

## **Instructions**

In part 1 you will find more information about the CPS (history, sample, weights, etc...).

Part 2 focuses on the different variables (in alphabetical order) used in the survey and also refers briefly to certain programs (food stamps, TANF, etc...). Please note that not all variables are included in the LIS US dataset, for a list of variables and their value labels, see: <http://www.lis.ceps.lu/us97dst.htm>.

If you still want more information after reading these pages, you can go to the CPS homepage:

<http://www.bls.census.gov/cps/cpsmain.htm>

Sources: Information for part 1 is taken from the CPSmarch99 CD- ROM, Overview, information for part 2 is taken from <http://www.bls.census.gov/cps/ads/1995/sglosary.htm>

## **Part 1: Current Population Survey, what, how, why?**

### **Introduction**

The Current Population Survey (CPS) is the source of the official Government statistics on employment and unemployment. The CPS has been conducted monthly for over 50 years. Currently, we interview about 47,000 households monthly, scientifically selected on the basis of area of residence to represent the Nation as a whole, individual States, and other specified areas. Each household is interviewed once a month for four consecutive months one year, and again for the corresponding time period a year later. This technique enables us to obtain month-to-month and year-to-year comparisons at a reasonable cost while minimizing the inconvenience to anyone household.

Although the main purpose of the survey is to collect information on the employment situation, a very important secondary purpose is to collect information on the demographic status of the population, information such as age, sex, race, marital status, educational attainment, and family structure. From time to time additional questions are included on such important subjects as health, education, income, and previous work experience. The statistics resulting from these questions serve to update similar information collected once every 10 years through the decennial census, and are used by Government policymakers and legislators as important indicators of our Nation's economic situation and for planning and evaluating many Government programs.

The CPS provides current estimates of the economic status and activities of the population of the United States. Because it is not possible to develop one or two overall figures (such as the number of unemployed) that would adequately describe the labor market, the CPS is designed to provide a large amount of detailed and supplementary data. Such data are made available to meet a wide variety of needs on the part of users of labor market information. Thus, the CPS is the only source of monthly estimates of total employment (farm and non-farm self-employed persons, domestics, and unpaid workers in non-farm family enterprises; wage and salary employees; and, finally, estimates of total unemployment.

It provides the only available distribution of workers by the number of hours worked (as distinguished from aggregate or average hours for an industry), permitting separate analyses of part-time workers, workers on overtime, etc. The survey is also the only comprehensive current source of information on the occupation of workers and the industries in which they work. Information is available from the survey not only for persons currently in the labor force but also for those who are outside the labor force.

The characteristics of such persons) whether married women with or without young children, disabled persons, students, older retired workers, etc., can be determined. Information on their current desire for work, their past work experience, and their intentions for job seeking are also available.

The March CPS, also known as the Annual Demographic File, contains the basic monthly demographic and labor force data described above, plus additional data on work experience, income, non cash benefits, and migration.

## **CPS Sample**

The CPS sample is based on the civilian non-institutional population of the United States. The sample is located in 792 sample areas comprising 2,007 counties and independent cities with coverage in every State in the District of Columbia. In all, some 60,000 housing units or other living quarters are assigned for interview each month; about 7,000 of them containing approximately 94,000 persons 15 years old and over are interviewed. Also included are demographic data for approximately 8,000 children 0-14 years old and 450 Armed Forces members living with civilians either on or off base within these households. The remainder of the signed housing units are found to be vacant, converted to nonresidential use, contain persons with residence elsewhere, or are not interviewed because the residents are not found at home after repeated calls, are temporarily absent, or are unavailable for other reasons. Approximately 12,000 non-interview households are present each month. The resulting file size is approximately 136,000 records. In March of each year supplemental data are collected for Armed Forces members residing with their families in civilian housing units or on a military base. The Armed Forces members, however, are not asked the monthly labor force questions. In addition, the March CPS is supplemented with a sample of Hispanic households identified the previous November. This results in the addition of about 3,500 households (3,000 interviewed) in the March CPS. The inclusion of the additional sample of Hispanic households began in 1976.

A more precise explanation regarding the CPS sample design is provided in Technical Paper 40, *The Current Population Survey: Design and Methodology*. For a more detailed discussion about the basic labor force data gathered on a monthly basis in the CPS survey, see the Bureau of Labor Statistics Report No. 463 and the Current Population Report P-23, No.62, issued jointly by the Bureau of Labor Statistics and the Bureau of the Census in October, 1976, and entitled *Concepts and Methods Used In Labor Statistics derived from the Current Population Survey*.

## **Revisions To The March CPS Processing System**

Between 1988 and 1989 a new computer processing system was introduced for the March Current Population Survey. This processing system rewrite was long overdue; the system in use before this year was first introduced in March 1976 and was never fully updated to reflect the numerous questionnaire changes that had taken place since that time. In addition, the programs used to process the CPS file were written in a computer language that is being phased out of use at the Census Bureau. While the March 1989 file is the first to reflect this new processing system, the March 1988 file was reprocessed based on these new procedures in order to: 1) better evaluate the new processing procedures, and 2) allow year-to-year comparisons to be made between income years 1987 and 1988 using a consistent, processing system.

While the following section deals mainly with modifications to the March imputation procedures and their subsequent effect on income and poverty rates, it should be pointed out that all of the processing programs were rewritten in 1989, so that not only are the files from 1989 forward based on a somewhat different imputation system, but also reflect a rewritten weighting system, data acceptance program, family relationship edits, and new procedures to match income supplement records to the monthly CPS file. As a result, it is difficult to ascertain whether differences (especially those based on relatively small bases) are the result of imputation or other processing differences between the original and revised files.

Since the Census Bureau began imputing the missing income data on the CPS in 1962, there have been three major revisions to the processing system (in 1967, 1976, and 1988). Through all of these revisions, the basic strategy used in making imputations has remained the same. This approach commonly referred to as "hot deck" imputation, assigns missing responses to sample persons with information from matched sample persons with similar demographic and economic information who answered these questions.

Under the new March processing system, there were three main modifications to the income imputation programs:

1. The edits and imputations were expanded to reflect the full detail of the March income questionnaire. The original processing system was still based on a less detailed CPS income questionnaire that had not been in use since 1980.

