



U.S. Department of Health and Human Services



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MEPS – HC Income Data

William Carroll, MA



Income Overview

- **Income data is needed to determine the poverty category for each person/family and is used for**
 - ▶ **Analysis and research using MEPS-HC**
 - ▶ **Post-stratification of weights on file**
- **The following 13 slides will cover the highlights of the**
 - ▶ **Income data collection**
 - ▶ **Income data editing**
 - ▶ **Release of income variables on Public Use File**

Income Collection 1

- **Income data collected once for each year of the Panel**
 - ▶ Round 3 in 1st year
 - ▶ Round 5 in 2nd year
- **For year just ended**
 - ▶ i.e., 2016 income in early 2017
- **Collected for all persons in Panel, including children**



Income Collection 2

- Respondents asked to use federal income tax forms for prior year as basis for responses
 - ▶ Skip patterns vary based on type of 1040 form filed
 - ▶ For married couples filing jointly, amounts are split between spouses
- But information collected for all persons, even those not filing tax forms

Income Collection 3

- **18 types of income are collected**
 - ▶ **Most persons have zero income for most types**
- **Most common types of non-zero income (2015)**
 - ▶ **Wages: 82% of persons 18 to 64**
 - ▶ **Interest: 20% of persons 18+**
 - ▶ **Social Security: 80% of persons 65+**
- **Least common – Alimony: 0.2% of persons 18+**



Income Editing 1

- **Need amount for each income type for each person**
 - ▶ **Cannot have missing amounts since need total income for determining poverty level**
 - ▶ **No -1, -7, -8, -9 for income amounts on file**
- **Logical edits set many missing values to zero, based on skip pattern**
- **Then remaining missing values must be imputed**

Income Editing 2

- **Hotdeck imputation used to fill in missing amounts**
 - ▶ Multiple hotdecks needed for most types
 - ▶ First Hotdeck usually imputes for brackets (respondent has reported range)
- **Wages in Income section collected separately from hourly wages reported in Employment section**
 - ▶ Employment section data used in Income editing

Income Editing 3

- **Poverty category determined once imputation complete for all income types**
- **Calculation based on**
 - ▶ **Current Population Survey (CPS) definition of Family and Family Income**
 - ▶ **'Poverty Line' identified by Census Bureau**
- **CPS Family Income/Poverty Line**
 - ▶ **Resulting % converted to Poverty Category**

Income Editing 4

- **CPS Family Income**
 - ▶ **Sum of person-level income (17 income types) for all members of CPS family**
 - Excludes sales income
 - ▶ **Many CPS families made up of only one person**
- **Poverty line**
 - ▶ **Dollar amount of poverty level income**
 - Varies by family size and number of children
 - Also, age of householder if fewer than 3 in family

Income Editing 5

- **Each person assigned poverty category based on income of CPS family**
 - **1=poor (less than 100% of poverty line)**
 - **2=near poor (100% to less than 125%)**
 - **3=low income (125% to less than 200%)**
 - **4=middle income (200% to less than 400%)**
 - **5=high income (greater than or equal to 400%)**

Income Variables 1

- **Income variables available on annual Full Year Consolidated File**
 - ▶ **Person-level file**
 - Round 3 income for Panel in 1st year
 - Round 5 income for Panel in 2nd year
 - ▶ **2015 version released last month**
 - Not on Spring version of file (Population Characteristics)



Income Variables 2

- **Frequently used variables (2015 file names)**
 - **TTLP15X: Total person-level income**
 - **CPSFAMID: concatenate with DUID to identify CPS family of person (see file documentation)**
 - **FAMINC15: CPS family total income**
 - **POVCAT15: CPS family poverty category**
- **All family-level income variables included on record of each family member**

Income Variables 3

- **Other variables include**
 - ▶ **18 income types for each person, with imputation flag showing how each amount was derived**
 - 1=Original response**
 - 2=Bracket converted**
 - 3=Missing values set to 0**
 - 4=Weeks worked/earnings used**
 - 5=Conditional hotdeck**
 - 6=Unconditional hotdeck**
 - ▶ **Tax-related (i.e., tax form used)**
 - ▶ **Food stamps (Supplemental Nutrition Assistance Program)**
- **Top 1% records of each income type masked for confidentiality reasons**



Income Variables 4

WAGEP15X

PERSON'S WAGE INCOME

6.0

NUM

1444

1449

VALUE

UNWEIGHTED

WEIGHTED BY PERWT15F

0.00

17,355

142,796,592

\$41 - \$13,200

4,525

37,831,132

\$13,201 - \$26,000

4,640

37,285,771

\$26,001 - \$47,000

4,394

44,631,930

\$47,001 - \$402,105

4,513

58,877,825

TOTAL

35,427

321,423,251

WAGIMP15

WAGE IMPUTATION FLAG

1.0

NUM

1450

1450

VALUE

UNWEIGHTED

WEIGHTED BY PERWT15F

1 ORIGINAL RESPONSE USED

27,056

240,505,947

2 BRACKET CONVERTED

3,386

33,054,009

4 WEEKS WORKED/EARNINGS USED

3,925

37,313,596

5 CONDITIONAL HOTDECK

729

8,804,975

6 UNCONDITIONAL HOTDECK

331

1,744,724

TOTAL

35,427

321,423,251

Income Variables 5

- **3 income types can have negative, as well as zero or positive, amounts**
 - **BUSNP15X: Business income**
 - **TRSTP15X: Trust income**
 - **SALEP15X: Sales income**
 - ◆ **Sales income is not included in total person income**
- **Therefore, total person-level income or total family-level income can be a negative amount**

Questions?
William.Carroll@ahrq.hhs.gov