



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 last year**
 - ▶ i.e., 2018 income data was collected 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 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, -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 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

<u>NAME</u>	<u>DESCRIPTION</u>	<u>FORMAT</u>	<u>TYPE</u>	<u>START</u>	<u>END</u>
<u>WAGEP17X</u>	<u>PERSON'S WAGE INCOME</u>	<u>6.0</u>	<u>NUM</u>	<u>1511</u>	<u>1516</u>
	<u>VALUE</u>	<u>UNWEIGHTED</u>	<u>WEIGHTED BY PERWT17F</u>		
	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	
<u>WAGIMP17</u>	<u>WAGE IMPUTATION FLAG</u>	<u>1.0</u>	<u>NUM</u>	<u>1517</u>	<u>1517</u>
	<u>VALUE</u>	<u>UNWEIGHTED</u>	<u>WEIGHTED BY PERWT17F</u>		
	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**

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
 - ▶ **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**

Income Variables 3

- 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