2. Under the revised processing procedures, entire sets of March income and non-cash benefits data were imputed to supplement non-interviews from the same interviewed person. Under the original processing procedures, earnings, unearned income, and non-cash benefits were imputed in separate stages during the processing system. Thus, the

new processing system imputes non-interviews more efficiently and is better able to preserve the correlation between earnings, unearned income, and non-cash benefits.

3. Both the old and new processing systems employ what are called "statistical matches" to link sample cases with reported data to those requiring imputation for missing responses. In the original processing system, under certain circumstances, reported data were removed and replaced with imputed data during the statistical matching process. Under the new system, reported data are never removed. This was accomplished by expanding the number of statistical matches in the income imputation system.

### **File Structure**

There is a household record for each household or group quarters. The household record is followed by one of three possible structures:

#### **A. If the household contains related persons and is not a group quarters household:**

1. The family record appears next followed by person records for members of the family who are not also members of a related subfamily. The person records would be ordered: family householder, spouse of family householder, children in the family, and other relatives of the family householder.

2. One or more related subfamily records may follow the above records, each related subfamily record being followed immediately by person records for members of that related subfamily. The person records would be ordered: reference person of the related subfamily, spouse of subfamily reference person, and children of subfamily reference person.

3. The above records may be followed by one or more unrelated subfamily records, each unrelated subfamily record being followed immediately by person records for members of that unrelated subfamily. The person records would be ordered: unrelated subfamily reference person, spouse of subfamily reference person, and children of subfamily reference person.

4. The above records may be followed by one or more persons living with non relatives family records, each to be followed by the person record for the unrelated individual it represents.

#### **B. If the household contains a householder with no relatives and is not a group quarters household:**

1. The family record for the non-family householder is followed immediately by the person record for that non-family householder.

2. These records may be followed by one or more unrelated subfamily records, each unrelated subfamily record being followed immediately by the person records for members of that unrelated subfamily.

3. These records may be followed by one or more family records for persons living with non relatives, each person living with non relatives family record being followed immediately by the person record for that person living with non relatives.

#### **C. If the household is a group quarters, each person is defined as a person living with non relatives. There will be a family record followed by a person record for each person in the group quarters.**

### **Relationship of Current Population Survey Files to Publications**

Each month, a significant amount of information about the labor force is published by the Bureau of Labor Statistics in the Employment and Earnings and monthly Labor Review Reports.

As mentioned previously, the CPS also serves as a vehicle for supplemental inquiries on subjects other than employment which are periodically added to the questionnaire. From the basic and supplemental data the Bureau of the Census issues four series of publications under the general title Current Population reports:

P-20 Population Characteristics P-23 Special Studies

P-27 Farm Population

P-60 Consumer Income

Of particular interest to users of the March micro data file would be those reports based on information collected in March. These reports include the following titles:

P-20 Population Profile of the United States: (Year)  
P-20 Household and Family Characteristics: March (Year)  
P-20 Households, Families, Marital Status, and Living Arrangements: March (Year)  
P-20 Geographical Mobility (Years)  
P-20 Educational Attainment in the United States (Years)  
P-20 Persons of Hispanic Origin in the United States (Year)  
P-60 Money Income and Poverty Status of Families and Persons in the United States: (Year)  
P-60 Characteristics of the Population below the Poverty Level: (Year)  
P-60 Characteristics of Households Receiving Selected Non-cash Benefits: (Year)

All Current Population Reports may be obtained by subscription from the U.S. Government Printing Office. Subscriptions are available as follows: Population Characteristics, Special Studies, Farm Population, and Consumer Income series (P-20, P-23, P-27, P-60) combined, \$71 per year (sold as a package only); Population Estimates and Projections (P-25), \$25 per year. Single issues may be ordered separately; ordering information and prices are in the *Bureau of the Census Catalog and Guide*, in *Census and You*, and the *Monthly Product Announcement* (MPA).

### **Geographic Limitations**

One set of estimates that can be produced from CPS micro data files should be treated with caution. These are estimates for individual metropolitan areas. Although estimates for the larger areas such as New York, Los Angeles, and so forth, should be fairly accurate and valid for a multitude of uses, estimates for the smaller metropolitan areas (those with populations under 500,000) should be used with caution because of the relatively large sampling variability associated with these estimates. For these areas, estimates comparing percent distributions and ratios will provide data with less sampling variability than estimates of levels will.

It should be kept in mind that the sample design and methods of weighting CPS data are geared towards producing estimates for the entire Nation. Consequently, data for states are not as reliable as national data, and the file will lose some of its utility in certain applications. For further discussion of such considerations, the user should consult *The Current Population Survey: Design and Methodology* (Technical Paper 40, U.S. Bureau of the Census). The nature of the work done by each individual investigator using the micro data file will determine to what extent his/her requirements for precision will allow using some of the smaller geographic areas identified on the file.

### **Weights**

For all CPS data files a single weight is prepared and used to compute the monthly labor force status estimates. An additional weight was prepared for the earnings universe, which roughly corresponds to wage, and salary workers in the two outgoing rotations. This is explained below in the section on earnings data. However, the differences in content of the March CPS supplement requires the presentation of additional weights: a household weight, a family weight, and a March supplement weight. In this section we briefly describe the construction and use of these weights. Chapter 5 of Technical paper 40, *The Current Population Survey: Design and Methodology* provides documentation of the weighting procedures for the CPS both with and without supplement questions.

The final weight, which is the product of several adjustments, is used to produce population estimates for the various items covered in the regular monthly CPS. This weight is constructed from the basic weight for each person, which represents the probability of selection for the survey. The basic weight is adjusted for special sampling situations and failure to obtain interviews from eligible households (non-interview adjustment). A two-stage ratio estimation procedure adjusts the sample population to the known distribution of the entire population. This two-stage ratio estimation process produces factors which are applied to the basic weight (after the special weighting and non-interview adjustments are made) and results in the final weight associated with each record. In summary, the final weight is the product of: (1) the basic weight, (2) adjustments for special weighting, (3) non interview adjustment, (4) first stage ratio adjustment factor, and (5) second stage ratio adjustment factor. This final weight should be used when producing estimates from the basic CPS data.

