AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

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 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 last year**
  - ► **i.e., 2019 income data was collected in early 2020**
- **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**
  - ► **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 3

- **18 types of income are collected**
  - ► **Most persons have zero income for most types**
- **Most common types of non-zero income in 2017:**
  - ► **Wages: 82% of persons 18 to 64**
  - ► **Interest: 21% of persons 18+**
  - ► **Social Security: 81% of persons 65+**
- **Least common – Alimony: 0.2% of persons 18+**

Income Collection 4

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

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, -15 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 is used to fill in missing amounts**
  - ► **Multiple hotdecks needed for most types**
  - ► **First Hotdeck usually imputes for brackets (respondent has reported range)**

Income Editing 3

NAME	DESCRIPTION	FORMAT	TYPE	START	END
WAGEP17X	PERSON'S WAGE INCOME	6.0	NUM	1511	1516

VALUE	UNWEIGHTED	WEIGHTED BY PERWT17F
0.00	15,762	144,917,310
$3 - $15,000	4,263	40,198,655
$15,001 - $30,000	3,944	38,754,176
$30,001 - $54,000	3,920	46,062,473
$54,001 - $383,327	3,991	54,847,294
TOTAL	31,880	324,779,909

NAME	DESCRIPTION	FORMAT	TYPE	START	END
WAGIMP17	WAGE IMPUTATION FLAG	1.0	NUM	1517	1517

VALUE	UNWEIGHTED	WEIGHTED BY PERWT17F
1 ORIGINAL RESPONSE USED	22,746	227,866,312
2 BRACKET CONVERTED	2,987	31,111,381
4 WEEKS WORKED/EARNINGS USED	4,893	52,801,518
5 CONDITIONAL HOTDECK	986	11,558,735
6 UNCONDITIONAL HOTDECK	268	1,441,962
TOTAL	31,880	324,779,909

Income Editing 4

- **Once imputation is completed for all income types the poverty category is determined**
- **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**

- **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 was released last August**
    - − **Not on Spring version of file (Population Characteristics)**

Income Variables 2

- **Frequently used variables (2017 data names)**
  - **TTLP17X: Total person-level income**
  - **CPSFAMID: concatenate with DUID to identify CPS family of person (see file documentation)**
  - **FAMINC17: CPS family total income**
  - **POVCAT17: CPS family poverty category**
- **All family-level income variables included on record of each family member**

- **3 income types can have negative, as well as zero or positive, amounts**
  - **BUSNP17X: Business income**
  - **TRSTP17X: Trust income**
  - **SALEP17X: 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!

William.Carroll@ahrq.hhs.gov