individuals have contributed to the development of the ASEC supplement by providing valuable feedback in the area(s) of their expertise:

Kathy Porter
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(301) 251-1500

(301) 251-1500

In addition, a statement soliciting comments for improving this supplement is prominently placed in all Census Bureau publications that cite ASEC data and a similar statement is included in the technical documentation that accompanies the ASEC microdata files.

We also published a notice of our intent to ask the ASEC supplement questions in the January 14, 2015, edition of the Federal Register (80FR, pp. 1893-1894). The notice invited comments on the necessity and practicality of the data collection and comments on various other aspects of the proposed collection. We received no comments in response to the notice, as of submission to the OMB.

Finally, the advance letters (see Attachments D and F) provide respondents with an address at the Census Bureau and at the OMB to which they can submit general comments on the survey, specifically those regarding respondent burden.

Question 9. Paying Respondents

We do not pay the CPS respondents or provide them with gifts.

Question 10. Assurance of Confidentiality

Respondents are informed through an advance letter and in the survey introduction that the survey: (1) is being conducted under the authority of Title 13, United States Code, Section 182; (2) has been approved by the OMB under project number 0607-xxxx; (3) takes an average of 30 minutes per household to complete; and (4) is voluntary. Respondents are also informed that the Census Bureau is required under Section 9 of Title 13 to keep their information confidential and use it for statistical purposes only. The advance letter also solicits comments from respondents and provides an address and email address for sending these comments. It also states that the OMB number legally certifies the information collection. Please see attachment D.

Question 11. Justification for Sensitive Questions

The sources of income and assets are among the kinds of data collected and possibly considered 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 consequently has structured the questions to lessen their sensitivity. The Census Bureau pledges its commitment to keep all survey responses confidential (Attachment E), and response is voluntary, however, each unanswered question lessens the accuracy of the final data.

Question 12. Estimate of Hour Burden

The total estimated respondent burden is 14,000 hours for fiscal year 2015. We base this estimate on previously conducted ASEC supplements and previous use of automated interviewing procedures in the CPS. The actual interview time is dependent upon the size of the household.

For the ASEC, there will be approximately 28,000 households interviewed with one respondent per household. Each interview will take approximately 30 minutes; therefore, the total estimated respondent burden is 14,000 hours for fiscal year 2015.

Question 13. Estimate of Cost Burden

There are no costs to the respondents other than that of their time to respond.

Question 14. Cost to Federal Government

The estimated cost of conducting this parallel survey is \$4.2 million in fiscal year 2015 and is borne by the Census Bureau.

Question 15. Reason for Change in Burden

Not applicable. This is a new collection.

Question 16. Project Schedule

We will conduct the CPS, of which this supplement is a part, during the month of March. Data processing will commence in May. The Public Use file will be released

in September. We will publish advance reports based on the CPS data in September. Final reports will follow throughout the middle of the following year.

Question 17. Request to Not Display Expiration Date

The ASEC Supplement is administered as part of the CPS monthly interview. However, this supplement (as well as all the CPS supplements) bears an OMB control number and expiration date which is different from the basic CPS interview. The OMB control number and expiration date for the CPS basic interview is included in the advance letter we give respondents (see Attachment F). Because of these complexities and the anticipated respondent confusion involved with expressing a separate control number and expiration date to respondents for the supplement questions, we do not wish to display the OMB control number and expiration date for the CPS ASEC Supplement.

Question 18. Exceptions to the Certification

There are no exceptions to the certification.