Differences in the questionnaire, sample and data uses for the March CPS supplement result in the need for additional adjustment procedures to produce what is called the March supplement weight. The sample for the March CPS supplement is expanded to include male members of the Armed Forces who are living in civilian housing or with the family on a military base, as well as additional Hispanic households which are not included in the monthly labor force estimates.

The expanded sample and the need to have a husband and wife receive the same weight has resulted in a weighting system which produces the March supplement weight. The March supplement weight should be used for producing estimates from March supplement data.

Finally, household and family weights are the weights assigned from the householder or reference person after all adjustments have been made and could be used when tabulating estimates of families-households.

## **Earnings Data**

Beginning in 1982, usual hourly and weekly earnings data appear on the Annual Demographic File ADF for that portion of the population roughly corresponding to wage and salary workers (self-employed persons in incorporated businesses are excluded, although they are normally included with the wage and salary population). These data are now collected on a monthly basis in the two outgoing rotation groups as part of the basic CPS labor force interview.

Since the intent of the regular collection of earnings data was to initiate a family earnings data series, all persons in the two outgoing rotations receive an "earnings weight," even if they are not eligible for the earnings item. The earnings weight is a simple ratio-estimation to the person's labor force status by age, race, and sex. When tabulating estimates of earnings based on basic CPS data, use the earnings weight.

Further information on this earnings series is contained in *Technical Description of the Quarterly Data on Weekly Earnings from the Current Population Survey*, BLS Report #601, July 1980. This report is available on request from the U.S. Department of Labor, Bureau of Labor Statistics, Washington, D.C. 20212. Attn: Office of Inquiries and Correspondence.

NOTE: For 1982 and 1983, usual weekly earnings are not present for individuals who were not paid on an hourly basis.

## **PART 2: CPS variables and concepts.**

**Age.** Age classification is based on the age of the person at his/her last birthday. The adult universe (i.e., population of marriageable age) is comprised of persons 15 years old and over for March supplement data and for CPS labor force data.

**Annuities.** (See Income.)

**Armed Forces.** Armed Forces members enumerated in off-base housing or on base with their families are included on the CPS data file in March. In addition to demographic and family data, supplemental data on income and work experience for Armed Forces members are included.

**Base Weight.** The constant weight assigned to the sample (inverse of the sampling fraction) which is adjusted to produce the final weight.

**Civilian Labor Force.** (See Labor Force.)

**Class of Worker** This refers to the broad classification of the person's employer. On the March file, these broad classifications for current jobs are private, government, self-employed, without pay, and never worked. Private and government workers are considered "wage and salary workers;" this classification scheme includes self-employed, incorporated persons in with "private" workers. For the longest job held last year, this class of worker scheme includes private; government by level/Federal, State, and local; self-employed incorporated, self-employed unincorporated or farm; and without pay. The wage and salary category for longest job held includes private, government (all levels), and self-employed incorporated.

**Dividends.** (See Income)

**Duration of Unemployment.** Duration of unemployment represents the length of time (through the current survey week) during which persons classified as unemployed are continuously looking for work. For persons on layoff,

duration of unemployment represents the number of full weeks since the termination of their most recent employment. A period of two weeks or more during which a person is employed or ceased looking for work is considered to break the continuity of the present period of seeking work. Average duration is an arithmetic mean computed from a distribution by single weeks of unemployment.

**Earners, Number of.** The file includes an persons 15 years old and over in the household with \$1 or more in wages and salaries, or \$1 or more of a loss in net income from farm or non-farm self-employment during the preceding year.

**Earnings Weight.** Each person record in month-in-sample 4 and 8 contains an earnings weight for current earnings.

**Education.** See Level of School Completed.

**Employed.** (See Labor Force.)

**Energy Assistance Program.** The Low-Income Home Energy Assistance Program provides financial assistance to qualified households to help them pay heating costs. The program is funded by the Federal government and administered by the States under broad guidelines. In some States a household may automatically be eligible for this program if the household receives (1) Aid to Families with Dependent Children, (2) Food Stamps, (3) Supplemental Security Income (SSI), and (4) certain Veterans' benefits.

The energy assistance questions were asked for the first time in 1982. Questions asked in the March 1989 survey included (1) recipient since October 1, 1988, and (2) total amount received during the reference period.

**Family.** A family is a group of two persons or more (one of whom is the householder) residing together and related by birth, marriage, or adoption. All such persons (including related subfamily members) are considered as members of one family. Beginning with the 1980 CPS, unrelated subfamilies (referred to in the past as secondary families) are no longer included in the count of families, nor are the members of unrelated subfamilies included in the count of family members.

**Family Household.** A family household is a household maintained by a family (as defined above), and may include among the household members any unrelated persons (unrelated subfamily members and/or unrelated individuals) who may be residing there. The number of family households is equal to the number of families. The count of family household members differs from the count of family members, however, in that the family household members include all persons living in the household, whereas family members include only the householder and his/her relatives. (See the definition of Family).

**Family Weight.** The weight on the family record is the March supplement weight of the householder or reference person. This weight on the primary family record should be used to tabulate the number of families.

**Farm self-employment net income.** The term is defined as net money income (gross receipts minus operating expenses) from the operation of a farm by a person on his own account, as an owner, as a renter, or as a sharecropper. Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, etc.

Operation expenses include cost of fertilizer, seed, and other farming supplies, cash wages paid to farm hands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not State and Federal income taxes), etc. The value of fuel, food, or other farm products used for household living is not included as part of net income. Inventory changes are considered in determining net income only when they are accounted for in replies based on income tax returns or other official records, which reflect inventory changes.

**Final Weight** Used in tabulating monthly labor force items. This weight should be used when producing estimates from the basic CPS data. It should not be used to tabulate March supplement data.

**Food Stamps.** The Food Stamp Act of 1977 was enacted for the purpose of increasing the food purchasing power of eligible households through the use of coupons to purchase food. The Food and Nutrition Service of the U.S. Department of Agriculture (USDA) administers the Food Stamp Program through State and local welfare offices. The Food Stamp Program is the major national income support program, which provides benefits to allow income and low-resource households regardless of household characteristics (e.g., sex, age, disability, etc.). The questions on participation in the Food Stamp Program in the March CPS were designed to identify households in which one or more of the current members received food stamps during the previous calendar year. Once a food stamp household was identified, a question was asked to determine the number of current household members covered by food stamps during the previous calendar year. Questions were also asked about the number of months food stamps were received during the previous calendar year and the total face value of all food stamps received during that period.

