



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 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., 2018 income in early 2019**
- **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 (2016)**
 - ▶ Wages: 82% of persons 18 to 64
 - ▶ Interest: 21% 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 (hotdeck imputation is used)**

Income Editing 2

- **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 3

- **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
 - ▶ **2017 version to be released this August**
 - Not on Spring version of file (Population Characteristics)

Income Variables 2

- **Frequently used variables (2016 data names)**
 - **TTLP16X: Total person-level income**
 - **CPSFAMID: concatenate with DUID to identify CPS family of person (see file documentation)**
 - **FAMINC16: CPS family total income**
 - **POVCAT16: CPS family poverty category**
- **All family-level income variables included on record of each family member**

Income Variables 3

- Three income types can have negative, as well as zero or positive amounts
 - BUSNP16X: Business income
 - TRSTP16X: Trust income
 - SALEP16X: 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