



AGENCY FOR HEALTHCARE RESEARCH AND QUALITY



MEPS-HC Income Data

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Income Overview

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

Income Collection

- **Income data are collected once for each year of the panel, in the following rounds:**
 - ▶ **Round 3 in first year**
 - ▶ **Round 5 in second year**
- **The income data collected are for the previous year.**
 - ▶ **For example, 2020 income data were collected in early 2021.**
- **These data are collected for all persons in the panel, including children.**

Income Collection (cont.)

- Respondents are asked to use federal income tax forms for the prior year as the basis for their responses.
 - ▶ For married couples filing jointly, amounts are split between spouses.
- But information is collected for all persons, even those not filing tax forms.

Income Collection (cont.)

- **Data on 18 types of income are collected.**
 - ▶ **Most persons have zero income for most types.**
- **These were the most common types of non-zero income in 2019:**
 - ▶ **Wages: 82% of persons ages 18 to 64**
 - ▶ **Interest: 22% of persons age 18+**
 - ▶ **Social Security: 81% of persons age 65+**
- **The least common type of non-zero income in 2019 was alimony, which was an income type reported by 0.2% of persons age 18+.**

Income Collection (cont.)

- **Wages in the Income section are collected separately from hourly wages reported in the Employment section.**
 - ▶ **Employment section data are used in Income editing.**

Income Editing

- **Amount is needed for each income type for each person.**
 - ▶ **Amounts cannot be missing because total income is needed for determining poverty level.**
 - ▶ **The missing value codes -1, -7, -8, -15 are not used 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 (cont.)

- **Hotdeck imputation is used to fill in missing amounts.**
 - ▶ **Multiple hotdecks are needed for most types.**
 - ▶ **The first hotdeck usually imputes for brackets (respondent has reported range).**

Income Editing (cont.)

Name	Description	Format	Type	Start	End
WAGEP19X	PERSON'S WAGE INCOME	6.0	Num	1562	1567
<u>Value</u>		<u>Unweighted</u>	<u>Weighted by PERWT19F</u>		
0		13,913	146,245,932		
\$9 - \$16,426		3,650	40,113,734		
\$16,427 - \$34,000		3,696	42,966,521		
\$34,001 - \$60,000		3,698	47,465,595		
\$60,001 - \$303,114		3,555	50,604,911		
Total:		28,512	327,396,693		

Name	Description	Format	Type	Start	End
WAGIMP19	WAGE IMPUTATION FLAG	1.0	Num	1568	1568
<u>Value</u>		<u>Unweighted</u>	<u>Weighted by PERWT19F</u>		
1 ORIGINAL RESPONSE USED		19,984	225,096,405		
2 BRACKET CONVERTED		2,346	28,637,468		
4 WEEKS WORKED/EARNINGS USED		4,848	59,011,374		
5 CONDITIONAL HOTDECK		1,019	12,286,235		
6 UNCONDITIONAL HOTDECK		315	2,365,211		
Total:		28,512	327,396,693		

Income Editing (cont.)

- Once imputation is completed for all income types, the poverty category is determined.
- Calculation is based on the following:
 - ▶ Current Population Survey (CPS) definition of family and family income
 - ▶ “Poverty thresholds” are identified by U.S. Census Bureau annually
- CPS family income/poverty line
 - ▶ Resulting percent converted to poverty category

Income Editing (cont.)

- Each person is assigned to a 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

- **Income variables are available in annual Full-Year Consolidated File.**
 - ▶ **Person-level file**
 - Round 3 income for panel in first year
 - Round 5 income for panel in second year
 - ▶ **2020 version is scheduled for release August 2022**
 - Not in spring version of file (Population Characteristics)

Income Variables (cont.)

- **Frequently used variables (2019 data names) include the following:**
 - TTLP19X: Total person-level income
 - CPSFAMID: Concatenate with DUID to identify CPS family of person (see file documentation)
 - FAMINC19: CPS family total income
 - POVCAT19: CPS family poverty category
- **All family-level income variables are included on the record of each family member.**

Income Variables (cont.)

- Three income types can have negative, as well as zero or positive, amounts:
 - BUSNP19X: Business income
 - TRSTP19X: Trust income
 - SALEP19X: 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.

Thank you!



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