**Full-Time Worker.** Persons on full-time schedules include persons working 35 hours or more, persons who worked 1-34 hours for non-economic reasons (e.g., illness) and usually work full-time, and persons "with a job but not at work" who usually work full-time.

**Group Health Insurance Coverage.** Civilian persons 15 years old and over who worked in the previous calendar year and who participated in group health insurance plans provided by the employer or union were asked whether part or all of the health insurance premiums were paid for by the union or employer and the extent of persons covered.

Additional questions were asked to determine if any other type of health insurance plan covered sample persons. These items are intended to measure retirees covered by continuing employer provided coverage and persons who purchased coverage on their own.

**Group Quarters.** Group quarters are non-institutional living arrangements for groups not living in conventional housing units or groups living in housing units containing nine or more persons unrelated to the person in charge.

**Head versus Householder.** Beginning with the March 1980 CPS, the Bureau of the Census discontinued the use of the ten DS "head of household" and "head of family." Instead, the ten-DS "householder" and "family householder" are used.

**Highest Grade of School Attended.** (See Level of School Completed)

**Hispanic Origin.** Persons of Hispanic origin in this file are determined on the basis of a question that asked for self-identification of the person's origin or descent. Respondents are asked to select their origin (or the origin of some other household member) from a "flash card" listing ethnic origins. Persons of Hispanic origin, in particular, are those who indicated that their origin was Mexican- American, Chicano, Mexican, Mexicano, Puerto Rican, Cuban, Central or South American, or other Hispanic.

**Hours of Work.** Hours of work statistics relate to the actual number of hours worked during the survey week. For example, a person who normally works 40 hours a week but who is off on the Veterans Day holiday is reported as working 32 hours even though he is paid for the holiday.

For persons working in more than one job, the figures relate to the number of hours worked in all jobs during the week. However, all the hours are credited to the major job.

**Household.** A household consists of all the persons who occupy a house, an apartment, or other group of rooms, or a room, which constitutes a housing unit. A group of rooms or a single room is regarded as a housing unit when it is occupied as separate living quarters that is, when the occupants do not live and eat with any other person in the structure, and when there is direct access from the outside or through a common hall. The count of households excludes persons living in group quarters, such as rooming houses, military barracks, and institutions. Inmates of institutions (mental hospitals, rest homes, correctional institutions, etc.) are not included in the survey.

**Household Weight.** Household weight is the March Supplement weight of the householder. This weight should be used to tabulate estimates of households.

**Householder.** The householder refers to the person (or one of the persons) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. If the house is owned or rented jointly by a married couple, the householder may be either the husband

or the wife. The person designated as the householder on the file is the "reference person" on the CPS-260 control card to whom the relationship of another household members, if any, is recorded.

**Householder with no Other Relatives in Household.** A householder who has no relatives living in the household. This is the entry for a person living alone. Another example is the designated householder of an apartment shared by two or more unrelated individuals.

**Householder With Other Relatives (Including Spouse) in Household.** The person designated as householder if he/she has one or more relatives (including spouse) living in the household.

**Income.** For each person in the sample who is 15 years old and over, questions are asked on the amount of money income received in the preceding calendar year from each of the following sources:

(1) money wages or salary; (2) net income from non-farm self-employment; (3) net income from farm self-employment; (4) Social Security or railroad retirement; (5) Supplemental Security Income; (6) public assistance or welfare payments; (7) interest (on savings or bonds); (8) dividends, income from estates or trusts, or net rental income; (9) veterans' payment or unemployment and workmen's compensation; (10) private pensions or government employee pensions; (11) alimony or child support, regular contributions from persons not living in the household, and other periodic income.

Although income statistics refer to receipts during the preceding year, the characteristics of the person such as age, labor force status, etc., and the composition of households refer to the time of the survey. The income of the household does not include amounts received by persons who are members of the household during all or part of the income year if these persons no longer reside with the household at the time of enumeration. On the other hand, household income includes amounts reported by persons who did not reside with the household during the income year but who were members of the household at the time of enumeration.

Data on consumer income collected in the CPS by the Bureau of the Census cover money income received (exclusive of certain money receipts such as capital gains) before payments for personal income taxes, Social Security, union dues, Medicare deductions, etc. Also, money income does not reflect the fact that some households receive part of their income in the form of non-money transfers such as food stamps, health benefits, subsidized housing, and energy assistance; that many farm households receive non-money income in the form of rent free housing and goods produced and consumed on the farm; or that non-money income is received by some non-farm residents that often takes the form of the use of business transportation and facilities, or full or partial contributions for retirement programs, medical and educational expenses, etc. These elements should be considered when comparing income levels. Moreover, readers should be aware that for many different reasons there is a tendency in household surveys for respondents to under report their income. From an analysis of independently derived income estimates, it has been determined that wages and salaries tend to be much better reported than such income types as public assistance, Social Security, and net income from interest, dividends, rents, etc.

**Income Sources -Wages and Salary.** Money wages or salary is defined as total money earnings received for work performed as an employee during the income year. It includes wages, salary, Armed Forces pay, commissions, tips, piece-rate payments, and cash bonuses earned, before deductions are made for taxes, bonds, pensions, union dues, etc. Earnings for self-employed incorporated businesses are considered wage and salary.

**Income Sources -Non-farm self-employment.** Net income from non-farm self-employment is net money income (gross receipts minus expenses) from one's own business, professional enterprise, or partnership. Gross receipts include the value of all goods sold and services rendered. Expenses include costs of goods purchased, rent, heat, light, power, depreciation charges, wages and salaries paid, business taxes (not personal income taxes), etc. In general, inventory changes are considered in determining net income since replies based on income tax returns or other official records do reflect inventory changes. However, when values of inventory changes are not reported, net income figures exclusive of inventory changes are accepted. The value of saleable merchandise consumed by the proprietors of retail stores is not included as part of net income.

**Income Sources -Farm self-employment.** Net income from farm self-employment is net money income (gross receipts minus operating expenses) from the operation of a farm by a person on his own account, as an owner, as a renter, or as a sharecropper. Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, etc.



Operating expenses include cost of feed, fertilizer, seed, and other farming supplies, cash wages paid to farm hands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not State and Federal income taxes), etc. The value of fuel, food, or other farm products used for family living is not included as part of net income. In general, inventory changes are considered in determining net income only when they are accounted for in replies based on income tax returns or other official records, which reflect inventory changes; otherwise, inventory changes are not taken into account.

**Income Sources -Social Security.** Social Security includes Social Security pensions and survivors' benefits, and permanent disability insurance payments made by the Social Security Administration prior to deductions for medical insurance and railroad retirement insurance checks from the U.S. Government. "Medicare" reimbursements are not included.

**Income Sources -Supplemental Security Income.** Supplemental Security Income includes payments made by Federal, State, and local welfare agencies to low income persons who are (1) aged (65 years old and over), (2) blind, or (3) disabled.

**Income Sources -Public Assistance.** Public assistance or welfare payments include public assistance payments such as Aid to Families with Dependent Children and general assistance.

**Income Sources -Interest and Dividends.** Interest, dividends, income from estates or trusts, net rental income or royalties include dividends from stockholdings or membership in associations, interest on savings or bonds, periodic receipts from estates or trust funds, net income from rental of a house, store, or other property to others, receipts from boarders or lodgers, and net royalties.

**Income Sources -Unemployment Compensation, Worker's Compensation, and Veterans' Payments.** Unemployment compensation, veterans' payments, or worker's compensation includes: (1) unemployment compensation received from government unemployment insurance agencies or private companies during periods of unemployment and any strike benefits received from union funds; (2) money paid periodically by the Veterans Administration to disabled members of the Armed Forces or to survivors of deceased veterans, subsistence allowances paid to veterans for education and on-the-job training, as well as so-called "refunds" paid to ex-servicemen as GI insurance premiums; and (3) worker's compensation received periodically from public or private insurance companies for injuries incurred at work. The cost of this insurance must have been paid by the employer and not by the person.

**Income Sources -Private and Government Pensions and Annuities.** Many employers and unions have established pension program their employees so that upon retirement the employee will receive regular income to replace his/her earnings. Many of these programs also provide income to the employees if he/she becomes severely disabled, or to his/her survivors if the employee dies. Other Types of retirement income include annuities and paid up life insurance policies. Some people purchase annuities, which yield a set amount over a certain number of years. Other people may convert their paid up life insurance policy into an annuity after they retire.

**Income Sources -Alimony and Child Support.** Alimony is money received periodically from a former spouse following a divorce or separation. Child support is money received from a parent for the support of their children following a divorce or legal separation. Money received from relatives, other than the parent, or friends is not considered as child support.

**Receipts Not Counted As Income.** Receipts from the following sources are not included as income: (1) money received from the sale of property, such as stocks, bonds, a house, or a car (unless the person is engaged in the business of selling such property, in which case the net proceeds is counted as income from self-employment); (2) withdrawals of bank deposits; (3) money borrowed; (4) tax refunds; (5) gifts; and (6) lump-sum inheritances of insurance payments.

**Industry, Occupation, and Class of Worker (I&O) -Current Job (basic data).** For the employed, current job is the job held in the reference week (the week before the survey). Persons with two or more jobs are classified in the job at which they worked the most hours during the reference week. The unemployed are classified according to their latest full-time job lasting two or more weeks or by the job (either full-time or part-time) from which they were on layoff. The I & O questions are also asked of persons not in the labor force who are in the fourth and eighth

months in sample and who have worked in the last five years. The occupation/industry classification system for the 1990 Census of Population was used to code CPS data beginning with the January 1992 file. See the table below.

**Job Seekers.** All unemployed persons who made specific efforts to find a job sometime during the 4 week period preceding the survey week.

**Keeping House.** Persons are classified as keeping house if they engage in own housework. This is one of the "not in labor force" classifications employment status recode (ESR) = 4.

**LFSR (Labor Force Status Recode).** This classification is available for each civilian 15 years old and over, according to his/her responses to the monthly (basic) labor force items in March.

**Labor Force.** Persons are classified as in the labor force if they are employed, unemployed, or in the Armed Forces during the survey week. The "civilian labor force" includes all civilians classified as employed or unemployed. The file includes labor force data for civilians age 15 and over. However, the official definition of the civilian labor force is age 16 and over.

**1. Employed** Employed persons comprise (1) all civilians who, during the survey week did any work at all as paid employees or in their own business or profession, or on their own family, or who work 15 hours or more as unpaid workers on a farm or a business operated by a member of the family; and (2) all those who have jobs but who are not working because of illness, bad weather, vacation, or labor-management dispute, or because they are taking time off for personal reasons, whether or not they are seeking other jobs. These persons would have an Labor Force Status Recode (LFSR) of 1 or 2 respectively in character 145 of the person record which designates "at work" and "with a job, but not at work." Each employed person is counted only once. Those persons who held more than one job are counted in the job at which they worked the greatest number of hours during the survey week. If they worked an equal number of hours at more than one job, they are counted at the job they held the longest.

**2. Unemployed** Unemployed persons are those civilians who, during the survey week, have no employment but are available for work, and (1) have engaged in any specific job seeking activity Within the past 4 weeks such as registering at a public or private employment office, meeting with prospective employers, checking with friends or relatives, placing or answering advertisements, writing letters of application, or being on a union or professional register; (2) are waiting to be called back to a job from which they had been laid off; or (3) are waiting to report to a new wage or salary job within 30 days. These persons would have an LFSR code of 3 or 4 in character 145 of the person record. The unemployed includes job leavers, job losers, new job entrants, and job reentrants.

a. **Job Leavers.** Persons who quit or otherwise terminate their employment voluntarily and immediately begin looking for work.

b. **Job Losers.** Persons whose employment ends involuntarily, who immediately begin looking for work, and those persons who are already *on* layoff.

c. **New Job Entrants.** Persons who never worked at a full-time job lasting two weeks or longer.

d. **Job Reentrants.** Persons who previously worked at a full-time job lasting two weeks or longer but are out of the labor force prior to beginning to look for work.

**3. Not in Labor Force.** All civilians 15 years old and over who are not classified as employed or unemployed. These persons are further classified as major activity: keeping house, going to school, unable to work because of long-term physical or mental illness, and other. The "other" group includes, for the most part, retired persons. Persons who report doing unpaid work in a family farm or business for less than 15 hours are also classified as not in the labor force.

For persons not in the labor force, data on previous work experience, intentions to seek work again, desire for a job at the time of interview, and reasons for not looking for work are asked only in those households that are in the fourth and eighth months of the sample, i.e., the "outgoing" groups, those which had been in the sample for three previous months and would not be in for the subsequent month.

These items are asked in question 24; see the questionnaire facsimile. Such persons have an LFSR code of 5-7 in character 145 of the person record.

Finally, it should be noted that the unemployment rate represents the number of persons unemployed as a percent of the civilian labor force 16 years old and over. This measure can also be computed for groups within the labor force classified by sex, age, marital status, race, etc. The job loser, job leaver, reentrant, and new entrant rates are each calculated as a percent of the civilian labor force 16 years old and over; the sum of the rates for the four groups thus equals the total unemployment rate.

**Layoff.** A person who is unemployed but expects to be called back to a specific job. If he/she expects to be called back within 30 days, it is considered a temporary layoff; otherwise, it is an indefinite layoff

**Level of School Completed Degree Received.** These data changed on the March 1992 file. A new question, "What is the highest level of school. Has completed or the highest degree. . Has received? Replace the old " highest grade attended" and", year completed" questions. The new question provides more accurate data on the degree status of college students. Educational attainment applies only to progress in "regular" school. Such schools include graded public, private, and parochial elementary and high schools (both junior and senior high), colleges, universities, and professional schools. Whether day schools or night schools. Thus, regular schooling is that which may advance a person toward an elementary school certificate or high school diploma, or a college, university, or professional school degree. Schooling in other than regular schools is counted only if the credits obtained are regarded as transferable to a school in the regular school system.

**Looking for Work.** A person who is trying to get work or trying to establish a business or profession.

**March Supplement Weight** The March supplement weight is on all person records and is used to produce 'supplement' estimates; that is, income, work experience, migration, and family characteristic estimates.

**Marital Status.** The marital status classification identifies four major categories: single (never married), married, widowed, and divorced. These terms refer to the marital status at the time of enumeration.

The category "married" is further divided into "married, civilian spouse present," "married, Armed Force spouse present," "married, spouse absent," "married, Armed Force spouse absent," and "separated." A person is classified as "married, spouse present" if the husband or wife is reported as a member of the household even though he or she may be temporarily absent on business or on

Vacation, visiting, in a hospital, etc., at the time of the enumeration. Persons reported as "separated" included those with legal separations, those living apart with intentions of obtaining a divorce and other persons permanently or temporarily estranged from their spouses because of marital discord.

For the purpose of this file, the group "other marital status" includes "separated," and "other married, spouse absent."

Widowed and divorced,

**Medicare.** The Medicare Program is designed to provide medical care for the aged and disabled. The Basic Hospital Insurance Plan (part A) is designed to provide basic protection against hospital costs and related post-hospital services. This plan also covers many persons under 65 years old who receive Social Security or railroad retirement benefits based on long-term disability. Part A is financed jointly by employers and employees through Social Security payroll deductions. Qualified persons 65 years old and over who are not otherwise eligible for Part A benefits may pay premiums directly to obtain this coverage. The Medical Insurance Plan (Part B) is a voluntary plan, which builds upon the hospital insurance protection provided by the basic plan. It provides insurance protection covering physicians' and surgeons' services and a variety of medical and other health services received either in hospitals or on an ambulatory basis. It is financed through monthly premium payments by each enrollee, and subsidized by Federal general revenue funds.

The Medicare question on the March CPS attempted to identify all persons 15 years old and over who were "covered" by Medicare at any time during the previous calendar year. The term "covered" means enrolled in the Medicare Program. In order to be counted, the person did not necessarily have to receive medical care paid for by Medicare.

**Medicaid.** The Medicaid Program is designed to provide medical assistance to needy families with dependent children, and to aged, blind, or permanently and totally disabled individuals whose incomes and resources are insufficient to meet the costs of necessary medical services. The program is administered by State agencies through grants from the Health Care Financing Administration of the Department of Health and Human Services. Funding for medical assistance payments consists of a combination of Federal, State, and in some cases, local funds.

Medicaid is a categorical program with complex eligibility rules, which vary from State to State. There are two basic groups of eligible individuals: the categorically eligible and the medically needy. The major categorically eligible groups are all Aid to Families with Dependent Children (AFDC) recipients and most Supplemental Security Income (SSI) recipients. Other categorically eligible groups are (1) those who meet basic State cash assistance eligibility rules/aged, blind, disabled, needy single parents with children, and, in some States, needy unemployed parents with children, but who are not currently receiving money payments; and (2) needy persons who meet categorical eligibility standards but are institutionalized for medical reasons (e.g., low-income elderly persons in nursing homes). However, such institutionalized persons are not included in the CPS universe and, therefore, are not reflected in these statistics.

In roughly one-half of the States, coverage is extended to the medically needy/persons meeting categorical age, sex, or disability criteria, whose money incomes and assets exceed eligibility levels for cash assistance but are not sufficient to meet the cost of medical care. In such States, qualifying income and asset levels are usually above those set for cash assistance. Families with large medical expenses relative to their incomes and assets may also meet medically needy eligibility standards in these States.

The Medicaid question on the March CPS attempted to identify all persons who were "covered" by Medicaid at any time during the previous calendar year. The term "covered" means enrolled in the Medicaid program, i.e., had a Medicaid medical assistance card, or incurred medical bills which were paid for by Medicaid. In order to be counted, the person did not have to receive medical care paid for by Medicaid.

After data collection and creation of an initial micro data file, further refinements were made to assign Medicaid coverage to children. In this procedure all children under 21 years old in families were assumed to be covered by Medicaid if either the householder or spouse reported being covered by Medicaid (this procedure was required mainly because the Medicaid coverage question was asked only for persons 15 years old and over). All adult AFDC recipients and their children, and SSI recipients living in States which legally require Medicaid coverage of all SSI recipients, were also assigned coverage.

**Mobility Status.** The population of the United States, 15 years old and over, is classified according to mobility status on the basis of a comparison between the place of residence of each individual at the time of the March CPS and the place of residence in March of the previous year.

The information on mobility status is obtained from the responses to a series of inquiries. The first of three inquiries is: "Was...living in this house 1 year ago...?" If the answer was "No," the enumerator asked, "Where did...live on March 1, 1988?" In classification, three main categories distinguish non-movers, movers, and movers from abroad.

Non-movers are all persons who are living in the same house at the end of the period as at the beginning of the period. Movers are all persons who are living in a different house at the end of the period than at the beginning of the period. Movers from abroad include all persons, either citizens or aliens, whose place of residence is outside the United States at the beginning of the period, that is, in an outlying area under the jurisdiction of the United States or in a foreign country. The mobility status for children is fully allocated from the mother if she is in the household; otherwise it is allocated from the householder.

**Month-In-Sample.** The term is defined as the number of times a unit is interviewed. Each unit is interviewed eight times during the life of the sample.

**Never Worked.** A person who has never held a full-time civilian job lasting two consecutive weeks or more.

**Non-family Householder.** A non-family householder (formerly called a primary individual) is a person maintaining a household while living alone or with non-relatives only.

**Non-farm Self-employment Net Income.** The term is defined as net money income (gross receipts minus expenses) from an individual's own business, professional enterprise, or partnership. Gross receipts include the value of all goods sold and services rendered. Expenses include costs of goods purchased, rent, heat, light, power, depreciation charges, wages and salaries paid, business taxes (not personal income taxes), etc. In general, inventory changes are considered in determining net income replies based on income tax returns or other official records do reflect inventory changes however, when values of inventory changes are not reported, net income figures exclusive of inventory changes are accepted. The value of saleable merchandise consumed by the proprietors of retail stores is not included as part of net income.

**Non-worker.** A person who did not do any work in the calendar year preceding the survey.

**Non-relative of Householder with no Own Relatives in Household.** A non-relative of the householder who has no relative (s) of his own in the household. This category includes such non-relatives as a ward, a lodger, a servant, or a hired hand, who has no relatives of his own living with him in the household.

**Non-relative of Householder With Own Relatives (Including Spouse) in Household.** Any household member who is not related to the householder but has relatives of his own in the household; for example, a lodger, his spouse, and their son.

**Other Relative of Householder.** Any relative of the householder other than his spouse, child (including natural, adopted, foster, or step child), sibling, or parent; for example, grandson, daughter-in-law, etc.

**Own Child.** A child related by birth, marriage, or adoption to the family householder.

**Part- Time, Economic Reasons.** The item includes slack work, material shortages, repairs to plant or equipment, start or termination of job during the week, and inability to find full-time work. (See also Full- Time Worker.)

**Part- Time Other Reasons.** The item includes labor dispute, bad weather, own illness, vacation, demands of home housework, school, no desire for full-time work, and full-time worker only during peak season.

**Part- Time Work.** Persons who work between 1 and 34 hours are designated as working part-time in the current job held during the reference week. For the March supplement, a person is classified as having worked part-time during the preceding calendar year if he worked less than 35 hours per week in a majority of the weeks in which he worked during the year. Conversely, he is classified as having

Worked full-time if he worked 35 hours or more per week during a majority of the weeks in which he worked.

**Part- Year Work. Part-year work is classified as less than 50 weeks' work**

**Pension Plan.** The pension plan question on the March CPS attempted to identify if pension plan coverage was available through an employer or union and if the employee was included. This information was collected for civilian persons 15 years old and over who worked during the previous calendar year.

**Population Coverage.** Population coverage includes the civilian population of the United States plus approximately 820,000 members of the Armed Forces in the United States living off post or with their families on post but excludes all other members of the Armed Forces. This file excludes inmates of institutions. The labor force and work experience data are not collected for Armed Forces members.

**Poverty.** In this file, families and unrelated individuals are classified as being above or below the poverty level using a poverty index adopted by a Federal Interagency Committee in 1969 and slightly modified in 1981.

The modified index provides a range of income cut-offs or, poverty thresholds adjusted to take into account family size, number of children, and age of the family householder or unrelated individual; prior to 1981, adjustments were also made on the basis of farm-non-farm residence and sex of the householder. The impact of these revisions on the poverty estimates is minimal at the national level. The poverty cut-offs are updated every year to reflect changes in the Consumer Price Index. The average poverty threshold for a family of four was \$12,091 in 1985. For a detailed explanation of the poverty definition, see *Current Population Reports*, Series P-60, No.154, Money Income and Poverty Status of Persons in the United States: 1988.

**Public Assistance.** (See Income)

**Public or Other Subsidized Housing.** Participation in public housing is determined by two factors: program eligibility and the availability of housing. Income standards for initial and continuing occupancy vary by local housing authority, although the limits are constrained by Federal guidelines. Rental charges, which, in effect, define net benefits, are set by a Federal state not to exceed 30 percent of net monthly money income. A recipient unit can either be a family of two or more related persons or an individual who is handicapped, elderly, or displaced by urban renewal or natural disaster.

There are some programs through which housing assistance is provided to low-income families and individuals living in public or privately owned dwellings. Two of the more common types of programs in which Federal, State and local funds are used to subsidize private sector housing are rent supplement and interest reduction plans. Under a rent supplement plan the difference between the "Fair market" rent and the rent charged to the tenant is paid to the owner by a government agency. Under an interest reduction program the amount of interest paid on the mortgage by the owner is reduced so that subsequent savings can be passed along to low income tenants in the form of lower rent charges.

There were two questions dealing with public and low cost housing on the March CPS supplement questionnaire. The first question identifies residence in a housing unit owned by a public agency. The second question identifies beneficiaries who were not living in public housing projects, but who were paying lower rent due to a government subsidy. These questions differ from other questions covering non-cash benefits in that they establish current recipient status in March of the current year rather than recipient status during the previous year.

**Race.** The population is divided into five groups on the basis of race: White, Black, American Indian/ Aleut Eskimo, Asian or Pacific Islander and other races beginning with March 1989. The last category includes any other race except the four mentioned. In most of the published tables "Other Races" are shown in total population.

**Re-entrants.** Persons who previously worked at a full-time job lasting two weeks or longer but that are out of the labor force prior to beginning to look for work.

**Related Children.** Related children in a family include own children and all other children in the household who are related to the householder by birth, marriage, or adoption. For each type of family unit identified in the CPS, the count of own children under 18 years old is limited to single (never married) children; however, own children under 25" and', own children of any age," include all children regardless of marital status. The totals include never-married children living away from home in college dormitories.

**Related Subfamily.** A related subfamily is a married couple with or without children, or one parent with one or more own single (never married) children under 18 years old, living in a household and related to, but not including, the householder or spouse. The most common example of a related subfamily is young married couple sharing the home of the husband's or wife's parents. The number of related subfamilies is not included in the number of families.

**School.** A person who spent most of his time during the survey week attending any kind of public or private school, including trade or vocational schools in which students receive no compensation in money or kind.

**School Lunches.** The National School Lunch Program is designed to assist States in providing a school lunch for all children at moderate cost. The National School Lunch Act of 1946 was further amended in 1970 to provide free and reduced-price school lunches for children of needy families. The Food and Nutrition Service of the U.S. Department of Agriculture (USDA) administer the program through State educational agencies or through regional USDA nutrition services for non-profit private schools. The program is funded by a combination of Federal funds and matching State funds.

All students eating lunches prepared at participating schools pay less than the total cost of the lunches. Some students pay the "full established" price for lunch (which itself is subsidized) while others pay a , Reduced price for lunch, and still others receive a free lunch. Program regulations require students receiving free lunches to live in households with incomes below 125 percent of the official poverty level. Those students receiving a reduced-price school lunch (10 to 20 cents per meal) live in households with incomes between 125 percent and

195 percent of the official poverty level. The data in this file, however, do not distinguish between reciprocity of free and reduced-price school lunches.

The questions on the March CPS provide a very limited amount of data for the school lunch program. Questions concerning the school lunch program were designed to identify the number of members 5 to 18 years old in households who "usually" ate a hot lunch. This defined the universe of household members usually receiving this non-cash benefit. This was followed by a question to identify the Number of members receiving free or reduced price lunches.

**Self-employed.** Self-employed persons are those who work for profit or fees in their own business, profession or trade, or operate a farm.

**Stretches of Unemployment.** A continuous stretch is one that is not interrupted by the person getting a job or leaving the labor market to go to school, to keep house, etc. A period of two weeks or more during which a person is employed or ceased looking for work is considered to break the continuity of the period of seeking work. .

**Topcode.** For confidentiality purposes, usual hourly earnings from the current job and earnings from the longest job are top coded, i.e., cut off at a particular amount.

From the supplement, total person's income is the sum of the amounts from the individual income types; total family income is the sum of the total person's income for each family member; total household income is the sum of the total income for each person in the household.

**Total Money Income.** The term is defined as the arithmetic sum of money wages and salaries, net income from self-employment, and income other than earnings. The total income of a household is the arithmetic sum of the amounts received by all income recipients in the household.

**Unable to Work.** A person is classified as unable to work because of long-term physical or mental illness, lasting six months or longer.

**Unemployed.** (See labor Force)

**Unemployment Compensation.** (See Income)

**Unpaid Family Workers.** Unpaid family workers are persons working without pay for 15 hours a week or more on a farm or in a business operated by a member of the household to whom they are related by birth or marriage.

**Unrelated Individuals.** Unrelated individuals are persons of any age (other than inmates of institutions) who are not living with any relatives. An unrelated individual may be (1) a non-family householder living alone or with non-relatives only, (2) a roomer, boarder, or resident employee with no relatives in the household, or (3) a group quarters member who has no relatives living with him/her. Thus, a widow who occupies her house alone or with one or more other persons not related to her, a roomer not related to anyone else in the housing unit, a maid living as a member other employer's household but with no relatives in the household, and a resident staff member in a hospital living apart from any relatives are all examples of unrelated individuals.

**Unrelated Subfamily.** An unrelated subfamily is a family that does not include among its members the householder and relatives of the householder. Members of unrelated subfamilies may include persons such as guests, roomers, boarders, or resident employees and their relatives living in a household. The number of unrelated subfamily members is included in the number of household members but is not.

Persons living with relatives in-group quarters were formerly considered as members of families. However, the number of such unrelated subfamilies is so small that persons in these unrelated subfamilies are included in the count of secondary individuals.

**Veteran Status.** If a person served at any time during the four major wars of this century, the code for the most recent wartime service is entered. The following codes are used:

0 Children under 15

1. Vietnam era

2. Korean

3. WWI

4. WWII

5. Other Service

6. Non veteran

**Wage and Salary Workers.** Wage and salary workers receive wages, salary, commission, tips, or pay in kind from a private employer or from a governmental unit. Also included are persons who are self-employed in an incorporated business. (See income)

**Weeks worked in the Income Year.** Persons are classified according to the number of different weeks, during the preceding calendar year, in which they did any civilian work for payer profit (including paid vacations and sick leave) or worked without pay on a family-operated farm or business.

**Workers.** (See Labor Force-Employed.)

**Work Experience.** Includes those persons who during the preceding calendar year did any work for pay or profit or worked without pay on a family-operated farm or business at any time during the year, on a part-time or full-time basis.

**Year-round full-time worker.** A year-round full-time worker is one who usually worked 35 hours or more per week for 50 weeks or more during the preceding calendar year.

## Geographic Concepts

**Geographic Division.** An area composed of contiguous States, with Alaska and Hawaii also included in one of the divisions. (A State is one of the 51 major political units in the United States.) The nine geographic divisions have been largely unchanged for the presentation of summary statistics since the 1910 census.

**Regions.** There are four regions: Northeast, Midwest (formerly North Central), West, and South. States and divisions within regions are presented below.

### NORTHEAST REGION

**New England Division:** Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island, Vermont

**Middle Atlantic Division:** New Jersey, New York, Pennsylvania

### MIDWEST REGION

**East North Central Division:** Illinois, Indiana, Michigan, Ohio and Wisconsin

**West North Central Division:** Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota

1. The Midwest Region was designated as the North Central Region until June 1964.

### WEST REGION

**Mountain Division:** Arizona, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming, New Mexico



**Pacific Division:** Alaska, California, Hawaii, Oregon, and Washington

## **SOUTH REGION**

**East South Central Division:** Alabama, Kentucky, Mississippi, and Tennessee

**West South Central Division:** Arkansas, Louisiana, Oklahoma, Texas

**South Atlantic Division:** Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia