

# Assessing Asset Data on Low-Income Households: Current Availability and Options for Improvement

CAROLINE RATCLIFFE  
HENRY CHEN  
TRINA R. WILLIAMS SHANKS  
YUNJU NAM  
MARK SCHREINER  
MIN ZHAN  
MICHAEL SHERRADEN

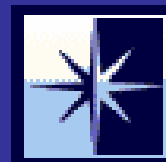
SEPTEMBER 2007



The Urban  
Institute



Center for Social  
Development



The New  
America  
Foundation

**Assessing Asset Data on Low-Income Households:  
Current Availability and Options for Improvement**

**A Report in the Series  
Poor Finances: Assets and Low-Income Households**

Caroline Ratcliffe  
Henry Chen  
The Urban Institute

and

Trina R. Williams Shanks  
Yunju Nam  
Mark Schreiner  
Min Zhan  
Michael Sherraden  
Center for Social Development  
Washington University in St. Louis

September 2007

This report was prepared for and funded by the U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation (DHHS/ASPE) under Order Number GS23F8198H / HHSP233200400131U to the Urban Institute and its collaborators at the Center for Social Development (CSD) at Washington University in St. Louis, and the New America Foundation. This report was prepared between September 2004 and July 2006. John Tambornino, Jeremías Alvarez, and Linda Mellgren at DHHS were project officers, Signe-Mary McKernan of the Urban Institute was overall project director, and Michael Sherraden directed the work at CSD. Views expressed are those of the authors and do not represent official positions of the Department of Health and Human Services, the Urban Institute, its trustees, or its sponsors.

## **Acknowledgments**

The report has benefited from comments of the entire project teams at the Urban Institute, the Center for Social Development, and the New America Foundation as well as helpful comments and suggestions from Jeremías Alvarez, Laura Chadwick, Susan Hauan, Gretchen Lehman, Linda Mellgren, Annette Rogers, Reuben Snipper, Kendall Swenson, and Joan Turek of ASPE and Jim Gatz, Leonard Sternbach, and John Tambornino of the Administration for Children and Families/DHHS. Individuals affiliated with the organizations responsible for the three primary data sets featured in this report also reviewed this report. We thank Robert Avery and Arthur Kennickell of the Federal Reserve Board, Alfred Gottschalck of the U.S. Census Bureau, and Robert Schoeni and Frank Stafford of the University of Michigan Institute for Social Research for their helpful comments and suggestions.

This report is part of a series entitled *Poor Finances: Assets and Low-Income Households*, produced in a partnership between the Urban Institute, Center for Social Development, and New American Foundation.

## CONTENTS

<i>Introduction to the Series</i> .....	iii
Why Assets Are Important.....	iv
Income and Assets in Public Policy .....	iv
Asset Policy for Low-Income Households .....	v
<i>Executive Summary</i> .....	ES-1
<b>Data Sets Identified and Criteria for Assessment</b> .....	ES-1
<b>Primary Data Sources for Holdings of Low-Resource Households’ Assets</b> .....	ES-2
Survey of Income and Program Participation .....	ES-2
Panel Study of Income Dynamics .....	ES-2
Survey of Consumer Finances .....	ES-3
<b>Means for Improving Asset Data</b> .....	ES-3
General Means for Improving Asset Data .....	ES-3
Specific Means for Improving Asset Data.....	ES-4
<i>I. Introduction</i> .....	1
<i>II. Criteria for Evaluating Asset Related Data Sources</i> .....	1
<b>A. Relevancy: Whether Data Measure Assets and Liabilities</b> .....	2
<b>B. Representativeness: Whether Data Are Representative of the Total U.S. Population and the Low-Income Population</b> .....	3
<b>C. Recurrence: Whether Data Are Released on a Regular Basis and Collection Is Scheduled to Continue into the Foreseeable Future</b> .....	4
<b>D. Richness of Correlates: Whether Data Include Correlates and Outcomes of Interest to the Research and Policy Community</b> .....	4
<b>E. Summary</b> .....	5
<i>III. Data Sets Identified and Criteria for Assessment</i> .....	5
<b>A. Relevancy: Whether Data Measure Assets and Liabilities</b> .....	7
<b>B. Representativeness: Whether Data are Representative of the Total U.S. Population and the Low-Income Population</b> .....	13
<b>C. Recurrence: Whether Data Are Released on a Regular Basis and Collection Is Scheduled to Continue into the Foreseeable Future</b> .....	14
<b>D. Richness of Correlates: Whether Data Set Includes Correlates and Outcomes of Interest to the Research and Policy Community</b> .....	15
<b>E. Summary</b> .....	15
<i>IV. Primary Data Sources for Holdings of Low-Income Households’ Assets</i> .....	20
<b>A. Survey of Income and Program Participation</b> .....	20
<b>B. Panel Study of Income Dynamics</b> .....	27
<b>C. Survey of Consumer Finances</b> .....	32

<b>D. Summary of Primary Data Sets.....</b>	<b>37</b>
<b><i>V. Means for Improving Asset Data.....</i></b>	<b>40</b>
<b>A. General Means for Improving Asset Data.....</b>	<b>41</b>
<b>B. Specific Means for Improving Asset Data.....</b>	<b>44</b>
Survey of Income and Program Participation.....	44
Panel Study of Income Dynamics.....	45
Survey of Consumer Finances.....	46
<b><i>VI. Conclusion.....</i></b>	<b>46</b>
<b><i>VII. References.....</i></b>	<b>48</b>
<b><i>VIII. Appendices.....</i></b>	<b>50</b>
<b>Appendix A: Descriptions of other data sets examined.....</b>	<b>50</b>
<b>Appendix Exhibit A-1: Summary of Secondary and Limited Use Data Sets.....</b>	<b>55</b>
<b>Appendix B: Asset and Liability Questions in the Primary Data Sets.....</b>	<b>58</b>

*Poor Finances:  
Assets and Low-Income Households*

**INTRODUCTION TO THE SERIES**

Economic security throughout the life course is intrinsically linked to both income and asset ownership. The majority of current social policies focus primarily on income supports and social services. However, building assets can also help individuals, families, and communities expand their economic horizons.

America has a longstanding history of promoting ownership, as reflected in existing policies to promote home and business ownership, investment, and saving. New opportunities for people to save and become asset owners will likely increase the number of individuals and families able to build assets and improve the economic security of all Americans. Greater inclusivity and accessibility of traditional approaches to expanding ownership may make it easier for lower and middle income families to save. Still, while theory and evidence suggest that improved asset-based policies may promote development of low-income individuals and families, and perhaps communities and society as a whole, research in this area of asset development is in its infancy. There is still much to learn.

*Poor Finances: Assets and Low-Income Households* is a series of reports on poverty, asset building, and social policy. The purpose of the series is to assess the nascent state of knowledge and policy development and to synthesize recent progress in these areas. Specifically, the reports in the series will:

- evaluate what is known regarding the measures, distributions, determinants, and effects of asset holding;
- develop a portrait of the assets of low-income households;
- develop conceptual frameworks for viewing assets and liabilities;
- assess the strengths and weaknesses of data sources on assets and liabilities;
- chart directions for future research;
- examine the effects of means-tested program policies on asset building; and
- inform subsequent discussions of public policy.

While this series of reports focuses on asset accumulation and asset-based policies for low-income individuals and families, the conceptual frameworks developed are not limited to low-income populations. This broad approach is an effective way to identify the overall critical issues that relate to asset holding for all populations. Where appropriate, however, various reports point out when the framework specifically applies to low-income, minority, and single-parent households. This distinction is important because these subgroups are particularly vulnerable to low asset accumulation. The definition of low-income used in the series of reports is necessarily imprecise. The reports reflect a broad literature synthesis, and definitions of low

income are not uniform across studies, surveys, or public programs. However, low incomes can be broadly thought of as affecting households in the bottom income quintiles.

This report, “Assessing Asset Data on Low-Income Households: Current Availability and Options for Improvement,” identifies the most reliable and informative data sources for understanding low-income households’ assets and liabilities, details their limitations, and provides options for improving asset data sources and collection methods. In doing so, the report provides a framework for refining the primary sources of data necessary to pursuing future research in the assets field.

### ***Why Assets Are Important***

In describing why assets are important, it is useful to begin by distinguishing income from assets. *Incomes* are flows of resources. They are what people receive as a return on their labor or use of their capital, or as a public program transfer. Most income is spent on current consumption. *Assets* are stocks of resources. They are what people accumulate and hold over time. Assets provide for future consumption and are a source of security against contingencies. As investments, they also generate returns that generally increase aggregate lifetime consumption and improve a household’s well-being over an extended time horizon.

The dimensions of poverty, and its relative distribution among different social classes, are significantly different when approached from an assets perspective, as opposed to an income perspective. Those with a low stock of resources to draw on in times of need are asset poor. This *asset poverty* may leave them vulnerable to unexpected economic events and unable to take advantage of the broad opportunities a prosperous society offers. Many studies have found that the rate of asset poverty exceeds the poverty rate as calculated by the traditional measure, which is based on an income standard. Many U.S. households have little financial cushion to sustain them in the event of a job loss, illness, or other income shortfall. Also, social and economic development of these households may be limited by a lack of investment in education, homes, businesses, or other assets. To the extent that low resource holdings limit the potential for social and economic development, understanding how those with limited assets can build up their asset base is likely to be an important policy issue.

### ***Income and Assets in Public Policy***

Outside of education, traditional social programs that assist low-income populations have focused mainly on income and social services that fulfill basic consumption needs, which have been essential to the well-being of families and children. An asset-based approach could complement this traditional approach and could shift the focus to the long-term development of individuals, families, and communities. This focus provides a broader picture of the dynamics of poverty among the low-income population.

Asset-based policy has many potential meanings. These include policies to promote the accumulation and preservation of financial wealth, tangible property, human capital, social capital, political participation and influence, cultural capital, and natural resources. While all of these meanings have value, this series of reports focuses on building financial wealth and tangible nonfinancial assets for household social and economic development.

The United States and many other countries already have large asset-based policies. In many cases, these operate through the tax and employer-based systems, so that public transfers occur via tax benefits (e.g., home mortgage interest deduction; tax breaks for contributions to a variety of retirement accounts; tax-preferred education accounts and College Savings Plans; and benefits for other emerging policies, such as Medical Savings Accounts). These asset-based policies have grown rapidly in recent years and today represent a significant proportion of overall federal expenditures and tax subsidies.

### ***Asset Policy for Low-Income Households***

Low-income individuals and families frequently do not participate in existing asset-based mechanisms. The reasons may be threefold. First, this population is less likely to own homes, investments, or retirement accounts, where most asset-based policies are targeted. Second, with little or no federal income tax liability, the low-income have little or no tax incentives, or other incentives, for asset accumulation. Third, asset limits in means-tested transfer policies have the potential to discourage saving by the low-income population. In many respects, this population does not have access to the same structures and incentives for asset accumulation. The potential of asset building to promote long-term development of low-income households motivates this series of reports. *Poor Finances: Assets and Low-Income Households* attempts to serve as a central resource that provides a comprehensive assessment and critique of the current and emerging knowledge base regarding asset building for low-income individuals and families.



## **The Poor Finances Team**

### **The Urban Institute**



Signe-Mary Mckernan  
Caroline Ratcliffe  
Robert Lerman  
Henry Chen  
Adam Carasso  
Eugene Steuerle  
Elizabeth Bell

### **Center for Social Development at Washington University**



Michael Sherraden  
Yunju Nam  
Sondra G. Beverly  
Mark R. Rank  
Mark Schreiner  
Trina R. Williams Shanks  
Min Zhan  
Jin Huang  
Eunhee Han

### **New America Foundation**



Reid Cramer  
Ray Boshara

## EXECUTIVE SUMMARY

The lack of quality data has been a long-standing concern among researchers studying assets. Except for the 1962 Survey of Financial Characteristics of Consumers, no serious efforts were made to collect reliable asset data before the 1980s. Beginning in 1983 and 1984, the Survey of Consumer Finances (SCF), Survey of Income and Program Participation (SIPP), and the Panel Study of Income Dynamics (PSID) began collecting asset and liability data. With available data, researchers started to examine asset distribution, test theoretical models and hypotheses, and develop new concepts and theories on assets.

To guide future research in assets, this report examines the following questions:

- What are the most informative and reliable data sources for understanding low-income households' assets and liabilities?
- What are the limitations of these data sources?
- What are the means for improving asset data?

### **Data Sets Identified and Criteria for Assessment**

Our review of the literature, survey data, and demonstration data has identified 12 data sets that have the potential to provide important information on low-income households' assets and liabilities. The 12 data sets are:

1. American Dream Demonstration Account Monitoring (ADD-AM) Data
2. American Dream Demonstration Experiment (ADD-E) Data
3. Assets For Independence Act (AFIA) Evaluation Data
4. Consumer Expenditure Survey (CEX)
5. Current Population Survey (CPS)
6. Health and Retirement Study (HRS)
7. Home Mortgage Disclosure Act (HMDA) Data
8. National Longitudinal Study of Youth 1979 (NLSY79)
9. National Survey of Family and Households (NSFH)
10. Panel Study of Income Dynamics (PSID)
11. Survey of Consumer Finances (SCF)
12. Survey of Income and Program Participation (SIPP)

We evaluate these data sets with four criteria: relevancy, representativeness, recurrence, and richness of correlates. Although we pay special attention to each data set's ability to provide information on assets (relevancy) among low-income population (representativeness) over time (recurrence), we also consider the correlates data sets provide (richness of correlates) and thus their ability to answer other important research questions, such as the effects of assets on outcomes. Exhibit 2 provides a brief overview of the evaluation criteria attained by each data set.

Based on these four criteria, we identify three primary data sets as having the greatest potential for asset research: the Survey of Consumer Finances (SCF), the Survey of Income and Program Participation (SIPP), and the Panel Study of Income Dynamics (PSID). A summary of these three primary data sets is provided in Exhibit 5 and a summary of nine secondary data sets is provided in Appendix A. Below we highlight the strengths and weaknesses of our primary data sets.

## **Primary Data Sources for Holdings of Low-Resource Households' Assets**

### ***Survey of Income and Program Participation***

- The SIPP contains detailed information on financial assets (e.g., checking and saving accounts, stocks, IRAs) and nonfinancial, tangible assets (e.g., personal residences and vehicles), as well as information on households' liabilities (e.g., home mortgages and credit card debt).
- The SIPP has a large sample size that allows researchers to examine detailed subpopulations. The 2001 SIPP panel includes 35,100 households, which is a much larger sample than in both the PSID and SCF.
- SIPP panels can be matched with administrative data containing individuals' earnings histories and employer information. These matched data provide information on individuals' history of contributions to retirement savings accounts (e.g., 401(k) accounts).
- Analyses of the 1990–93 SIPP panels and the SCF show that the SIPP and SCF data sets have similar wealth distributions up through the 80<sup>th</sup> percentile; it is only above the 80<sup>th</sup> percentile that wealth on the SIPP falls significantly short of the SCF (Rodgers and Smith 2000). A comparison of the 1996 SIPP to the 1998 SCF, however, finds that SIPP net worth falls short of SCF net worth across the entire distribution (Czajka et al. 2003).
- The SIPP has relatively high rates of item nonresponse for asset and liability questions, higher than both the PSID and SCF.
- SIPP panels are longitudinal and have typically lasted three to four years. This feature allows researchers to observe changes in asset holdings over time.
- Although the SIPP is currently undergoing a process of review and reengineering, a 2008 panel is planned.

### ***Panel Study of Income Dynamics***

- The PSID asset data provide a good accounting for the major components of net worth and include information on home value, financial assets, tangible assets, and debt.
- The PSID follows the same families longitudinally over several decades, allowing for intergenerational analysis, trend studies, and examination of the influence of family histories.
- The PSID has little missing data for its asset questions.

- The PSID includes a series of “active savings” questions that trace flows of money in and out of assets, such as when a house is bought or sold, money is put into the stock market, or an annuity is cashed in. This allows researchers to study whether changes in net worth come from savings or capital gains.
- The PSID asks questions about significantly fewer assets and liabilities categories than either the SIPP or SCF. The PSID has 9 asset and liability questions covering 12 topic areas as compared to the 100 questions pertaining to 30 assets and liabilities topic areas covered by the SCF.
- Comparing wealth distributions, the PSID is almost identical to the SCF up to the 30<sup>th</sup> percentile, then PSID estimates become a little lower. By the upper 1 to 3 percentiles of the distribution, the two surveys begin to diverge more dramatically, where SCF estimates are higher.
- The PSID has a relatively small sample size (7,823 families in 2003). As a result, many specialized subgroup analyses are not possible (Kim and Stafford 2000).

### ***Survey of Consumer Finances***

- The SCF is the most focused survey on asset ownership, providing the most detailed questions about assets and liabilities.
- The SCF makes a concerted effort to provide an accurate estimate of aggregate net worth in the United States through its sampling procedures—oversampling the wealthy who own a large proportion of the nation’s assets. It also has sophisticated imputation procedures.
- The SCF is a cross-sectional survey that provides asset and liability data every three years, while, in recent years, the SIPP provides this data annually and the PSID biennially.
- The SCF has a relatively small sample size that may make it difficult to study low-income subpopulations. For instance, the 2004 SCF includes only 4,522 households.
- The correlates in the SCF may limit its usefulness for many asset-related studies. For example, the survey does not provide information on the well-being or education level of children in the household.

### **Means for Improving Asset Data**

Our evaluation identifies multiple options for improving the scope and quality of asset and liability data. We examine both general and specific means for improving data on assets. General options are based on limitations common to existing data sets. We also provide options for improving each of three primary data sets. More details about these options for improvement are in the main body of the report.

#### ***General Means for Improving Asset Data***

- ***Option 1:*** Collect information on the dynamics of asset accumulation to better understand how assets change over the life course.

- **Option 2:** Encourage survey respondents to use financial statements when answering asset and liability questions, which will ensure more accurate responses.
- **Option 3:** Assess the quality of asset data using other data sources, particularly for difficult-to-value assets, to provide more consistent valuations.
- **Option 4:** Collect data on assets among subpopulations that may be of interest in the general poverty policy and research arena (e.g., formerly incarcerated individuals, Native Americans, immigrants).
- **Option 5:** Collect data on respondents' experience with saving incentive programs beyond retirement savings accounts to provide a better understanding of saving patterns and responses to savings incentives.

### ***Specific Means for Improving Asset Data***

#### *Survey of Income and Program Participation*

- **Option 6:** Collect information on quasi-liquid pensions, life insurance, other assets (jewelry, cemetery plots, art, collections), and other secured debt, which will provide a comprehensiveness of assets and liabilities accounting equal to that of the SCF.
- **Option 7:** Revise the imputation method used to fill in for item nonresponse to provide more accurate estimates when data are missing.
- **Option 8:** Increase the number of response brackets, narrow the width of each bracket, and raise the top code of asset brackets to allow respondents to give more accurate responses when they are unable to give an exact value of their asset (or liability).
- **Option 9:** Collect data on legal (citizenship and refugee) status more than once during the SIPP panel to allow for examination of how assets and liabilities change with immigrant status.

#### *Panel Study of Income Dynamics*

- **Option 10:** Link PSID data with administrative data (e.g., data from the Social Security Administration and Internal Revenue Service) to obtain information on individuals' earnings histories, contributions to retirement savings accounts (e.g., 401(k) and 403(b) accounts), and contributions to the Social Security system, as the SIPP and HRS currently do.
- **Option 11:** Add questions about business equity and other assets to the wealth section, which would strengthen PSID's ability to capture net worth across the entire wealth distribution.

*Survey of Consumer Finances*

- **Option 12:** Link SCF data with administrative data (e.g., data from the Social Security Administration, Internal Revenue Service, and Employer Pension Study).
- **Option 13:** Add more low-income households to the SCF sample to allow for analyses of asset holdings of low-income subgroups such as racial groups or high school dropouts.
- **Option 14:** Decrease the lower limit of *inter vivos* transfer in the SCF to allow for more accurate examination of inter-family transfers and asset accumulation for low-income households.
- **Option 15:** Collect data as a panel that includes at least two or three waves (i.e., points of data collection), which would provide the information needed to study portfolio changes.

## **I. INTRODUCTION**

The lack of quality data has been a long-standing concern among researchers in studying assets. Except for the 1962 Survey of Financial Characteristics of Consumers, no serious efforts were made to collect reliable asset data before the 1980s. In 1983, the Survey of Consumer Finances (SCF) and the Survey of Income and Program Participation (SIPP) were the first to ask respondents detailed questions about asset holdings. Another major data set, the Panel Study of Income Dynamics (PSID) added a wealth supplement in 1984 (Spilerman 2000). The availability of data on assets stimulated asset research and increased interest in asset-building policies as an anti-poverty strategy and in studying the widening economic gaps since the 1980s (Sherraden 2001; Spilerman 2000). With available data, researchers started to examine the distribution of assets, test theoretical models and hypotheses, and develop new concepts and theories on assets.

To guide future research in assets, this report addresses the following questions:

- What are the most informative and reliable data sources for understanding low-income households' assets and liabilities?
- What are the limitations of these data sources?
- What are the means for improving asset data?

We identify 12 data sets that have the potential to provide valuable information in studying the assets of low-income households. We evaluate these data sets with four criteria: relevancy, representativeness, recurrence, and richness of correlates. Although we pay special attention to each data set's ability to provide information on assets (relevancy) among the low-income population (representativeness) over time (recurrence), we also consider the correlates data sets provide (richness of correlates) and thus their ability to answer other important research questions, such as the effects of assets on outcomes. Based on these four criteria, we conclude that three data sets have the greatest potential for future asset research: the Survey of Consumer Finances (SCF), the Survey of Income and Program Participation (SIPP), and the Panel Study of Income Dynamics (PSID).

Below we discuss the criteria for evaluating data sources, followed by an overview of the data sets identified and the criteria they meet. Next, we provide details of the three primary data sets, along with a discussion of each data set's strengths and weaknesses. Finally, we present options for improving the scope and quality of the primary asset data sets.

## **II. CRITERIA FOR EVALUATING ASSET RELATED DATA SOURCES**

To identify the most informative and reliable data sources for understanding low-income households' assets (financial and nonfinancial tangible), we establish four evaluation criteria. These criteria are used to assess the surveys' overall relevance and potential for answering our research questions. We use the information gathered from these assessments to explore ways to modify the data sets to best meet these criteria. The criteria are:

1. Relevancy: Whether data measure assets and liabilities.
2. Representativeness: Whether data are representative of the U.S. low-income population.
3. Recurrence: Whether data are provided on a regular basis and collection is scheduled to continue into the foreseeable future
4. Richness of Correlates: Whether data include correlates and outcomes of interest to the research and policy community.

Below, we discuss each of these criteria and the justification for considering them.<sup>1</sup>

### **A. Relevancy: Whether Data Measure Assets and Liabilities**

The extent to which different data sources provide detailed information on assets and liabilities is key to their ability to provide researchers and policy makers with an understanding of low-income households' financial base. Many data sets provide information on individuals' asset and liabilities, allowing researchers to aggregate the detailed information up to the household level, whereas other data sets provide household-level data. Ideally, the data set would have information on:

1. Type of assets held
2. Value of assets held
3. Type of debt held
4. Value of debt held
5. Variables to calculate net worth

This list highlights that we want to identify both the form in which households hold assets/liabilities and the value of their assets/liabilities. Understanding how households hold their debt, for example, is important for understanding their financial situation and security. A household that has \$100,000 in debt from a home mortgage is different from a household that has \$100,000 in credit card debt. Detailed information on the types of assets held will, for example, provide information on the extent to which households hold assets in relatively secure forms (e.g., savings accounts and government bonds) or in somewhat more risky forms (e.g., stocks and mutual funds).

In evaluating data sets under this criterion, we group them into three categories based on the extent to which they meet each criterion. The three categories are:

1. Data set contains information regarding broad asset holding categories and extensive information about detailed asset holding elements.
2. Data set contains information regarding broad asset holding categories but limited information about detailed asset holding elements.
3. Data set contains limited information about asset holdings.

---

<sup>1</sup> Parts of this discussion are taken from Ratcliffe et al. (2005).



Ideally, data sets would provide detailed information on where households' assets and debt are held; the researcher could then aggregate the data to broader categories in a way that best meets their needs.

While some data sets provide very detailed information, others provide information in broader categories. A broad asset holding category, for example, would capture the value of retirement accounts, whereas the detailed elements would include information on the value of IRAs, Keogh accounts, 401(k) accounts, etc. Another broad asset holding category is bank accounts or interest-earning assets, where the corresponding detailed information includes savings accounts, CDs, money market accounts, etc. A similar distinction arises between broad and detailed categories on the liability side. For example, information on the value of credit card debt, student loan debt, and vehicle loans could be grouped together or provided separately.

Data sets that provide detailed information on asset holdings and liabilities are more flexible, and thus preferred to those with only broad categories. Data sets in Category 1 are best able to provide a broad perspective and thorough understanding of asset ownership and liabilities. In addition to understanding the specifics of assets and liabilities, we look for data sets that can be used to calculate net worth. Data sets that fall into Categories 1 and 2 could provide this information.

## **B. Representativeness: Whether Data Are Representative of the Total U.S. Population and the Low-Income Population**

Ideally, survey data would be representative of both the full U.S. population and the low-income U.S. population. However, even broad-based national surveys may exclude some populations from their sample universes (e.g., persons in institutions), and others may target specific population subgroups (e.g., older Americans and adolescents/young adults). Surveys that are not broadly representative can, nonetheless, be useful for examining outcomes for specific population subgroups (e.g., older Americans). The evaluation of this criterion considers the degree to which the sample population is restricted to a subset of the population.

In addition to the particular population selected for the survey, a second issue arises when considering longitudinal data sets: the extent to which these data continue to represent the U.S. population in the years after the sample population is initially drawn. For example, if a sample population was drawn in the 1970s and has not changed over time, then it will not be representative of the current U.S. population because of compositional shifts, such as the change in the immigrant population (both in terms of number and country of origin). For this reason, long panels that do not include refresher samples to account for changes in the composition of the U.S. population will not meet this criterion.

To capture the extent to which a data set meets this criterion, we group them into three categories. The three categories are:

1. Data set is representative of the total U.S. population and the low-income population.
2. Data set is representative of a subset of the U.S. population.
3. Data set is not representative of the U.S. population or key subpopulation.

Data sets that fall under Category 1 best meet this criterion of representativeness.

### **C. Recurrence: Whether Data Are Released on a Regular Basis and Collection Is Scheduled to Continue into the Foreseeable Future**

Our goal is to identify data sets that provide asset and liability information on a regular basis. Frequent or regularly released data allows researchers to track changes in the assets and liabilities of households over time. Because we are also interested in data sets that will provide information in future years, we show preference for data sets with funding streams that will allow for continued release of new data.

In evaluating the data sets under this criterion, we again group them into three categories. The three categories are:

1. Data are released regularly and collection is scheduled to continue into the foreseeable future.
2. Data are released regularly but collection is not scheduled to continue into the foreseeable future.
3. Data are not released regularly and collection is not scheduled to continue into the foreseeable future.

Data sets that fall under Category 1 meet the key elements of this criterion.

### **D. Richness of Correlates: Whether Data Include Correlates and Outcomes of Interest to the Research and Policy Community**

In addition to having data to measure households' assets, liabilities, and net worth, the data would ideally include information necessary to examine these measures for different subpopulations (such as by age, educational attainment, race and ethnicity, and household structure). As a result, this criterion considers the extent to which survey data sets include these characteristics. Researchers and the policy community are also interested in understanding both the determinants of asset building and the effects of asset building on outcomes. For this reason, this review considers the extent to which data sets include other characteristics such as child well-being, health and familial well-being, material well-being, employment and income, program participation, use of tax credits, and information on use of financial institutions and attitudes towards credit.

More formally, we group data sets into three categories based on the extent to which they meet the criterion. The three categories are:

1. Data set provides a rich set of correlates.

2. Data set provides a limited range of correlates.
3. Data set provides no correlates of interest.

Data sets that fall under Category 1 best meet this criterion.

### **E. Summary**

These four evaluation criteria—relevancy, representativeness, recurrence, and richness of correlates—serve as a framework for assessing how effectively various data sets can provide an understanding of low-income households’ assets and liabilities.<sup>2</sup> A summary of our evaluation criteria is provided in Exhibit 1. The next section discusses the extent to which the 12 data sets meet these criteria.

### **III. DATA SETS IDENTIFIED AND CRITERIA FOR ASSESSMENT**

Our review of the literature, survey data, and demonstration data identified 12 data sets that have the potential to provide important information on low-income households’ assets and liabilities. The 12 data sets are:

1. American Dream Demonstration Account Monitoring (ADD-AM) Data
2. American Dream Demonstration Experiment (ADD-E) Data
3. Assets for Independence Act (AFIA) Evaluation Data
4. Consumer Expenditure Survey (CEX)
5. Current Population Survey (CPS)
6. Health and Retirement Study (HRS)
7. Home Mortgage Disclosure Act (HMDA) Data
8. National Longitudinal Study of Youth 1979 (NLSY79)
9. National Survey of Family and Households (NSFH)
10. Panel Study of Income Dynamics (PSID)
11. Survey of Consumer Finances (SCF)
12. Survey of Income and Program Participation (SIPP)

---

<sup>2</sup> Because of the diverse array of data sets identified for assessment, data set quality and accuracy are not included as a key criterion for evaluating the data sets. We do, however, discuss and provide a comparison of the quality of our primary data sets, all of which are large-scale national surveys, in Section IV below.

## **Exhibit 1. Data Set Criteria: Guide to Numerical Ratings**

This exhibit provides an explanation of the numerical ranking system used to rate data sets against the criteria. For each criterion, a data set is assigned a numerical rating from 1 to 3 where a low numbered rating implies that the data set does a good job fulfilling the criterion and a high rating implies that the data set does a mediocre job fulfilling the criterion.

### **Relevancy: Whether Data Measure Assets and Liabilities**

1. Data set contains information regarding broad asset holding categories and extensive information about detailed asset holding elements.
2. Data set contains information regarding broad asset holding categories but limited information about detailed asset holding elements.
3. Data set contains limited information about asset holdings.

### **Representativeness: Whether Data Are Representative of the Total U.S. Population and the Low-Income Population**

1. Data set is representative of the total U.S. population and the low-income population.
2. Data set is representative of a subset of the U.S. population.
3. Data set is not representative of the U.S. population or key subpopulation.

### **Recurrence: Whether Data Are Released on a Regular Basis and Collection Is Scheduled to Continue into the Foreseeable Future**

1. Data are released regularly and collection is scheduled to continue into the foreseeable future.
2. Data are released regularly but collection is not scheduled to continue into the foreseeable future.
3. Data are not released regularly and collection is not scheduled to continue into the foreseeable future.

### **Richness of Correlates: Whether Data Include Correlates and Outcomes of Interest to the Research and Policy Community**

1. Data set provides a rich set of correlates.
2. Data set provides a limited range of correlates.
3. Data set provides no correlates of interest.

We evaluate these 12 data sets against the four criteria presented above as a way to identify a subset of data sets that have the greatest potential to provide informative and reliable asset and liability data. Exhibit 2 identifies the extent to which these data sets meet the criteria.

Based on the four evaluation criteria, we identify three data sets that have the greatest potential for providing asset and liability data. These “primary” data sets are the SIPP, PSID, and SCF. The discussion below provides a rationale for choosing these as primary data sets, by evaluating the 12 data sets in the context of the four criteria. More detailed information about the three primary data sets is presented in Section IV and additional information on the nine secondary data sets is presented in Appendix A and Appendix Exhibit A-1.<sup>3</sup> In addition to the 12 data sets covered in this section, the forthcoming Saving for Education, Entrepreneurship, and Downpayment (SEED) data are expected to contribute to our understanding of assets among the low-income population.<sup>4</sup>

#### **A. Relevancy: Whether Data Measure Assets and Liabilities**

Seven of the 12 data sets received a rating of “1” under this criterion—ADD-E, AFIA, HRS, NLSY79, PSID, SCF, and SIPP. All of these data sets provide information on broad asset holding categories and extensive information about detailed asset holding elements, although there is variation across data sets (see Exhibit 3). For example, the SCF and SIPP provide detailed information on IRAs, Keogh accounts, 401(k) accounts, and Thrift accounts, whereas the PSID does not provide this level of detail, but added a section on employer-based pensions and IRAs starting in 1999. Another example of differences across the data sets is that the SCF, HRS, and NLSY provide the cash value of life insurance, whereas this information is not available in the SIPP. While there are differences across these seven data sets, and some data sets provide more information than others, all seven provide extensive asset and liability data.

Of the remaining five data sets, three received a rating of “2” (ADD-AM, CEX, and NSFH,) and two received a rating of “3” (CPS and HMDA). The data sets that received a rating of “2” provide some important and detailed information on assets and liabilities. The NSFH and ADD-AM receive a rating of “2” because information on financial assets are grouped into one and two questions, respectively. These two data sets do, however, provide relatively detailed information on nonfinancial tangible assets and liabilities. The CEX has relatively detailed information on many assets and liabilities; however, the survey does not provide any information on important categories such as retirement accounts. Also, the Bureau of Labor Statistics (the government agency that sponsors the CEX) warns users of nonresponse to asset and liability questions in the CEX, and identifies the SCF as an alternative source for asset and liability data

---

<sup>3</sup> Appendix Exhibit A-1 provides information about each of the secondary data sets, as well as information on five additional data sets identified as “limited use” data sets.

<sup>4</sup> The SEED data are also discussed in Appendix A.

## Exhibit 2. Evaluation Criteria Attained by Data Sets<sup>1</sup>

Name of Survey Data Set	Relevancy	Representativeness	Ongoing	Correlates	Prior Use <sup>2</sup>
<b>Primary Data Sets</b>					
<u>Survey Data</u>					
Panel Study of Income Dynamics (PSID)	1	1	1	1	17
Survey of Consumer Finances (SCF)	1	1	1	2	16
Survey of Income and Program Participation (SIPP)	1	1	2	1	11
<b>Secondary Data Sets</b>					
<u>Survey Data</u>					
Consumer Expenditure Survey (CEX)	2	1	1	2	2
Current Population Survey (CPS)	3	1	1	2	4
Health and Retirement Survey (HRS)	1	2	1	1	6
National Longitudinal Survey of Youth (NLSY79)	1	2	1	1	5
National Survey of Families and Households (NSFH)	2	1	3	1	2
<u>Demonstration and Administrative Data</u>					
American Dream Demonstration (ADD) Account Monitoring Data	2	3	3	2	4
American Dream Demonstration (ADD) Experiment Data	1	3	3	1	0
Assets for Independence Act (AFIA) Evaluation	1	3	3	1	0
Home Mortgage Disclosure Act (HMDA) Data	3	2	1	3	6

<sup>1</sup> See Exhibit 1 for the guide to the numerical rankings

<sup>2</sup> Prior use refers to the number of times that data set was used in the assets and low-income households literature initially identified for the full Poor Finances project. It is not a formal criterion used in this final report.

### Exhibit 3. Asset and Liability Question Coverage by Data Set

Assets and Liabilities Coverage	Primary Data Sets			Secondary Data Sets				
	PSID	SCF	SIPP	CEX	CPS	HRS	NLSY79	NSFH
<b>Assets</b>								
<i>Financial Assets</i>								
Bank Accounts								
Ownership	x	x	x	x		x	x	
Value	x	x	x	x		x	x	
Other Interest Earning Assets								
Ownership	x	x	x	x	x	x	x	
Value	x	x	x	x		x	x	
Stocks and Mutual Funds								
Ownership	x	x	x	x	x	x	x	
Value	x	x	x	x		x	x	
U.S. Savings Bonds								
Ownership	x	x	x	x		x	x	
Value	x	x	x	x		x	x	
Other Financial Assets								
Ownership	x	x	x			x	x	
Value	x	x	x			x	x	
IRA and Keogh Accounts								
Ownership	x	x	x			x		
Value	x	x	x			x		
401(k) and Thrift Accounts								
Ownership		x	x			x	x	
Value		x	x			x	x	
All Retirement Accounts, IRA and 401(K)								
Ownership	x				x			
Value	x							
Other Quasi-Liquid Pensions		x						
Life Insurance		x				x	x	
Overall Financial Assets								
Ownership								x
Value								x
<i>Non-Financial, Tangible Assets</i>								
Residence								
Ownership	x	x	x	x	x	x	x	x
Value	x	x	x	x		x	x	x
Non-Residence Real Estate	x	x	x	x		x	x	x
Vehicles	x	x	x		x	x	x	x
Business	x	x	x			x	x	x
Jewelry, Art, Collections, etc.		x				x		
Durable Goods Ownership			x		x			

Note: If ownership and value are not subheadings under an asset and liability question item, then a check (x) indicates the survey provides both ownership and value information unless otherwise noted.

### Exhibit 3. Asset and Liability Question Coverage by Data Set (Continued)

Assets and Liabilities Coverage	Primary Data Sets			Secondary Data Sets				
	PSID	SCF	SIPP	CEX	CPS	HRS	NLSY79	NSFH
<b>Liabilities</b>								
<i>Secured Liabilities</i>								
Mortgages on Residence	x	x	x	x	x	x	x	x
Mortgages on Non-Residence Real Estate	x	x	x	x		x	x	x
Vehicle Loans	x	x	x	x			x	x
Business Debt	x	x	x				x	x
Margin and Broker Accounts		x	x					
Loans Secured by Retirement Accounts		x						
<i>Unsecured Liabilities</i>								
Credit Card debt								
Ownership		x	x	x			x	x
Value		x	x	x			x	x
Bank Loans		x	x	x			x	x
Other Unsecured Liabilities (Private Loans)		x	x	x				x
Total Unsecured Liabilities (Credit Card and Private Loans)	x							

Note: If ownership and value are not subheadings under an asset and liability question item, then a check (x) indicates the survey provides both ownership and value information unless otherwise noted.



### Exhibit 3. Asset and Liability Question Coverage of Data Sets (Continued)

Assets and Liabilities Coverage	Secondary Data Sets			
	ADD Account Monitoring Data	ADD Experiment Data	AFIA Evaluation, current phase	HMDA Data
<b>Assets</b>				
<i>Financial Assets</i>				
Bank Accounts				
Ownership	x	x	x	
Value	x	x	x	
Other Interest Earning Assets				
Ownership		x	x	
Value		x	x	
Stocks and Mutual Funds				
Ownership		x		
Value		x		
U.S. Savings Bonds				
Ownership		x		
Value		x		
Other Financial Assets				
Ownership		x		
Value		x		
IRA and Keogh Accounts				
Ownership		x		
Value		x		
401(k) and Thrift Accounts				
Ownership		x		
Value		x		
All Retirement Accounts, IRA and 401(K)				
Ownership				
Value				
Other Quasi-Liquid Pensions				
Life Insurance	x	x		
Overall Financial Assets				
Ownership	x			
Value				
<i>Non-Financial, Tangible Assets</i>				
Residence				
Ownership	x	x	x	
Value	x	x	x	
Non-Residence Real Estate	x	x		
Vehicles	x	x	x	
Business	x	x	x	
Jewelry, Art, Collections, etc.				
Durable Goods Ownership		x		

Note: If ownership and value are not subheadings under an asset and liability question item, then a check (x) indicates the survey provides both ownership and value information unless otherwise noted.

### Exhibit 3. Asset and Liability Question Coverage of Data Sets (Continued)

Assets and Liabilities Coverage	Secondary Data Sets			
	Demonstration and Administrative Data			
	ADD Account Monitoring Data	ADD Experiment Data	AFIA Evaluation, current phase	HMDA Data
<b>Liabilities</b>				
<i>Secured Liabilities</i>				
Mortgages on Residence	x	x	x	
Mortgages on Non-Residence Real Estate	x	x		
Vehicle Loans	x	x	x	
Business Debt	x	x	x	
Margin and Broker Accounts				
Loans Secured by Retirement Accounts				
<i>Unsecured Liabilities</i>				
Credit Card debt				
Ownership	x	x	x	
Value	x	x	x	
Bank Loans		x	x	
Other Unsecured Liabilities (Private Loans)	x	x	x	
Total Unsecured Liabilities (Credit Card and Private Loans)				

Note: If ownership and value are not subheadings under an asset and liability question item, then a check (x) indicates the survey provides both ownership and value information unless otherwise noted.

(U.S. BLS 2005). The two data sets that received a rating of “3” provide little information on assets and/or liabilities.

### **B. Representativeness: Whether Data are Representative of the Total U.S. Population and the Low-Income Population**

Six of the 12 data sets receive a rating of “1” under this criterion, indicating the data are representative of the total U.S. population and the low-income population. Three of these six data sets—PSID, SCF, and SIPP—also received a rating of one under the relevancy criterion (these are our primary data sets). The PSID is unique, as the original PSID sample was chosen over 35 years ago (in 1968), which introduces concerns about representativeness. The PSID’s representativeness was improved by a 1997 refresher sample of immigrants who arrived in the U.S. after 1968. Further, research suggests that PSID estimates are representative of the low-income population (using core family weights) and perhaps more so for the bottom 5 to 10 percentiles of income in the 1990s than the 1980s (Gouskova and Stafford 2002). The other three top-rated data sets under this criterion are the CEX, CPS, and NSFH. It is worth noting that these six data sets are representative only of the civilian non-institutionalized population, not the full U.S. population. If one is concerned about the assets and liabilities of *households*, this slight narrowing of the sample population is not a limiting factor. However, if one is concerned about the assets and liabilities of all individuals, then these data sets are limited in that they do not provide information on persons living in military barracks or persons in institutions, such as jails and prisons.

While these six data sets are representative of the total U.S. and low-income populations, they are not equally suited to examine the low-income population. This is because the number of low-income individuals differs substantially across the surveys. For example, the 2001 SIPP panel includes 35,100 households of which approximately 14,800 households (42 percent of those surveyed) have income below 200 percent of the poverty line.<sup>5</sup> Alternatively, estimates from the 2001 SCF suggest that only 1,032 households (23 percent of those surveyed) have income below 200 percent of poverty.<sup>6</sup> Due to the small SCF sample size, breakdowns of assets and liabilities by income and education or income and races will be imprecisely estimated. The PSID provides a larger sample than the SCF, but it is substantially smaller than the SIPP sample. The PSID interviewed 7,406 families in 2001, where 2,153 of these families (29 percent) have incomes below 200 percent of the poverty line. The CPS is the largest of all these surveys and interviews approximately 60,000 households (112,000 individuals) each month.

In addition to the six highest ranked data sets, three data sets have been identified as being representative of a subset of the low-income population (receiving a rating of “2”)—HRS, NLSY79, and the HMDA data. The HRS is representative of persons nearing or of retirement

---

<sup>5</sup> An analysis of 1996 SIPP data (wave 9) shows that 10,249 of 28,969 households (or 35 percent of households) had income below 200 percent of poverty (Czajka et al. 2003, Table III.5).

<sup>6</sup> Authors’ tabulation from the 2001 SCF.

age, while the NLSY79 is representative of men and women who were ages 14 to 22 when first interviewed in 1979. The HMDA data is a data set of loan records provided by financial institutions (in 2004 41.6 million loan records submitted by 8,121 financial institutions). This data set includes loan applications from most mortgage lending institutions, so it should be representative of all low-income loan applicants; however, it may be difficult to identify low-income households due to a lack of correlates.

Finally, three data sets are not representative of the U.S. low-income population and received a rating of “3.” All three are derived from demonstration projects where individuals were able to self-select into the program; thus, the resulting sample includes a select population who chose program participation. The three data sets are ADD-AM, ADD-E, and AFIA, where the ADD-E and AFIA received the highest rating under the relevancy criterion.

### **C. Recurrence: Whether Data Are Released on a Regular Basis and Collection Is Scheduled to Continue into the Foreseeable Future**

The majority of data sets reviewed have been released on a regular basis (eight of the 12). Under this criterion, a rating of “1” or “2” indicates a survey that has been released on a regular basis. However, a “1” indicates that the data set will continue into the foreseeable future and “2” indicates that the data set is not scheduled to continue into the foreseeable future. Of the three primary data sets, the SCF and PSID receive a rating of “1” and the SIPP receives a rating of “2.” The SIPP received a rating of “2” because there is uncertainty about the future funding of the SIPP.<sup>7</sup> Under the current design, SIPP provides annual asset data, PSID biennial data, and SCF triennial data. The PSID interviews sample members every other year and the SCF interviews a new sample every three years. Stringing together multiple SIPP panels provide annual asset data—the 2001 and 2004 SIPP panels cover the years 2001-2003 and 2004-2007 respectively.

Among the secondary data sets, five received the highest rating—the HRS, NLSY79, CEX, CPS, and HMDA data. The CEX provides asset data on a quarterly basis, the CPS and HMDA data provide annual data, and the HRS and NLSY79 are currently administered biennially.

Finally, four data sets received the lowest rating of “3,” indicating that data collection is not scheduled into the future and has not been released on a regular basis. The NSFH receives a rating of “3,” because data were collected infrequently (in 1987-88, 1992-94, and 2001-02) and there are no plans for further data collection. Similarly, ADD-AM and ADD-E receives a “3” as the data collection under the American Dream Demonstration (ADD) was not regular and is now

---

<sup>7</sup> Over the period that this report was in development, the future of the SIPP was unclear. In February 2006, the Census Bureau announced that, due to funding constraints, the SIPP would be discontinued following the release of 2004 panel data. Although a replacement data set, Dynamics of Economic Well-being System (DEWS) was proposed and discussed, a 2008 SIPP panel is now planned, subject to funding. More information on the re-engineered SIPP can be found at: <http://www.bls.census.gov/sipp/dews.html>

complete. While the Assets for Independence Act (AFIA) Evaluation is not complete, the data collection is also not regular, thus receiving a “3.”

#### **D. Richness of Correlates: Whether Data Set Includes Correlates and Outcomes of Interest to the Research and Policy Community**

Eleven of the 12 reviewed data sets received either a ranking of “1” or “2” under this criterion. All of the data sets except the HMDA data, which received a ranking of “3,” provide a base set of correlates. These correlates include demographic characteristics (e.g., age, race, educational attainment, marital status), employment status, and income. In addition to this base set of correlates, some data sets provide a richer set of correlates and have information about well-being (material, health, child) and/or participation in public assistance programs (e.g., Temporary Assistance to Needy Families, food stamps, and Medicaid). Data sets with only the base set of correlates receive a ranking of “2” and data sets that have a richer set of correlates receive a ranking of “1.”

Of the primary data sets, the SIPP and PSID received the highest ranking, and the SCF the next highest ranking. The SIPP and PSID provide a great deal of information on material well-being, child well-being, and program participation history, for example, whereas the SCF does not.

Of the secondary data sets, HRS, NLSY79, NSFH, ADD-E, and AFIA receive a rating of “1,” the CEX, CPS, and ADD-AM data receive a rating of “2,” and the HMDA data receive a rating of “3.” Detailed information on the correlates provided in the 12 data sets is provided in Exhibit 4.

#### **E. Summary**

Of the data sets reviewed, only one receives the highest ranking under all four criteria—the PSID. With these high rankings, the PSID has the potential to provide reliable information on low-income households’ assets and liabilities and is identified as a “primary” data set. Because our primary research question asks that we identify the most informative and reliable data sources for understanding low-income households’ assets and liabilities, any data set designated a “primary data set” should comprehensively measure assets and liabilities (relevance criterion) and be representative of the overall U.S. low-income population (representativeness criterion). The only other data sets that receive top ratings in these two criteria are the SIPP and SCF. They perform well enough in the other two criteria to also be deemed “primary” data sets.

In addition to receiving ratings of “1” in the relevancy and representativeness criteria, the SIPP received the highest rating in the correlates criterion and a rating of “2” for the recurrence criterion. Although the long-term future of the SIPP is unclear, it will continue to serve as a useful data set for researchers in the coming years. The SCF received a ranking of “1” under the relevancy, recurrence, and representativeness criteria, but a ranking of “2” under the richness of

## Exhibit 4. Correlates Provided by Data Set

Correlates	Primary Data Sets			Secondary Data Sets				
	Survey Data			Survey Data				
	PSID	SCF	SIPP	CEX	CPS	HRS	NLSY79	NSFH
<i>Demographic Characteristics</i>								
Age	x	x	x	x	x	x	x	x
Race	x	x	x	x	x	x	x	x
Sex	x	x	x	x	x	x	x	x
Marital Status	x	x	x	x	x	x	x	x
Number of Children	x	x	x	x	x	x	x	x
Household Size	x	x	x	x	x	x	x	x
Educational Attainment	x	x	x	x	x	x	x	
Household Expenditures	x		x	x		x		
<i>Employment and Income</i>								
Current Employment	x	x	x	x	x	x	x	x
Total Income	x	x	x	x	x	x	x	x
Earned Income	x	x	x	x	x	x	x	x
Unearned Income	x	x	x	x	x	x	x	x
Employment History	x	x	x		x	x	x	x
<i>Program Participation/Utilization of Tax Credits</i>								
Current Enrollment								
TANF	x	x	x	x	x	x	x	
Food Stamps	x	x	x	x	x	x	x	
SSI	x	x	x	x	x	x	x	
Medicaid	x	x	x	x	x	x	x	
Social Security (OASI)	x	x	x	x	x	x	x	x
Unemployment Compensation	x	x	x	x	x	x	x	
Public Assistance- AFDC/TANF, Food Stamps, etc								x
Social Insurance- Social Security, Unemployment Compensation								x
EITC			x					
Savers Credit								
IDA Participation								
American Dream Downpayment Act								
Program Participation History								
TANF	x		x				x	
Food Stamps	x		x			x	x	
SSI	x		x			x	x	
Medicaid	x		x			x		

#### Exhibit 4. Correlates Provided by Data Set (Continued)

Correlates	Primary Data Sets			Secondary Data Sets				
	Survey Data			Survey Data				
	PSID	SCF	SIPP	CEX	CPS	HRS	NLSY79	NSFH
<i>Financial System Use/Attitudes</i>								
Use of Financial Institutions		x						
Attitudes toward Credit		x						
<i>Material Well-Being</i>								
Ownership of Consumer Durables	x		x	x				
Quality of Home	x		x			x		
Quality of Neighborhood	x	x	x			x	x	
Financial Stresses Faced by Household	x	x	x			x		
<i>Child Well-Being</i>								
Interaction with Parents	x		x				x	x
Extracurricular Activities	x		x				x	x
Academic Achievement	x		x		x		x	x
Emotional and Behavioral Problems	x						x	x
<i>Health and Familial Well-Being</i>								
Household Stability	x		x				x	x
Residential Stability	x		x				x	x
Health Status	x		x			x	x	x

## Exhibit 4. Correlates Provided by Data Sets (Continued)

Correlates	Secondary Data Sets			
	ADD Account Monitoring Data	ADD Experiment Data	AFIA Evaluation, current phase	HMDA Data
<i>Demographic Characteristics</i>				
Age	x	x	x	
Race	x	x	x	
Sex	x	x	x	
Marital Status	x	x	x	
Number of Children	x	x	x	
Household Size	x	x	x	
Educational Attainment	x	x	x	
Household Expenditures				
<i>Employment and Income</i>				
Current Employment	x	x	x	
Total Income	x	x		
Earned Income	x	x	x	
Unearned Income	x	x		
Employment History				
<i>Program Participation/Utilization of Savings Incentives</i>				
Current Enrollment				
TANF	x	x	x	
Food Stamps	x	x	x	
SSI	x	x		
Medicaid		x	x	
Social Security (OASI)		x		
Unemployment Compensation		x		
EITC		x		
Program Participation History				
TANF	x			
Food Stamps				
SSI				
Medicaid				



#### Exhibit 4. Correlates Provided by Data Sets (Continued)

Correlates	Secondary Data Sets			
	ADD Account Monitoring Data	ADD Experiment Data	AFIA Evaluation, current phase	HMDA Data
<i>Financial System Use/Attitudes</i>				
Use of Financial Institutions	x	x		
Attitudes toward Credit			x	
<i>Material Well-Being</i>				
Ownership of Consumer Durables		x		
Quality of Home				
Quality of Neighborhood				
Financial Stresses Faced by Household		x		
<i>Child Well-Being</i>				
Interaction with Parents		x		
Extracurricular Activities		x		
Academic Achievement				
<i>Health and Familial Well-Being</i>				
Household Stability		x		
Residential Stability		x		
Health Status		x		

correlates criteria. The SCF does not provide the richest set of correlates, but it does provide key household characteristics including age, race, sex, marital status, educational attainment, earnings, and income. Furthermore, the SCF offers the most comprehensive set of assets and liabilities questions and is generally considered to provide the most accurate accounting of assets and liabilities in the United States.

The HRS and NLSY79 are strong data sets for examining assets and liabilities, but they provide information on only a subset of the population (older Americans and persons ages 14 to 22 in 1979, respectively), so they are not useful for understanding the assets and liabilities of the low-income households more broadly. Of the remaining seven data sets, six received the lowest rating at least once and are limited in their ability to answer our key research question. The CEX did not receive any ratings of “3,” but as mentioned above, the Bureau of Labor Statistics warns users of nonresponse to asset and liability questions, and identifies the SCF as an alternative source for asset and liability data. Thus, it is not classified as a primary data set. In summary, the SIPP, PSID, and SCF are identified as having the greatest potential for providing information on the assets and liabilities of low-income households. Details of these three data sets are provided below.

#### **IV. PRIMARY DATA SOURCES FOR HOLDINGS OF LOW-INCOME HOUSEHOLDS’ ASSETS**

The previous section discussed the extent to which the 12 survey and demonstration/administrative data sets meet the four criteria for understanding the assets and liabilities of low-income households. Based on the criteria, the SIPP, PSID, and SCF have been identified as primary data sets and as having the greatest potential for understanding low-income households’ assets and liabilities. This section explores these three data sets in detail. For each data set, a brief overview of the data set is presented, followed by a discussion of the following areas: (1) asset and liability questions (Appendix B includes a listing of asset and liability questions contained in the three surveys); (2) data availability and access; (3) asset and liability correlates; (4) data set quality issues; (5) survey administration; and (6) strengths and limitations. Exhibit 5 presents a summary of the three key data sets. The final section provides a summary and brief comparison of the SIPP, PSID, and SCF.

##### **A. Survey of Income and Program Participation<sup>8</sup>**

The SIPP is a panel study that focuses on the income and program participation of households and individuals, and is administered by the U.S. Census Bureau. Panels began annually from 1984 to 1993 (with the exception of 1989) and in 1996, 2001, and 2004. A 2008 panel is planned and a re-design of the SIPP instrument is underway, making this analysis of the current instrument particularly relevant.

---

<sup>8</sup> Parts of this discussion are taken from Ratcliffe et al. (2005).

## Exhibit 5. Summary of Primary Data Sets

Name	Survey of Income and Program Participation	Panel Study of Income Dynamics	Survey of Consumer Finances
Population	Non-institutionalized civilian individuals.	The PSID is nationally representative of households in The United States when weighted.	The SCF is nationally representative of households in The United States when weighted.
Sample Size <sup>1</sup>	35,100 households.	7,823 families.	4,522 households.
Years Available	Individual Panels Starting-1984-1993, 1996, 2001, and 2004.	Ongoing: 1968-2003.	Ongoing: 1983, 1986, 1989, 1992, 1995, 1998, 2001, 2004.
Survey Design	Type: Longitudinal. Frequency: Quarterly.	Type: Longitudinal. Frequency: Annual until 1997, currently biannual.	Type: Cross-Sectional. Frequency: Every three years.
Broad Asset Topics	(1) Home; (2) vehicles; (3) farm or business assets; (4) interest earning banking assets-savings account, interest earning checking accounts, money market deposit accounts, certificates of deposits; (5) interest earning non-banking assets-municipal bonds, corporate bonds, U.S. securities; (6) equities- stocks and mutual funds; (7) other assets- mortgages, other investments, non-interest earning checking accounts, savings bonds, proceeds from sales of businesses or property; (8) Personal retirement- IRA and Keogh accounts; (9) Employer-provided retirement accounts- 401k, 403b, and Thrift Savings Plans.	(1) Real estate; (2) vehicles; (3) farm or business assets; (4) stocks, mutual funds, and investment trusts; (5) checking, savings, money market funds, IRAs, CDs, savings bonds or T-bills; (6) other investments in trusts, bonds; (7) net wealth excluding home equity; (8) net wealth including home equity.	Financial assets: (1) CDs, transaction accounts, savings and other bonds; (2) value of stocks, IRAs, Keogh accounts, 401(K), and 403(b); (3) current receipt of Social Security; (4) participation in a defined benefit private pension plan; (5) life insurance, other managed assets, loans made to others.  Non-financial assets: (6) Vehicles; (7) farm or business assets; (8) real estate; (9) other nonfinancial assets- artwork, jewelry, precious metals, antiques, hobby equipment.
Broad Limitations	(1) Does not measure retirement annuities such as OASI and defined benefit pensions. (2) Not representative of the top 10% of the wealth distribution.	(1) Asset related questions not asked at every interview (only in 1984, 1989, 1994, 1999, 2001, 2003, and 2005). (2) Does not measure retirement annuities such as Social Security and private pensions. (3) Not representative of the top 10% of the wealth distribution.	(1) Cross-sectional. (2) Does not measure the value of future payouts from Social Security and defined benefit private pensions. (3) Small sample size when analyzing by subgroups such as race or education.

<sup>1</sup> Sample size is for most recently available data (2001 SIPP, 2003 PSID, and 2004 SCF).

SIPP Respondents are interviewed every four months about the previous four months, a period referred to as a wave. Each panel generally lasts between two and four years, with more recent panels lasting three to four years. Originally, it was envisioned that each panel would last 32 months, with a total of 20,000 households in each panel. Due to budget constraints, some panels were cut short, and few had sample sizes that reached the 20,000 household goal (SIPP Users Guide 2001, p. 1-2). The survey was redesigned in 1996 in part to improve longitudinal estimates. Rather than having overlapping panels, it was decided that one larger panel should be commenced every four years and last three to four years (SIPP Users Guide 2001, p. 1-3). The sample size has varied across panels; the 1996 panel includes 36,800 households, the 2001 panel 35,100 households, and the 2004 panel 46,000 households. The SIPP includes only non-institutionalized civilians. Therefore, subpopulations such as those who are incarcerated or living in military barracks cannot be included in analyses using these data.

Each SIPP panel consists of a core questionnaire, which is administered in each wave, and topical modules, which collect supplemental information on a variety of topics. The number of topical modules and the topics that they cover vary by wave. The core survey questionnaire collects information about program participation, labor force status, educational attainment, family structure, earned income, and income from assets. Most core variables are collected for each of the prior four months. For instance, respondents are asked about income receipt in each of the four previous months. Examples of topical modules are assets and liabilities, retirement and pension plan coverage, and adult well-being (new in 1996). The time frame for topical module questions varies. The asset and liability topical module asks respondents about asset holdings and liabilities at the time of interview. In contrast, the employee benefits topical module asks about benefits received from employers over the entire calendar year. Finally, some topical modules collect lifetime histories of marriage, fertility, employment, work disability, migration, and program participation.

Several SIPP panels can be matched with administrative data containing individuals' earnings histories. Specifically, the 1984, 1990–93, 1996, and 2001 panels can be matched with the Detailed Earnings Record (DER), which is an earnings history file constructed with data from the Internal Revenue Service (IRS). The DER provides individuals' earnings back to 1981, as well as the value of individuals' deferred retirement compensation (e.g., 401(k), 403(b), and SEP plan) beginning in 1990.<sup>9</sup> In addition, these SIPP panels can be matched with earnings histories available in the Summary Earnings Record (SER). The SER data provides information on *Social Security covered earnings* back to 1951.<sup>10</sup> These matched data can be used to understand the relationship between individuals' earnings histories and asset levels. Additionally, they can be used to identify the extent to which individuals have contributed to the Social

---

<sup>9</sup> The deferred compensation amounts captured on this file come directly from box 13 on the IRS's W2 form.

<sup>10</sup> "Social Security covered earnings" are restricted to earnings from employment in a Social Security covered job. Also, these earnings are capped at the Social Security taxable maximum, where this maximum is the amount of earnings that is subject to the Social Security tax in each year.

Security system, where this contribution can be thought of as an investment and has important implications for individuals' well-being in retirement. In order to use these administrative data, one must receive clearance from the U.S. Census Bureau and the IRS. "These nonpublic data sets are available only at a limited number of secured research data centers to approved analysts working on approved projects. Outside analysts working with these data sets must be sworn Census Bureau officers and their work must serve at least in part, to support the Census Bureau's mission" (U.S. General Accounting Office 2003, p. 19). The Social Security Administration has used this data for multiple projects, but because of confidentiality protections, it is not easy to obtain permission to use the data.

The SIPP can also be matched with the Longitudinal Employer Household Dynamics (LEHD) data, which includes longitudinal individual-level employee and employer information such as quarterly earnings data, employer provided benefits, and other employer characteristics from a number of states comprising approximately 60 percent of total U.S. employment.<sup>11</sup> The longitudinal information on employees and employers offered by the LEHD provides researchers with rich information about the policies and characteristics of low-income workers' employers. These data, when combined with demographic and asset and liability information available in the SIPP, provide researchers the opportunity to examine important topics such as the impact of employer pension plan policies on asset accumulation. The LEHD data are made available through the Census Bureau's Research Data Centers (RDC). All proposals to carry out research with the LEHD must be approved by the Census Bureau and users must be sworn Census Bureau officers.

**Assets and Liabilities Questions.** The SIPP contains detailed information about a wide range of financial and nonfinancial tangible assets. The core questionnaire asks about asset *ownership* and the income generated from asset holdings. This information is provided on a monthly basis. More detailed asset and liability questions about the *value* of asset holdings and liabilities are asked in the asset and liability topical module. Recent panels have collected assets and liabilities annually (every third wave). In 2001, the asset and liability topical module was administered in waves 3, 6, and 9. Prior to 1996, the assets and liabilities topical module was administered one or two times per panel. The topical module provides information for all individuals in the household over the age of 15. Either the individual or his/her proxy respondent provides these responses. The SIPP asset and liability data are flexible because asset and liability information can be analyzed at the individual level or aggregated and analyzed at the household or family unit level.

The SIPP asset and liability topical module contains very detailed financial and nonfinancial tangible asset holdings information. Financial asset holdings include checking and

---

<sup>11</sup>Additional information about the LEHD can be found at: <http://lehd.dsd.census.gov/led/library/techpapers/tp-2004-02.pdf>

saving accounts, CDs and money market deposit accounts, IRAs, Keogh, 401(k) and Thrift accounts, corporate and municipal bonds, U.S. Savings Bonds, stocks, mutual funds, the value of loans made to others, and other financial investments. Nonfinancial tangible asset data cover personal residence, other real estate, three motor vehicles, and farm and business equity. The topical module also provides information on households' liabilities including home mortgages, other mortgages, vehicle loans, margin and broker accounts, credit card and store credit debt, other bank loans, and other unsecured liabilities. The adult well-being topical module, administered in wave 8 of the 2001 panel, provides information about ownership of durable goods including a washer/dryer, refrigerator, telephone, television, and personal computer at the time of the interview. However, the survey does not ask respondents about ownership of tools/items that can be used in self-employment, such as sewing machines, tools, and gardening equipment.

Detailed information covering both assets and liabilities allows researchers to calculate important wealth and well-being measures that take into account both assets and debt. These measures include home equity, vehicle equity, and net worth. These data also provide researchers with the opportunity to create portraits of asset and liabilities holdings. Finally, the SIPP allows researchers to calculate important national statistics such as the share of aggregate assets held by those in the bottom 20 percent of the income distribution or the aggregate amount of productive and unproductive debt held by low-income households.

**Data Availability and Access.** There is a relatively long lag time between SIPP data collection and data availability. In the past, wave 1 core data typically have been released approximately 20 months after data collection. For the 2004 panel, the Census Bureau released the wave 1 core data in May 2006, 25 months after data collection. As of August 2007, core data from the 2004 panel have been released through wave 3, and topical module data have been released through wave 5.

Data can be downloaded for free from the SIPP website using the DataFerrett application. SIPP users can also download SIPP documentation, such as questionnaires and codebooks. The Census Bureau also provides many SIPP working papers on topics that include the accuracy of SIPP data and using SIPP data for policy analysis. All of the asset information discussed above is available in the SIPP's public release file.

**Assets and Liabilities Correlates.** The SIPP provides a wide range of correlates beyond demographic characteristics. The core questionnaire collects information about household composition, employment (e.g., hours worked per week, weeks worked, wage rate, occupation), income (e.g., earned and unearned income, income sources, and investments), educational attainment, and program participation. These correlates allow researchers to identify low-income subpopulations of interest, such as single parents and high school dropouts.

Topical modules supplement the core questionnaire on a range of issues. Topics covered include employment benefits, adult well-being, child well-being, taxes, reciprocity history, and child support agreements. The adult well-being topical module, administered in wave 8 of the 2001 panel (waves 5 and 11 of the 2004 panel), addresses living conditions, basic needs, and adequacy of food. These variables can be used to examine the relationship between assets and well-being. The child well-being module, administered in wave 7 of the 2001 panel (waves 3 and 9 of the 2004 panel), provides information about the neighborhood, behavioral issues, and the care of children. With these correlates, researchers can explore the links between child well-being and asset holding. The tax module, administered in waves 4 and 7 of the 2001 and 2004 panels, addresses tax filing information and includes information about Earned Income Tax Credit receipt, a possible lever for increasing asset holding.<sup>12</sup> The benefit reciprocity history module, administered in wave 1, along with the reciprocity core questions, allow researchers to create a complete history of program participation, which is important in studies of the effects of program participation on asset accumulation. Recent SIPP panels include two types of child support modules, which provide information that allows the examination of the relationship between child support orders/payments and asset building. One of the child support modules, administered in waves 5 and 8 of the 2001 panel (waves 5 and 11 of the 2004 panel), provides detailed information about existing child support agreements. The other module, administered in waves 3, 6, and 9 of the 2001 panel (waves 3, 6, 9, and 12 of the 2004 panel), provides detailed information about child support payments.

**Data Set Quality Issues.** Many characteristics of a data set can play a role in affecting the quality of the data. These include response rates, imputation procedures, and design of response brackets.

SIPP response rates vary by wave and generally decrease as the panel progresses. The 2001 panel had an 87 percent response rate in its initial wave, and a 68 percent response rate across the full panel. In terms of *item nonresponse*, researchers find that in the 1996 SIPP panel, nonresponse for some assets and liabilities items was very high. One study examined 47 asset and liability items in wave 9 of the 1996 SIPP and found that only three asset and liability items have nonresponse rates lower than 20 percent (Czajka et al. 2003, p. 90). The median nonresponse rate for these 47 items is 38 percent, with common items like home value being imputed less often and less common items being imputed frequently (Czajka et al. 2003, p. 90).

High rates of nonresponse pose a problem because item nonresponse requires imputation or “filling in” of missing values. The Census Bureau uses a “hot deck” procedure to impute most missing values. This procedure matches records with missing values for the item of interest with records that have a value for the item of interest. The value in the matched record then substitutes

---

<sup>12</sup> The item response rates in the tax module are low and the Census Bureau does no imputations for these items (Sisson and Short 2001).

for the missing response. Matches are made based on similarities in nonmissing variables. These methods do not perform as well when variables have high nonresponse rates and matches are more difficult to find (Czajka et al. 2003, p. 91).

If a respondent is unable to provide the value of an item, they are given the option of providing a range in which the true value of an item falls. This range is then incorporated into the imputation procedure for that item, in theory making the imputation more precise. Research indicates that SIPP response brackets could be improved if the Census Bureau increased the number of available brackets and reduced the width of each bracket (e.g., replace one bracket ranging from \$10,000-\$20,000 with two brackets that range from \$10,000-\$15,000 and \$15,001-\$20,000). An additional improvement would be to increase the top value of the brackets. Analyses of SIPP data show that the median value of many assets often falls just inside the upper boundary of the top bracket (Czajka et al. 2003, p. 94). These two changes would make SIPP brackets more similar to PSID brackets (Czajka et al. 2003).

Research shows that the correlation between assets and liabilities has declined markedly between the 1993 and 1996 panels (Czajka et al. 2003, p. 94). This decline in correlation has not been noted in other data sets (such as the SCF) and is consistent with changes in the imputation procedure across these panels. Maintaining correlation between specific assets and their associated liabilities (for example home value and mortgage value) is important because the distribution of measures, such as net worth, is jointly determined by assets and liabilities. Czajka et al. (2003) and Toder et al. (2002) find that a change in the procedures for imputing missing variables may have contributed to the decreased correlation between assets and liabilities in the 1996 SIPP. Czajka et al. further notes that this change in procedure may not be the root cause or the only cause (p. 95). It is important that any imputation procedure of assets takes into account liabilities and vice versa.

**Survey Administration.** The SIPP uses both face-to-face and telephone interviews, which are conducted using Computer-Assisted Interviewing. Initial interviews are always conducted in person, as are interviews with households that have moved. Use of telephone interviews has varied across panels. The 2001 panel also conducted face-to-face interviews for wave 2 and used telephone interviews when possible for wave 3 through wave 9, while the 2004 panel maximizes the use of telephone interviews beginning with wave 2.

The survey respondent (i.e., the SIPP reference person) for the household is the person in whose name the residence is owned or rented. For households owned jointly by a married couple, either spouse can be the reference person.<sup>13</sup> The SIPP attempts to interview all individuals 15 or older in each sampled household. If individuals are unavailable or uncooperative, proxy interviews (usually from the reference person) are accepted. Census staff

---

<sup>13</sup> In the first wave of the 2001 panel, the wife was the reference person in 34 percent of married households.



estimates that approximately 25 percent of interviews are proxy interviews. This is a drawback of the SIPP because proxy respondents may be less familiar with individuals' experiences, such as the value of their assets.

**Strengths and Limitations.** The SIPP warrants consideration for asset research because it is a longitudinal data set that gives researchers the opportunity to examine wealth over the course of the panel. Also, the SIPP's large sample size allows researchers to make estimations for detailed subpopulations. For instance, one could study the assets and liabilities of Hispanic, single mother-headed households. The SIPP also includes a rich set of complementary correlates, which allow researchers to study the relationship between assets/liabilities and measures of well-being, school performance, program participation, and household stability. Furthermore, the SIPP can be merged with administrative data from multiple sources (i.e., DER, SER, and LEHD).

The DER and SER, when matched with the SIPP, provide individuals' earnings history and history of contributions to retirement savings accounts (e.g., 401(k) and 403(b) accounts). Access to individuals' earnings histories provides information on the extent to which the current poor (or low-income) are short-term or long-term poor (or low-income). One drawback of these matched data is that relatively few individuals in the 2001 SIPP panel provided their Social Security number and agreed to allow their data to be matched—the match rate for the 2001 panel was 60 percent, while the match rate for earlier panels was about 85 percent. The Social Security Administration is investigating statistical matching techniques that could be used to impute earnings histories to individuals for which there is no match.

The SIPP has coverage of enough of the major assets and liabilities categories that generating portraits of the asset holding of low-income households is possible; however, one limitation is that it does not contain some asset variables included in the SCF. Omitted asset categories include quasi-liquid pensions and life insurance. Other items not included in the SIPP that are included in the SCF are art, jewelry, precious metals, and cemetery plots. On the liabilities side, the SIPP does not contain questions about “other secured debt,” which would include loans against retirement accounts and life insurance (Czajka et al. 2003, p. 34).

Analyses suggest that the SIPP does a relatively good job capturing the wealth and net worth of low-income households. These same analyses, however, suggest that the SIPP does less well capturing wealth of higher income households. These evaluations are based on comparisons of the SIPP with the SCF and are discussed further below in the summary section.

## **B. Panel Study of Income Dynamics**

The PSID is a longitudinal survey, conducted by the University of Michigan's Institute for Social Research, that follows individuals and their families over time. The study has been ongoing since 1968, beginning with two independent national samples, one a cross-sectional

sample of about 3,000 families and the second a low-income sample of about 2,000 families. Individuals from the core sample and family members who “split off” to form new households were interviewed annually from 1968 through 1997 and have been interviewed biennially since 1997. Two other changes happened in 1997—an immigrant sample was added to reflect changes in the U.S. population and a portion of the low-income sample was dropped due to budget cuts. Attrition rates from year to year are typically small so the sample size tends to increase. For example, the 2001, 2003, and 2005 surveys include 7,406 families, 7,823 families, and 8,002 families, respectively. Although representative of the U.S. population when the appropriate family weights are used, the sample is too small to provide specialized measures for many subgroups (Kim and Stafford 2000). The PSID includes only non-institutionalized civilians, so subpopulations such as those who are incarcerated or living in military barracks cannot be included in analyses using these data. Within the Child Development Supplement, however, there is a question that identifies whether a parent is incarcerated. Also, the number of Native Americans in the sample is too small for any type of analysis (less than 60).

A core set of questions is asked consistently to maintain comparability over time. This includes detailed information on income sources, amount of income from different sources, public assistance income, employment, housing, general health, geographic mobility, family composition changes, and demographic events. There is also sociological and psychological content that is asked in special supplemental modules. Recently this has included information about housing and neighborhood quality, estimating risk tolerance, childcare, child support, child development, military combat history, immigration history, elder care/parent’s health, philanthropic giving, time use, wealth, financial distress, and bankruptcy. Since this is longitudinal data on the same families across 34 waves, it is possible to construct histories. For some variables (marriage, employment, fertility), there are special supplemental files that specifically match information across waves. By matching relationship to 1968 core family, head of household or individual identification, it is also possible to connect responses across time and generations.

Certain files with restricted information are only available with special permission. This includes: (1) the *Geocode Match Files*, which allows the linking of PSID data to U.S. Census data by Census tract; (2) the *1968-1999 Death File*, which details the facts and date of death of former respondents through use of the National Death Index of the U.S. Public Health Service; and (3) a special *Medicare File*, in which respondents age 55 and older gave permission for PSID to access their Medicare claim records for certain periods (1984–1990 and 1991–1995).

**Assets and Liabilities Questions.** Beginning with the 1984 survey, grants from the National Institute on Aging (NIA) have allowed the collection of detailed data about individuals’ assets and liabilities. Questions on housing and the value of the primary residence if owned, however, have been included in the PSID survey since it began in 1968, as well as ongoing documentation of mortgage details. In 1984, the PSID began asking seven additional questions

on the value of assets and two questions on the value of liabilities. Three of the asset questions cover financial assets: stocks, mutual funds, investment trusts, and stocks held in IRAs; checking, savings accounts, CDs, treasury bills, savings bonds, and liquid assets in IRAs; bonds, trusts, life insurance and other assets. Four cover tangible assets: primary residence, other real estate, vehicles, and farm or business ownership. One liabilities question covers mortgages while another question asks about all other debt including credit cards, student loans, medical bills, and personal loans.

While this asset and liability information has been collected since 1984, it was only collected every five years between 1984 and 1999 (in 1984, 1989, 1994, and 1999). Since 1999, these questions have been included as part of every survey. This asset and liability data are cleaned and summarized to create net worth variables, with and without home equity. In 1999, a new module on pensions was added which collects data on employer-sponsored retirement plans, whether defined benefit or matched contribution. In addition, a series of Active Savings questions traces flows of money in and out of assets, such as when a house is bought or sold, money put into the stock market, or an annuity cashed in. These savings questions were asked in 1989, 1994, and in every wave since 1999. The Active Savings questions are difficult to work with because of outliers, but enable researchers to study portfolio shifts and whether changes in net worth come from savings or capital gains.

The PSID has little missing data for its asset questions and can provide a good accounting for the major components of net worth. However, it is more limited in scope than a data set such as the Survey of Consumer Finances. Because the PSID began with a core set of families in 1968 and does not over sample high-income households, it misses the upper end of the wealth distribution. In addition, the PSID asks questions in significantly fewer topic areas pertaining to households' assets and liabilities than the SCF (12 compared to 30) so it is less precise in certain sub-categories such as business equity. In 1989, the value of farm and business equity in the PSID is only 57 percent of that found in SCF. The largest disparities come in the catch-all "other assets" category where the PSID only captures 24 percent of SCF estimates. The SCF asks multiple memory prodding questions, while PSID respondents may leave out some items, such as a piece of art. Despite this, analyses suggest that the PSID does a relatively good job capturing the wealth of households in the bottom 30 percent of the wealth distribution. However, the PSID does less well capturing wealth at the upper end of the wealth distribution, as discussed in more detail in the summary section below.

**Data Availability and Access.** Interviews are typically conducted between March and November of the targeted year. The PSID staff merges each new wave of data with prior waves after numerous data-quality checks and the generation of variables. These multi-wave data files are usually available 18 months following interviews. All waves of the 2005 data have been released and are available from the Data Center on the PSID website, along with earlier public release data. Documentation, customized codebooks, working papers, and tutorials can also be

downloaded. Anyone can request permission from PSID to use the restricted use data (e.g., the *Geocode Match Files*), but it may take several months to finalize the terms of usage and there is an administrative fee.

**Assets and Liabilities Correlates.** The PSID provides a wide array of correlates including age, education, race/ethnicity, religion, military service, immigration history, marital history, births and adoptions, children forming households, parents' education, occupation, and poverty status. This information allows researchers to create specific sub-samples of the population (for example, by family composition or poverty status). The PSID also tracks monthly receipt of public assistance and has detailed information on employment status, work, unemployment, vacation and sick time, occupation, industry, and work experience. A recently introduced Event History Calendar should increase the quality of reporting.

The PSID has supplemental files that provide additional information. There is detailed information about health, health care burdens, and health care costs. The Child Development Supplement (CDS), funded by the National Institute of Child Health and Human Development (NICHD), is a major new expansion that focuses on human capital development. This supplement includes variables on home environment, family processes, time diaries, child care environments, and child well-being outcomes, starting with around 3,600 PSID children between the ages of 0-12. The CDS now has two waves of data (1997, 2002).<sup>14</sup>

**Data Set Quality Issues.** The PSID has a high response rate (94–98 percent between waves), but the cumulative nonresponse since 1968 is substantial (over 50 percent). By keeping track of children and other family members over time, the sample remains similar in composition and increases in size. In multiple comparisons with the Current Population Survey for income and its correlates, the PSID is found to be equivalent to a nationally representative sample (See Beckett, Gould, Lillard and Welch 1988; Fitzgerald, Gottschalk, and Moffitt 1998; Kim and Stafford 2000; and Gouskova and Stafford 2002). However, many changes were made to the PSID since the mid-1990s, such as modifying the sample and implementing new CATI procedures, which might cause seams in the data or make comparisons less consistent (Kim and Stafford 2000).

The PSID has the lowest *item* nonresponse rates of the three surveys, which may be due to the long history that PSID respondents have with the survey. Data from the wealth sequences of the PSID is collected using the interviewing technique of “unfolding brackets” when a respondent would otherwise refuse to respond. If respondents are unable to give an exact dollar amount to the initial question, they are routed through a sequence of ranges, beginning with whether the amount falls above or below a median value. Based on the information provided by the respondent, the missing value is imputed with a hot-deck method within the fairly narrow

---

<sup>14</sup>The CDS data was collected in 1997 and 2002, where the 2002 CDS sample follows children from the 1997 sample, including children from households in the 1997 and 2001 PSID sample.

range offered. In general for income and all other measures, imputation of missing and nonresponse data is rarely used. Typically PSID flags extreme or fragmented inputs and attempts to edit from survey notes and past responses rather than assigning uncertain values. This is labeled “informed calculation” based on interview notes and complex aggregation rules. Otherwise, an approach that makes extensive use of cross-sectional imputations might invite huge errors in change measures (Kim and Stafford 2000).

**Survey Administration.** From 1968 through 1972, the PSID used face-to-face interviews with paper and pencil questionnaires. From 1973 through 1992, the PSID used telephone interviews with paper and pencil questionnaires. From 1993 onwards, the PSID uses Computer-Assisted Telephone Interviews (CATI). As of 2001, PSID has shifted from a DOS-based CATI system to a Windows-based CATI system (Kim and Stafford 2000). In addition, the length of the interview doubled between 1995 and 1999 (Gouskova and Stafford 2002). In the early nineties, it took about 30 minutes to complete the full battery of questions, but now it takes close to 70 minutes. All interviews go through various stages of editing and processing and are then made available for public use.

At each survey administration, some information is collected about all individuals in the family unit (from the PSID survey respondent). Then, cross year individual files are created to follow a specific person across time. Thus cross-sectional, longitudinal, and intergenerational studies are possible. With the addition of the Child Development Supplement, there is now more information on young children, which can be linked to family data over time and across generations.

**Strengths and Limitations.** The PSID is a strong data set for examining assets and liabilities, as it has high quality asset data and follows the same families longitudinally over several decades. This allows for intergenerational analysis, trend studies, and examining the influence of family histories. Because the original set of 1968 core families includes an over-sampling of low-income households and income data for the bottom of the income distribution seems to be improving over time, the PSID is well suited to study the low end of wealth and income distributions. The rich array of correlates allows for detailed analyses across an array of topics, from health to child well-being to time usage.

Unfortunately, wealth questions do not start with the 1968 cohort, and between 1984-1999, they were only asked every five years. Only recently have asset questions been included as a part of every survey. In addition, the sample is relatively small, particularly if one wants to exploit multiple panel years, so it is difficult to analyze subpopulations. Compared to the SCF, The PSID uses relatively broad asset categories, which make its wealth estimations less accurate for the upper 5 to 10 percent of the wealth distribution and for particular sub-categories such as business and farm equity and “other assets.” Although the PSID has recently added questions

about employer provided pensions, it does not estimate Social Security payouts. Also, the PSID does not collect information on the ownership of consumer durables.<sup>15</sup>

Finally, the logistics of using PSID data sometimes limits what can be studied. If a researcher wants to do cross sectional analyses or follow an adult's employment or income over time, PSID data are fairly easy to understand and use. Following families longitudinally is more complex because people get married or divorced and move out of households, which leads to changes in the head of household. If one chooses to only include families where the head of household remains the same, this stability has implications for the results. Also the same families and individuals may not be in the survey for all the years of interest, which can limit sample size.

### **C. Survey of Consumer Finances**

The goal of the SCF is to provide information about the finances, wealth holding, pensions, and income of U.S. families, as well as their use of financial institutions. This cross-sectional data set, sponsored by the U.S. Federal Reserve Board of Governors, has been administered every three years since 1983.<sup>16</sup> The most recent SCF data available are for 2004.

Each SCF administration consists of a single questionnaire. The survey collects information about assets and liabilities, attitudes toward financial institutions and credit, as well as income (pension and non-pension), occupation, and demographic information. All civilian non-institutionalized households are eligible to be sampled. The sample size is approximately 4,500 families—the 2001 survey includes 4,449 families, while the 2004 SCF includes 4,522 families. The SCF includes only the non-institutionalized population. Therefore, subpopulations such as those who are incarcerated or living in military barracks cannot be included in analyses using these data.

The survey employs two types of samples to obtain estimates of aggregate wealth ownership in the United States. The first sample, an area-probability sample (a type of geographically-based random sample), is designed to provide representation of common characteristics that are broadly distributed across the population such as car and home ownership. Approximately 66 percent of the 2001 SCF sample came from this sub-sample (2,917 cases). The second sample, a list sample (a type of sample based on a specific list of units) is designed to oversample wealthier individuals, since wealth is highly concentrated within a small subgroup of

---

<sup>15</sup> The 2005 survey includes a question about how much was spent in the last year on furniture and equipment.

<sup>16</sup> The 1986 SCF reinterviewed respondents to the 1983 survey. For a number of reasons, this survey was of a notably lower quality than the usual SCF interview. The questionnaire was far less comprehensive, the sample size was fairly small (2,822 observations), and the non-response rate was high. The 1989 SCF was a type of overlapping panel-cross sectional design. The 1989 survey included 1,479 respondents selected for the 1983 survey and 1,622 new respondents. Of the panel cases, 849 were also eligible to be included with the new sample for cross sectional estimation. The experiences of the Federal Reserve with the 1983–89 panel suggested that it is very costly to collect panel data from a sample like that used for the SCF. In addition, the non-response rate was high and the amount of staff effort required to achieve a usable level of data quality was quite high. For these reasons, no additional SCF panel data have been collected.

the population. The cases in the list sample are derived from statistical records derived from individual income tax returns. Access to this information is provided by the Statistics of Income Division (SOI) of the Internal Revenue Service (IRS) under an interagency agreement that imposes a number of requirements intended to protect the confidentiality of taxpayers. 1,532 cases, approximately 34 percent of the 2001 SCF sample, come from the IRS list sub-sample.

**Assets and Liabilities Questions.** The SCF contains detailed information about a wide range of financial and nonfinancial tangible assets, and collects this information at the family level. Generally, the SCF interview is conducted with the economically dominant single individual or the most financially knowledgeable member of the economically dominant couple in a household.<sup>17</sup> This individual is surveyed about the asset holdings of all persons economically interdependent with the financially dominant person or couple. This group of people is referred to as the Primary Economic Unit (PEU). With this design, detailed family-level asset and liability information is available only for the PEU. A relatively short section of the interview deals with the finances of household members outside the PEU. Substantial analysis at the individual level is possible with SCF data only on employment and designated retirement assets. Some information is available on the ownership of some of the individual financial asset accounts addressed in the survey.

The SCF contains very detailed financial and nonfinancial tangible asset holdings information and is the most detailed among all of the data sets reviewed. Financial asset holdings include checking and saving accounts, CDs and money market deposit accounts, IRAs, Keogh, 401(k) and Thrift accounts, other quasi-liquid pensions, corporate and municipal bonds, U.S. Savings Bonds, stocks, mutual funds, cash value of life insurance, value of loans made to others, annuities, trusts and other financial investments. Nonfinancial tangible assets include personal residences, other real estate, motor vehicles, business equity, and other assets such as jewelry, collections, art, precious metals, and cemetery plots. The SCF contains liability information on home mortgages, other real estate mortgages, vehicle loans, margin and broker accounts, credit card and store credit debt, other bank loans, other unsecured liabilities, and secured debts, which includes loans secured by life insurance or pension accounts.

The detailed asset and liability information provided by the SCF allows researchers to calculate wealth and well-being measures that take into account both assets and debt. These measures include home equity, vehicle equity, and net worth—the sum of all assets minus their associated liabilities. These data provide researchers with the opportunity to create portraits of families' asset holdings and liabilities.

**Data Availability and Access.** There is a lag of roughly one year between the completion of SCF data collection and initial data availability. Interviews for the 2004 SCF

---

<sup>17</sup> In some instances, the designated respondent may select a proxy to complete the interview in his or her stead. Typically, such proxies are a lawyer or accountant employed by the designated respondent.

ended in December 2004, and the data were released in March 2006. The SCF public use data set can be downloaded from the SCF section of the Federal Reserve Board of Governors' website. Users have the option of downloading the data in SAS, STATA, or text file formats. Data documentation and technical reports are also available on the SCF website.

All of the asset information discussed above is available on the SCF's public release file. Some SCF information, however, is not publicly available. As in virtually all household surveys conducted by the government, extensive efforts are undertaken in the SCF to minimize the possibility of identifying respondents from the information available in the public version of the SCF data set. To this end, the public use file does not include detailed geographic information, 3-digit occupation, or 3-digit industry variables, and a number of variables are altered systematically to coarsen the information released. In addition, data for a small number of extraordinarily wealthy families are not released to the public. Users not affiliated specifically with the SCF project group within the Federal Reserve Board cannot gain direct access to the restricted-use data.

**Assets and Liabilities Correlates.** Although the SCF provides a large number of correlates related to its central mission, the set of variables available for the study of other areas, including low-income families, is more limited than the SIPP and PSID. Most demographic characteristics are restricted to the head and his/her spouse (or partner). Demographic information includes age, gender, race, and education. The SCF also collects information about the head and spouse's current job and employment status over the past year. Sources and the value of family income received in the past calendar year are collected. These income variables allow researchers to determine OASI, SSI, TANF, Food Stamps, Medicaid, and Unemployment Compensation program participation, but no program participation history is available. The family roster provides information on family structure, so low-income subpopulations such as single-parent families can be identified. However, because the SCF collects asset and liability data at the family level, if a single mother is not the head of the economically dominant family (e.g., she lives with her parents who are economically dominant), then only limited information on the single mother's own assets and liabilities is available.

A novel feature of the SCF is that it asks respondents about their use of and attitudes towards financial institutions and credit. Questions cover topics ranging from whom individuals receive financial advice, the extent to which they use computers for financial purposes, and how individuals interact with financial institutions—in person, on-line, through ATMs, etc. The credit and credit card questions ask about frequency of credit use, creditworthiness, size of credit lines offered, and balances. These questions provide a unique window into the credit use and attitudes toward financial institutions of U.S. households.

**Data Set Quality Issues.** The 2001 SCF had an overall 44.5 percent response rate, which is considerably lower than both the SIPP and PSID. But this rate reflects in large part the design



of the list sample, which oversamples wealthy families. Wealthy families are less likely to respond in any survey, but the SCF includes a means of identifying the level of nonresponse among wealth groups. The response rate for the area-probability sample was 68.1 percent, however, while the response rate for the list sample (wealthy household oversample) was 30.1 percent. Members of the list sample, unlike the area-probability sample, were given the opportunity to opt out of being interviewed before an SCF interviewer first approached them by returning a postcard to refuse participation. This mode of nonresponse explains less than a fifth of all nonresponse for the list sample in 2001 (Kennickell 2005). However, SCF respondents provide answers to asset and liability questions more often than SIPP respondents. Czajka et al. (2003) finds that imputation rates in the 1998 SCF were one-half to two-thirds the imputation rate for associated variables in the 1996 SIPP (p. 90).

To impute missing values, the SCF uses a complicated model-based procedure, which is different from the procedure used for the SIPP and PSID. For nearly every variable, missing values are imputed five times, and these five values are stored in the final SCF data sets. These five imputed values are obtained by drawing repeatedly from an estimate of the conditional distribution of the data. Because families have five values for each answered question, the data may initially be more difficult for the novice user to use. But these multiple imputations have distinct advantages. They allow for more statistically efficient estimates. In addition, they make it possible to quantify the amount of uncertainty introduced by missing data, thus enabling more honest calculations of statistical significance.

As with the SIPP and PSID, if respondents are unable to provide the exact value of an item, they are given the option of choosing a range from a pre-selected set of ranges or providing a range in which the value of an item falls. This range is then incorporated into the imputation for that item.

The Federal Reserve goes to great lengths to ensure that they are providing the general public with high quality data. The Computer Assisted Personal Interview (CAPI) instrument employed by SCF interviewers uses extremely careful wording and logic checks. Interviewers also record their comments about the interview and any responses that might require clarification. Interviewers are also required to complete a debriefing questionnaire after each interview. When the data arrive at the Federal Reserve, they are extensively checked using automated computer programs and, using interviewer notes, are edited to resolve inconsistencies when possible (Athey and Kennickell 2005). Because the main objective of the SCF is to obtain accurate information on assets, liabilities, and net worth in the United States, evaluations of other data sets' asset and liability information is often based on comparisons to the SCF.

**Survey Administration.** The SCF uses both face-to-face and telephone interviews, both of which are conducted using Computer-Assisted Interviewing. An attempt is made to reach every sample case in person to make an initial effort to gain cooperation for the interview, but

respondents are given the choice of completing the interview by telephone or in-person. 34.6 percent of 2001 SCF interviews were completed by telephone. 51 percent of individuals in the IRS list sample and 25.9 percent of national sample cases chose to be interviewed by telephone. The median interview lasted 79 minutes (Kennickell 2003, p. 3).

As mentioned above, the survey respondent (i.e., the SCF reference person) is the individual deemed to be economically dominant over the household or the financially most knowledgeable member of an economically dominant couple. But only one response is provided per household, regardless of the number of families in the household. The SCF relies on the economically dominant respondent to provide information about the entire household. However, if the spouse is available during the interview, he/she is asked to provide responses to questions regarding his/her employment, pension rights, and income.

**Strengths and Limitations.** The SCF is the most focused survey on asset ownership available. It provides the most detailed questions about assets and liabilities and, unlike surveys such as the SIPP and PSID, which do not focus solely on assets and liabilities, it is clear to those administering the SCF and to SCF respondents that the main goal of the survey is to get the most accurate depiction of the family's balance sheet possible. The SCF makes a concerted effort to provide an accurate estimate of aggregate net worth in the United States through its sampling procedures—oversampling the wealthy who own a large proportion of the nation's assets—and its sophisticated imputation procedures.

Nevertheless, the SCF is not without weaknesses that can limit its usefulness as a survey for studying the assets and liabilities of low-income households. Compared to the SIPP, the SCF has a relatively small sample size that may make it difficult to study low-income subpopulations such as single parents. For instance, the 2001 SCF includes only 162 black single parents and 52 Hispanic single parents. Small sample sizes make it difficult (and in some cases impossible) to generate national estimates for subpopulations or to estimate econometric models. Furthermore, because the SCF focuses on families, not individuals, it is not possible to identify the assets and liabilities of all the family members living in complex family structures. This is a drawback of the SCF if, for example, one wants to study single mothers at risk of welfare receipt.

Like the SIPP and PSID, the SCF does not provide direct estimates of the value of respondents' defined benefit pensions. The SCF does ask respondents a number of detailed questions about the defined-benefit and account-type retirement plans individuals might have rights to, but, just as in the real world, exact calculation of an annuity value from these plans is not possible without introducing some assumptions. Placing a valuation on the present value of a defined benefit pension requires making assumptions about lifetime earnings, inflation, discount rates, and mortality. Likewise, the SCF does not provide direct information on individual contributions to Social Security, thereby making it difficult to estimate individuals' expected Social Security benefits. The survey does include information on work experience that has been

used to make such estimates. This information could be obtained directly if the SCF was linked to administrative data on Social Security covered earnings (i.e., the DER and SER). However, obtaining clearance to link administrative data to the SCF is likely to be very difficult.

Another drawback of the SCF is that it does not provide an accounting of households' ownership of consumer durables.<sup>18</sup> Unfortunately, the limited number of correlates for the study of low-income families and the cross-sectional nature of the SCF interviews since 1989 may limit its usefulness for many asset-related studies. Researchers who use the SCF are not able to track changes in net worth because measures of assets and liabilities are made at a single point in time. Additionally, the SCF provides little information about dependents in the household. For example, the survey does not provide information on the well-being or education level of children in the household. While the SCF is a very useful tool in generating portraits of asset holding, it may not be as useful for studying the effects of policy changes on asset ownership.

#### **D. Summary of Primary Data Sets**

The SIPP, PSID, and SCF are all strong data sets for examining the assets and liabilities of low-income of households, but are not without their weaknesses. Exhibit 6 summarizes five key features of these three data sets.

The SCF provides the most detailed information on assets and liabilities and is often used to benchmark the quality of asset and liability information available in other data sets. Comparisons of (1) the SIPP to the SCF and (2) the PSID to the SCF suggests that both the SIPP and PSID do a relatively good job capturing wealth of lower income/wealth households, which is the focus of our evaluation. However, these comparisons also suggest that the SCF does a better job capturing wealth and net worth for higher income/wealth household than either the SIPP or PSID.

A comparison of the SIPP's wealth distribution with the SCF's suggests that the SIPP does a relatively good job of capturing the wealth of low-wealth households (especially in pre-1996 panels) and would do even better with the addition of a few additional questions. While analyses of the 1990-93 SIPP and the SCF show that the SIPP and SCF data sets have similar wealth distributions up through the 80<sup>th</sup> percentile (Rodgers and Smith 2000), a comparison of the 1996 SIPP to the 1998 SCF finds that SIPP net worth falls short of SCF net worth across the entire distribution (Czajka et al. 2003, Table II.5), most notably in the upper tail. Czajka et al. (2003), do find however, that the 1996 SIPP panel does reasonably well accounting for the assets and liabilities of the subgroup of families with income below 200 percent of poverty. For these

---

<sup>18</sup> The recent SCF has an open-ended question about miscellaneous assets that allows respondents to identify the three most valuable assets they own not covered elsewhere in the survey. If the respondent identifies a computer or equipment/tools as one of three most valuable assets they own, then it is recorded in the survey. However, if a respondent's computer or equipment /tools is not one of their three most valuable miscellaneous assets, it will not be recorded.

## Exhibit 6. Key Features of the Primary Data Sets

Name	Survey of Income and Program Participation	Panel Study of Income Dynamics	Survey of Consumer Finances
Asset and Liability Questions	Contains detailed information on financial and non-financial tangible assets as well as liabilities (about 65 questions).	Provides good accounting for the major components of net worth using broad asset and liability questions (about 9 questions).	Most focused survey on asset ownership (about 100 questions).
Sample Size <sup>1</sup>	35,100 households.	7,823 families.	4,522 households.
Longitudinal Data	Two to five year panel survey allowing for examination of changes in asset holdings over time.	36 year panel survey allowing for examination of changes in asset holding over time and intergenerational analyses.	Cross-Sectional data that does not allow for examination of changes in asset holdings over time.
Response Rates	68-87% (varies across the panel).	50% over the full panel, 94-98% between waves.	69% for the nationally representative sample. 35% for the wealthy family list sample.
Imputed Data	20-60% of asset and liability values imputed, with common items being imputed less frequently.	Contains less imputed asset and liability data than the SIPP and SCF.	Less missing data than SIPP. 1998 SCF imputation rates are about half what they are for similar 1996 SIPP variables.

<sup>1</sup> Sample size and response rates are for most recent data available (2001 SIPP, 2003 PSID, and 2004 SCF).

low-income households, average SIPP net worth was 89.5 percent of SCF net worth. This shortfall of SIPP net worth for low-income households appears to be attributable to the SIPP's noncoverage of certain asset and liabilities items. When items excluded from the SIPP are excluded from calculations of net worth using SCF data (to get an adjusted SCF measure), the mean SIPP net worth for low-income households was 100.2 percent of adjusted SCF net worth (Czajka et al. 2003, Tables III.6 and III.7). The SIPP performs quite well in measuring the net worth of low-income households, but adding questions to the SIPP (i.e., those asked in the SCF but not the SIPP) may allow the data to better capture the net worth of low-income households.

The PSID also does a good job of capturing the wealth of low-wealth households. Comparing wealth distributions, the PSID is almost identical to the SCF up to the 30<sup>th</sup> percentile, at which point PSID estimates trail the SCF. By the upper 1 to 3 percentiles the two surveys begin to diverge more dramatically, where SCF estimates are higher. For the very wealthy, not having the more detailed questions in the PSID about business equity and other less common assets becomes problematic (Juster, Smith, and Stafford 1999). Because our research questions focus on assessing asset data for low-income households and all three data sets (SIPP, PSID, and SCF) do a relatively good job capturing the wealth of low-income households, they are all identified strong data sets.

While the SCF provides a detailed and comprehensive accounting of families' assets and liabilities, the relatively small sample of low-income households and lack of disaggregated individual assets in the SCF makes it difficult to study low-income subpopulations. The 2001 SCF sample only includes 1,032 households with income below 200 percent of poverty. Another drawback of the SCF is that it is a cross-sectional survey. Therefore, aggregate changes over time can be studied, but changes in a household's assets and liabilities over time cannot be examined.

Both the SIPP and PSID provide longitudinal data on assets and liabilities, but neither provides the same level of detail as the SCF. Of these two data sets, the SIPP has substantially more detailed asset and liability questions than the PSID. For example, the SIPP provides more detailed information on IRAs, Keogh accounts, 401(k) accounts, and Thrift accounts. A significant strength of the SIPP, in comparison to both the PSID and SCF, is that the large sample size (roughly 35,000 households in 2001) allows for detailed subgroup analyses of the low-income population. The SIPP does have relatively high nonresponse to asset and liability questions, although research suggests that this nonresponse has, at most, only a small effect on the asset and liability data for low-wealth households. The PSID has many fewer asset and liability questions and a smaller sample size than the SIPP, but the response rate to asset and liability questions is significantly higher. One important benefit of the PSID is its long panel, which allows for studies over long periods and intergenerational studies.

The SIPP, PSID, and SCF do not provide direct estimates of the value of respondents' defined benefit pensions, which is a drawback since the value of the defined benefit pension is an asset to families. Placing a valuation on the present value of a defined benefit pension is difficult, however, as it requires detailed information about respondents' pension plans and assumptions about lifetime earnings, inflation, discount rates, and mortality. Information on the value of respondents' future Social Security benefits is also not directly available in these three surveys. While not directly available in the SIPP, links between the SIPP and administrative data on Social Security covered earnings (i.e., SER), do allow researchers with access to these administrative data to estimate the value of Social Security benefits. Currently, the PSID and SCF are not linked with administrative data on Social Security covered earnings, so these types of calculations are not possible.

In terms of understanding the detailed asset holdings and liabilities of the low-income population, the SCF allows one to paint the most complete portrait. The SIPP also provides a great deal of detailed asset and liability information to paint a portrait. If one wants to examine a larger sample or paint a portrait of a subgroup of the low-income population (e.g., low-educated minorities), the SIPP provides the richest data for doing so. Finally, if one wants to examine changes in assets and liabilities across multiple years and across generations, the PSID stands out as the best data set.

## **V. MEANS FOR IMPROVING ASSET DATA**

Based on our evaluation of asset and liability data, there is room to improve the quality of these data sets. There are hundreds of types of assets with variation in liquidity (from checking accounts to one's home), functions (short-term saving such as checking accounts to long-term savings such as retirement accounts), risk, and tax treatment of savings (401(k) accounts versus regular saving accounts). The values of some types of assets (e.g., business assets and real estate) are difficult to estimate even in the best of circumstances (Juster, Smith, and Stafford 1999). Item nonresponse rates are higher for assets and liabilities than other economic variables in most survey data. Low response rates may be explained partly by respondents' unwillingness to disclose financial information and partly by their lack of knowledge of their current asset holding (Curtin, Juster, and Morgan 1989). This section answers the following questions:

- What are general means for improving the data on assets?
- What are specific means for improving data on assets?

This section first identifies options for improving asset and liability data in general. These options are based on limitations common to existing data sets. This includes options for collecting additional information that is not currently available, which would enable researchers to study research questions that cannot currently be answered. Next, we identify options for improving the three primary data sets—the SIPP, PSID, and SCF. These options are not mutually exclusive; any one or all of these options could be adopted. Both sets of options are put forward

in the interest of enhancing the usability and quality of the data, although they have not been assessed for cost, feasibility, and difficulty of implementation. Additionally, given the re-engineering of the SIPP currently underway, these suggestions for improving assets and liability data are particularly relevant and timely.

### **A. General Means for Improving Asset Data**

*Option 1:* Collect information on the dynamics of asset accumulation. The asset accumulation process could play a crucial role in social and economic development since individuals may be empowered and inspired through the process of building assets. Therefore, the asset accumulation process may be as important as asset possession in understanding determinants and effects of assets and liabilities among the low-income population. Existing data focus mainly on the possession of assets and pay little attention to the asset accumulation process, such as frequencies of saving deposits and portfolio changes. The PSID collects information on flows of money in and out of assets (e.g., when a house is bought or sold, money put into the stock market, or an annuity cashed in), and, therefore, has the potential to provide a more dynamic picture of the asset accumulation process than most data sets. Similarly, the 1989 SCF included questions on major changes in asset holdings since 1983, such as purchases and sales of property, financial assets, and business interests. None of the existing national data sets, including the PSID, however, provide detailed information on saving patterns such as saving and withdrawal frequencies.

Thus, an option for improving asset data is to include questions related to the asset accumulation process in existing national data sets. This could be particularly valuable in longitudinal data sets such as the SIPP and PSID. Since the SIPP collects data more frequently (every four months for core questions and every year for wealth questions) than the PSID (every two years), it may have less measurement error due to memory lapse. However, the PSID has an advantage of observing the same households over a longer time period and therefore, would enable study of changes in saving and asset accumulation patterns over the long term. Careful assessment of the 1989 SCF shows that asset data collected retrospectively are noisy (Kennickell and Starr-McCluer 1996), probably because the 1989 SCF collected data covering 6 years (1983-1989). Accordingly, it is recommended that questions be asked about asset accumulation process in panel studies with a shorter interview interval. In this regard, the SIPP and the PSID seem better candidates than the SCF.

Another way to collect information on the asset accumulation process is to include questions about saving behaviors. For example, the cross sectional SCF asks a question about saving habits and spending relative to income, which allows categorization of saving/spending patterns (Kennickell 1995). Two advantages of such questions are relative ease for respondents in answering the questions and simplicity of processing and analyzing cross sectional information. This approach, however, has a disadvantage in relying on respondents' subjective judgment of their own behaviors.

**Option 2:** Encourage survey respondents to use financial statements when answering asset and liability questions. The use of financial statements could increase both the accuracy of responses and item response rates. During the 1998 SCF interviews, interviewers encouraged respondents to refer to their financial statements. As a result, 34 percent of respondents referred to their financial statements at least once while 6.8 percent referred to them on a frequent basis (Kennickell 2000, p. 24). This approach may be used effectively by other surveys, especially panel data that have successfully built long-term relationship with respondents (e.g., the PSID) because they may save their financial statements as preparation of upcoming interviews.<sup>19</sup> This may, however, affect the length of the interview.

Since it has not been empirically tested whether interviewers' encouragement of using financial statements improves the accuracy of self-reported asset data and increase item-response rates, it may be desirable to conduct experimental studies. In these experiments, respondents would be randomly assigned to two groups: one receiving encouragement from interviewers to refer to financial statements and the other not receiving encouragement. In addition to testing the impact of "encouragement" on accuracy of responses, this type of demonstration could also shed light on validity of data imputations and other methods used to address nonresponses.

**Option 3:** Assess the quality of asset data collected with survey methods using other sources, particularly for assets that are difficult to value. The SIPP and the SCF, for example, collect information on automobile makes, models, and years, and then uses Blue Book prices to calculate the value of automobiles, instead of directly asking respondents about the values of their automobiles. This provides a consistent means for obtaining vehicle values. Other surveys could benefit from similar procedures. It is often mentioned that respondents tend to over-estimate housing values. The House Price Index, collected by the Office of the Federal Housing Enterprise Oversight, provides information that could be used to obtain estimates of housing values in the same way the Blue Book provides information on automobile values.<sup>20</sup> However, housing value may have a greater idiosyncratic variation than vehicles. In addition, reliability and validity of using this index to estimate individual housing values have not been empirically tested. Accordingly, pilot studies to evaluate the usefulness and effectiveness of this approach may be desirable.

**Option 4:** Collect data on assets among crucial subpopulations. For example, little is known about asset accumulation among Native Americans, those who have been incarcerated, or immigrants and refugees. Our limited understanding of these subpopulations is partly due to the scarcity of reliable data. For example, none of the data sets examined include a subpopulation of Native Americans that is large enough for separate analyses. National surveys rarely provide information on those who are incarcerated or identify those who were previously incarcerated. In

---

<sup>19</sup> Some PSID respondents already do refer to financial documents, but this practice could be more uniformly encouraged.

<sup>20</sup> This information is available at <http://www.ofheo.gov/HPI.asp> (accessed June 16, 2005).



terms of immigrants, the PSID added 441 immigrant families into its sample in 1997, but the sample size may be too small to advance substantially our understanding of immigrant households. The SIPP has a sizeable immigrant subpopulation in its sample, but does not have detailed information on immigration status; it does not have a refugee status variable and does not distinguish permanent residents (green card holders) from other immigrants (those with visitor, student, and working visas). Immigration status affects public assistance program eligibility and position in labor, housing, and credit markets. Thus, lack of information limits our understanding of the immigrant subpopulation. Because sensitive questions (e.g., incarceration experience or current visa status) could alienate some respondents, these questions require special care and attention. When it is necessary to ask sensitive questions, these questions should be carefully tested in order to minimize adverse consequences on a survey.

Information on subpopulations can be collected as part of an existing national survey (as in the case of the immigrant subsample in the PSID). To obtain a large sample of Native Americans, a survey could over-sample individuals living on reservations, although this approach is not able to cover those living off reservations. To obtain a large sample of individuals who have been imprisoned, researchers may have to rely on the Department of Justice database on prisoners' records. Another option could be to field a new survey that focuses specifically on these subpopulations. It would facilitate comparisons if a new survey uses survey instruments similar to those employed in national surveys (e.g., PSID or SIPP).

**Option 5:** Collect data on respondents' experiences with saving incentive programs beyond retirement savings accounts. Collecting this type of information would provide a broader understanding of low-income households' savings patterns and responses to savings incentives. Compared to a long-standing interest in retirement accounts, existing data sets provide little information on respondents' experience with other types of saving-incentive programs, such as college savings strategies (e.g., Educational IRAs and 529 plans), Individual Development Accounts (IDAs), the Small Savers Credit, and efforts to promote saving through the EITC. These saving mechanisms have steadily expanded over the last two decades and may affect asset accumulation within the low-income population. For example, since their inception in the early 1990s, IDA programs have expanded to more than 400 programs currently operating in the U.S. In 1998, the Assets for Independence Act (PL 105-285) created a federal IDA program for low-income individuals and families.<sup>21</sup> Except for the data sets specifically designed to evaluate IDA programs, no existing data sets collect information on IDA program participation. Accordingly, we know little about the effects of these programs on low-income households in general. Collecting data on individuals' experiences with saving incentive programs from a nationally representative sample would provide information on (1) what percentage of eligible households

---

<sup>21</sup> The Assets for Independence (AFI) program awards five-year grants to community-based nonprofits and nonfederal government agencies that offer IDAs and related services. More information about AFI projects can be found at <http://www.acf.hhs.gov/assetbuilding/>.

participate in these various programs and (2) the value of financial assets participating households have accumulated through these programs. Although the SCF provides valuable information on college saving plans, the SCF includes limited information on correlates of interests (e.g., child outcomes) that are needed to understand determinants and effects of these programs. The PSID collected detailed information on college savings in the 2002 Child Development Supplement. This survey supplement provides information on college savings for one year (2002) and covers a subsample of families with children 5–18 years old in that year and those interviewed when the first Child Development Supplement data were collected in 1997. Collecting data on college savings from every household with children, including college-aged children, would significantly enhance the PSID data.

Questions on asset accumulation programs could be added to existing data sets. Because the PSID and SIPP contain a wide range of correlates (e.g., public assistance history and child outcomes), they are ideal candidates to collect information on asset building interventions for low-income households.

## **B. Specific Means for Improving Asset Data**

### ***Survey of Income and Program Participation***

**Option 6:** Collect information on quasi-liquid financial assets (e.g., pensions and life insurance); other tangible assets (e.g., jewelry, cemetery plots, art, and collections); and other secured debt. Collecting this information could improve the usefulness of SIPP’s asset data, as it would capture a wider range of individuals’ assets and liabilities. For some of these categories, the survey questionnaire could provide guidance to help respondents determine the reported values.

As currently designed, the SIPP asset and liability topical module does not include information on quasi-liquid pensions such as 403(b)s and other defined contribution pensions, although it is asked in the retirement plan topical module. Incorporating this information into the asset and liability module would provide consistency and may provide more accurate estimations of wealth.<sup>22</sup>

**Option 7:** Revise the imputation method used to fill in for item nonresponse. SIPP’s nonresponse rates are higher for asset and liability questions than for other questions, and data quality could improve if the current hot-deck imputation methods were replaced with a model-based approach, such as the one used for the SCF. Further, the relationship between assets and liabilities should be taken into account in the imputation procedure. There are interactions between assets and liabilities when calculating net worth, so it is important that asset items be

---

<sup>22</sup> The retirement module and the assets and liabilities modules are currently administered in different survey waves. Therefore, measures of net worth are constructed using non-retirement asset values and retirement asset values from different points in time, which is not ideal as individuals can shift assets from one time period to another. Furthermore, the assets and liabilities module was fielded three times in the 2001 panel while the retirement accounts module was fielded only twice, meaning that less frequent updates are available for retirement accounts.

taken into account when imputing liabilities and vice versa. This would add complexity to the imputation method and could increase the cost of preparing the survey data for release to the public.

**Option 8:** Increase the number of response brackets, narrow the width of each bracket, and raise the top code of the asset brackets. As described above, an evaluation of response brackets in the SIPP suggests that (1) replacing the relatively small number of wide brackets with a larger number of narrow brackets and (2) increasing the upper bound of the top bracket will likely lead to a more accurate picture of asset holdings and liabilities among respondents (Czajka et al. 2003). This is a low-cost and straightforward way to improve quality of the SIPP asset and liability data.

Going further, asking for exact estimates by dollar value of assets and liabilities might be just as easy for respondents and would make the calculation of total assets, total liabilities, net worth and other composite measures both more accurate and more simple.

**Option 9:** Collect data on citizenship and refugee status more than once during the SIPP panel. Although not directly related to asset data, immigration status is a time-variant variable and changes in immigration status (e.g., from a permanent resident to a citizen or from a refugee to a permanent resident) may influence asset accumulation. If there is sufficient movement in immigration status over a SIPP panel, researchers could examine how assets and liabilities change with immigrant status.

### ***Panel Study of Income Dynamics***

**Option 10:** Link PSID data with administrative data (e.g., data from the Social Security Administration, Internal Revenue Service, and Employer Pension Study), as the SIPP and HRS currently do. Linking administrative data to existing survey data is a low-cost way of obtaining significant information about individuals and households. These administrative data sets provide information on contributions to retirement savings accounts (e.g., 401(k) and 403(b) accounts), contributions to the Social Security system, and other available financial resources in employment related pensions. The PSID recently added questions on retirement accounts and pensions, and links to administrative data would provide valuable information. The PSID has built a relationship with respondents through more than 30 years of data collection, and this relationship would likely facilitate in collection of respondents' Social Security numbers and their permission for data linking. However, as discussed above, issues around confidentiality may make it difficult for the PSID to obtain clearance to link the data.<sup>23</sup>

**Option 11:** Adding a few questions about business equity and other assets to the wealth section would strengthen PSID's ability to capture net worth across the entire wealth distribution.

---

<sup>23</sup> Also, there is concern that asking for Social Security numbers might negatively impact response rates.

Although it is difficult to represent business assets accurately, the PSID makes little effort to address this problem in asking only one question about the total value of farm and business equity. A few additional questions would allow for more precision and accuracy. In addition, expanding the “other assets” section to include separate questions about specific types of assets might help jog the respondent’s memory and improve reporting at the higher end of the income scale (Juster, Smith, and Stafford 1999).

### ***Survey of Consumer Finances***

***Option 12:*** Link SCF data with administrative data, as described for the PSID above. This link would provide additional information about the earnings histories, retirement savings, and Social Security contributions for the SCF sample.

***Option 13:*** Add more low-income families to the SCF sample. Currently, the SCF includes a relatively small number of low-income families (1,032 in 2001). This limits the data set’s usefulness for studying subgroups of the low-income population. Expansion of the low-income sample should not be at the expense of the high-wealth sample, given the SCF’s primary goal of providing information about wealth holdings in the United States.

***Option 14:*** Decrease the lower limit of *inter vivos* transfer in the SCF. The SCF asks whether respondents’ families gave \$3,000 or more to other families and whether they received \$3,000 or more from other families as a measure of inter-family transfer of assets. The truncation of data at \$3,000 is often mentioned as a shortcoming of the SCF in studying inter-family transfer and asset accumulation of the low-income population. Asking whether a family received from or gave to other families gifts or supports worth \$100, like the PSID, provides more information and is preferable (Gale and Scholz 1994; Schoeni 1997).

***Option 15:*** Collect data as a panel that includes at least three waves. The SCF provides a great deal of information on asset and liability holdings, but information over time would allow researchers to identify portfolio changes. Panel studies are costly, and this must be weighed against the fact that changes in reported wealth over time are subject to measurement error and regression to the mean (Toder et al. 2002; Haider et al. 2000). Also, the experience of the 1983-89 SCF panel suggests that it is very difficult to reinterview the wealthy respondents who are a central part of the SCF sample for other research purposes.

## **VI. CONCLUSION**

This report identifies the most informative and reliable data sources for understanding low-income households’ assets and liabilities. We evaluate 12 data sets using four criteria: relevancy, representativeness, recurrence, and richness of correlates. Based on this evaluation, we identify three data sets as having the greatest potential for future asset research—the Survey of Consumer Finances (SCF), the Survey of Income and Program Participation (SIPP), and the Panel Study of Income Dynamics (PSID). Each of these three data sets provides important information about

asset holdings and liabilities, and the report details each data set's structure, strengths, and limitations.

Given the strengths and weaknesses of these three data sets, researchers can select the most appropriate one for their particular study. The most useful data set for understanding the asset and liabilities of the *overall* low-income population is the SCF. The SCF's very detailed questions allow researchers to study the types of assets low-income households own and the types of debt they hold, along with the value of their asset and debt holdings. For examining *subgroups* of the low-income population, the SIPP data are most valuable. The large sample size and detailed questions of the SIPP permits a wide variety of analyses of asset and liability information.

Researchers studying the determinants of financial asset building and life course patterns of asset accumulation would be best served using longitudinal data sets with rich correlates, such as the PSID or SIPP. The PSID's long panel is especially useful for studying life course patterns. Understanding the benefits and consequences of asset building (such as economic, social, and child well-being) requires data that provide these outcome measures. Again, both the SIPP and PSID are potentially strong for these purposes because of the richness of data collected and their longitudinal nature. Further, longitudinal data and a rich set of correlates can be used to control for unobserved and observed differences, thus identifying causal benefits and consequences rather than just associations between asset holdings and outcomes.

Finally, this report presents 15 options for improving data on assets. We identify general options for improving asset and liability data across multiple surveys, as well as specific options for improving each of the three primary data sets. Some options include collecting information not currently available in surveys (e.g. dynamics of asset accumulation), while other options are designed to improve the quality of currently collected asset and liability data. These options could be implemented individually or jointly, with the decision to implement a particular option (and not another) based on goals for the survey.

## VII. REFERENCES

- Athey, Leslie B., and Arthur B. Kennickell. 2005. "Managing Data Quality on the 2004 Survey of Consumer Finances." Available at:  
[http://www.federalreserve.gov/pubs/oss/oss2/papers/Athey\\_Kennickell\\_101805.pdf](http://www.federalreserve.gov/pubs/oss/oss2/papers/Athey_Kennickell_101805.pdf)
- Curtin, Richard T., F. Thomas Juster, and James N. Morgan. 1989. "Survey estimates of wealth: An assessment of quality," In *The measurement of saving, investment, and wealth*, ed. Lipsey, Robert E., and Helen Stone Tice. 473-548. Chicago: University of Chicago Press
- Czajka, John L., Jonathan E. Jacobson, and Scott Cody. 2003. "Survey Estimates of Wealth: A Comparative Analysis and Review of the Survey of Income and Program Participation." Washington: Mathematica Policy Research, Inc.
- Gale, William G., and John Karl Scholz. Fall 1994. "Intergenerational transfers and the accumulation of wealth." *Journal of Economic Perspectives* 8 (4): 145-460.
- Gouskova, Elena, and Frank Stafford. 2002. *Trends in Household Wealth Dynamics, 1999-2001*. Institute for Social Research: University of Michigan.
- Haider, Steven, Michael Hurd, Elaine Reardon, and Stephanie Williamson. 2000. "Patterns of Dissaving in Retirement," AARP Public Policy Institute.
- Juster, F. Thomas, James P. Smith, and Frank P. Stafford. 1999. "The measurement and structure of household wealth." *Labour Economics* 6 (2): 253-275.
- Kennickell, Arthur B. 2000. "Wealth Measurements in the Survey of Consumer Finances: Methodology and Directions for Future Research." Washington: Federal Reserve Board.
- Kennickell, Arthur B. 1995. "Saving and permanent income; Evidence from the 1992 SCF." Available at <http://www.federalreserve.gov/pubs/oss/oss2/papers/saving.abk.scf92.pdf>
- Kennickell, Arthur B. 2005. "Darkness Made Visible: Field Management and Nonresponse in the 2004 SCF." Available at:  
<http://www.federalreserve.gov/pubs/oss/oss2/papers/asa2005.5.pdf>
- Kennickell, Arthur B. and Martha Starr-McCluer. 1996. "Retrospective reporting of household wealth: Evidence from the 1983-89 Survey of Consumer Finances." Available at <http://www.federalreserve.gov/pubs/oss/oss2/papers/sv8389.pdf>
- Kim, Yong-Seong and Frank P. Stafford. 2000. The "Quality of PSID Income Data in the 1990's and Beyond," mimeo, Institute for Social Research, University of Michigan.
- PL (Public Law) 105-285. Community Opportunities, Accountabilities, and Training and Educational Services Act of 1998. Available at:  
<http://www.acf.hhs.gov/assetbuilding/afialaw2000.html>
- Ratcliffe, Caroline, Gregory Acs, Tim Dore, and David Moskowitz. 2005. "Assessment of Survey Data for the Analysis of Marriage and Divorce at the National, State, and Local Levels." Urban Institute report prepared for the Lewin Group and U.S. Department of Health and Human Service, (January).
- Rodgers, Diane Lim and Karen Smith. 2000. "Options to Adjust Asset Simulation and Spend Down." Urban Institute report prepared for the Social Security Administration.

- Schoeni, Robert F. 1997. "Private Interhousehold Transfers of Money and Time: New Empirical Evidence." *Review of Income and Wealth* 43 (4): 423-448.
- Sherraden, Michael. 2001. "Asset-building policy and programs for the poor," In *Assets for the Poor: The benefits of spreading asset ownership*, ed. Shapiro, Thomas M., and Edward N. Wolff. 302-323. N.Y.: Russell Sage Foundation
- Sisson, Jeff and Kathleen Short. 2001. "Measuring and Modeling Taxes in the Survey of Income and Program Participation." Unpublished manuscript. Available at <http://www.census.gov/hhes/poverty/povmeas/papers/taxmodelresults.pdf> (accessed June 15, 2005).
- Spilerman, Seymour. 2000. "Wealth and stratification processes." *Annual Review of Sociology* 26: 497-524.
- Toder, Eric, Lawrence Thompson, Melissa Favreault, Richard Johnson, Kevin Perese, Caroline Ratcliffe, Karen Smith, Cori Uccello, Timothy Waidman, Jillian Berk, Romina Woldemariam, Gary Burtless, Claudia Sahm, and Douglas Wolf. "Modeling Income in the Near Term: Revised Projections of Retirement Income Through 2020 for the 1931-1960 Birth Cohorts." Report submitted to the Social Security Administration, June 2002.
- U.S. Bureau of Labor Statistics. 2005. Frequently Asked Questions: Does the Consumer Expenditure Survey Include Information on Assets and Liabilities. Washington, D.C. <http://www.bls.gov/cex/csxfaqs.htm#q8> (accessed June 7, 2005).
- US Census Bureau. 2001. "Survey of Income and Participation Users' Guide (Supplement to the Technical Documentation)." Third edition.
- U.S. General Accounting Office. 2003. *Retirement Income Data: Improvements Could Better Support Analysis of Future Retirees' Prospects*. GAO-03-337. Washington: U.S. General Accounting Office.

## VIII. APPENDICES

### Appendix A: Descriptions of other data sets examined

**American Dream Demonstration Account Monitoring Data.** The American Dream Demonstration Account Monitoring data (ADD-AM) was collected from a 14-program, nationwide demonstration of Individual Development Accounts. It had three purposes: to determine whether the poor can save and build assets in a matched-savings structure, to analyze how IDA savings outcomes are associated with institutional structure and IDA design, and to analyze how IDA savings outcomes are associated with participant characteristics. Data on ADD's 2,350 participants were recorded at enrollment, and cash flows in the IDA accounts were recorded monthly. All participants had income below 200 percent of the poverty line, but the sample is not representative of the low-income population. Asset data cover balances in passbook and checking accounts, homes, nonresidential real estate, vehicles, and businesses. Liability data cover home mortgages, nonresidential mortgages, vehicle loans, business debts, credit-card debts, and private loans. ADD-AM was collected from 1997 to 2003. There is no plan for additional data collection in the future.

**American Dream Demonstration Experiment Data.** Data from the American Dream Demonstration Experiment (ADD-E) were collected from a program in ADD in which qualified applicants (employed with income below 150 percent of poverty) were randomly assigned to a treatment group (537 people) with access to IDAs and a control group (566 people) without access. Data were collected from members of both groups at assignment (in cohorts from November 1998 to December 1999), 18 months after assignment, and finally 48 months after assignment. The sample is not representative of the low-income population. The experiment was designed to provide simple tests of the impact of access to IDAs on a variety of outcomes such as education, community and political involvement, life satisfaction, and the presence and value of different types of assets and liabilities. Asset data cover balances in passbook and checking accounts, other interest-earning assets, stocks and mutual funds, U.S. Savings Bonds, other financial assets, IRAs, 401(k)s, homes, nonresidential real estate, vehicles, businesses, and durable goods. Liability data cover home mortgages, debt for nonresidential real estate, vehicle loans, business debt, credit-card debt, bank loans, and personal loans. There is no plan for additional data collection of ADD-E in the future.

**Asset For Independence Act (AFIA) Evaluation Data.** Asset for Independence program evaluation (AFI) data was mandated by the Assets for Independence Act. Sponsored by the U.S. Department of Health and Human Services (DHHS), the evaluation is being conducted by an independent research organization, the Abt Associates, Inc. The AFI evaluation consists of two components: (1) process analysis (evaluation of the development, planning, start-up, and ongoing operations of 14 selected AFI projects), and (2) nonexperimental impact analysis (collection and analysis of information on program participants and a comparable nonparticipants). Sample selection criteria are identical with AFI program eligibility: those who are eligible for Temporary



Assistance for Needy Families (TANF) or the Federal Earned Income Tax Credit (EITC), or those with income less than two times the Federal poverty line. Since the AFI program samples are limited to program participants they are not representative of the general U.S. low-income population. The program participation tracking and monitoring program uses the same method and collects identical information as the American Dream Demonstration Account Monitoring Data (ADD-AE). That is, program and monitoring data are created with programs' administrative data on participants' IDA accounts, such as participant savings, average monthly deposit, deposit regularity, and matched withdrawals. The nonexperimental impact analysis uses survey instruments similar to the SIPP topical module on Assets and Liabilities.

**Consumer Expenditure Survey.** The Consumer Expenditure Survey (CEX) is a survey sponsored by the Bureau of Labor Statistics with the goal of collecting information about the consumption patterns of U.S. households. It is a quarterly cross-sectional survey that currently utilizes a rotating sample of approximately 7,500 households. The survey captures non-institutionalized civilians and provides representative estimates on a national level. It is also representative of the low-income subpopulation. Currently, the CEX provides information about broad asset holding categories, but limited information about detailed asset holding categories. Asset questions about home value, vehicle value, checking and saving accounts, stock and mutual fund holding, savings bonds, and appliance ownership are included in the survey. Liability questions cover only mortgages and vehicle loans. Omitted asset and liability categories include retirement accounts, quasi-liquid pensions, businesses, life insurance, business debt, and loans secured by retirement accounts. The Bureau of Labor Statistics warns users of nonresponse to asset and liability questions and suggests that researchers interested in asset and liability holdings should use the Survey of Consumer Finances. This survey is planned to continue for the foreseeable future with new asset data being released quarterly.

**Current Population Survey.** The Current Population Survey (CPS) is a monthly cross sectional survey sponsored by the Bureau of Labor Statistics with the goal of collecting information about the U.S. labor force. The CPS, which interviews approximately 60,000 households (112,000 individuals) each month, is representative of non-institutionalized civilians age 15 and over, and is also representative of the low-income population. Each month, the CPS provides new estimates about employment. Each spring, a CPS supplement collects information on the following asset related categories: homeownership, home equity, interest income, dividend income, and retirement income. This survey does not contain information about assets such as checking accounts, saving accounts, other interest earning assets, stocks, mutual funds, retirement accounts, quasi-liquid pensions, life insurance, nonresidence real estate, vehicles, and businesses. Liabilities such as mortgages for nonresidence real estate, business debt, vehicle loans, margin accounts, credit card debt, bank loans, and loans against retirement accounts are also not covered by the survey. The CPS is planned to continue for the foreseeable future with asset related questions being asked each March.

**Health and Retirement Study (HRS).** The Health and Retirement Study (HRS) is a panel survey collected by the University of Michigan's Institute for Social Research and sponsored by the National Institute of Aging. The HRS began in 1992 and interviews individuals biennially. The sample currently includes individuals born before 1948 (ages 56 and older in 2004) and has a total of four cohorts.<sup>24</sup> The two original cohorts, individuals born between 1931 and 1941 and individuals born in or prior to 1923, were first sampled in 1992 and 1993 while the two other cohorts were added in 1998.<sup>25</sup> The HRS collects information on older Americans' financial status, physical and mental health, family support systems, labor market status, and retirement planning. The HRS is representative of older Americans in general, so it is representative of low-income older Americans. The HRS provides detailed information about financial and nonfinancial assets. Financial asset coverage consists of checking and savings accounts, CDs, bonds, stocks and mutual funds, retirement accounts, homes, businesses, nonresidence real estate, and motor vehicles. Liability coverage consists of mortgages on home and other real estate, and other types of loans. Compared to other data sets (e.g., SIPP and PSID), HRS includes more detailed information on retirement accounts (IRA, Keogh). HRS collects data on capital gains and saving component changes between waves. The HRS includes data about employment related pensions by linking Employer Pension Study data. This survey is planned to continue every two years.

**Home Mortgage Disclosure Act Data.** The Federal Reserve Board has implemented the Home Mortgage Disclosure Act (HMDA) Data program since 1975. New HMDA data are released yearly and provide information from financial institutions regarding home loans in an effort to determine the performance of financial institutions, provide information to public officials in distributing public monies in order to attract further private investment, and to identify discriminatory lending. The unit of observation is a mortgage loan application. The 2004 HMDA included 41.6 million loan records submitted by 8,121 financial institutions. This data set includes loan applications from most mortgage lending institutions. In that sense, it should be representative of all low-income loan applicants. These data provide a limited set of correlates including race, gender, and income of the borrower. The ability to identify low-income borrowers has only been available since 1990. HMDA data provide information about mortgage and home improvement loans. The extent of the asset related information is the amount of the mortgage or home improvement loan applied for. This data set does not contain information about assets such as checking accounts, savings accounts, other interest earning assets, stocks, mutual funds, retirement accounts, quasi-liquid pensions, life insurance, nonresidence real estate, vehicles, and businesses. HMDA data also does not include information about liabilities such as mortgages for nonresidence real estate, business debt, vehicle loans, margin accounts, credit card debt, bank loans, and loans against retirement accounts. HMDA data are a congressionally-

---

<sup>24</sup> A fifth cohort, those born between 1948 and 1953, was introduced in 2004 and a sixth cohort of those born between 1954 and 1959 is scheduled to be introduced in 2010.

<sup>25</sup> The cohort introduced in 1993 was originally a separate study, the Study of Assets and Health Dynamics Among the Oldest Old (AHEAD). The two studies were merged in 1998.

mandated product of Home Mortgage Disclosure Act and will continue for the foreseeable future.

**National Longitudinal Survey of Youth 1979.** The National Longitudinal Survey of Youth 1979 cohort (NLSY79) is a panel survey sponsored by the Bureau of Labor Statistics (BLS), U.S. Department of Labor. The survey is conducted under contract with the Center for Human Resources Research (CHRR) at the Ohio State University and the National Opinion Research Center (NORC) at the University of Chicago. The NLSY79 is representative of 12,868 young men and women who were 14 to 22 years when first interviewed in 1979. The initial survey contained oversamples of black, Hispanic, and economically disadvantaged youth. The NLSY79 is a longitudinal data set that collected data annually between 1979 and 1994; data has been collected every two years since 1994. The most recently released data were collected in 2002. Data collection is planned to continue every two years into the future. The NLSY79 includes detailed information about the ownership and amounts of different types of financial assets and liabilities. Financial asset coverage consists of checking and savings accounts, CDs, homes, common stocks, bonds, retirement accounts, businesses, farms, nonresidence real estate, and motor vehicles. Liability coverage consists of mortgages on home and other property, credit card debts, debts on business and farms. Limited asset data was collected for survey years from 1979 to 1984, and no assets data on survey years were collected for survey years 1991 and 2002. Assets data of NLSY focus primarily on the respondents, not on households.

**The National Survey of Families and Households (NSFH).** The National Survey of Families and Households (NSFH) is a panel study funded by the Center for Population Studies of the National Institutes of Child Health and Human Development. It was designed and carried out at the Center for Demography and Ecology at the University of Wisconsin-Madison. The NSFH consists of interviews with a national random sample of 13,017 respondents (non-institutionalized individuals 19 and over), consisting of a main sample of 9,643 respondents, and an oversample of 3,374 respondents including blacks, Puerto Ricans, Mexican Americans, single-parent families, families with stepchildren, cohabiting couples, and recently married couples. The NSFH provides asset coverage information on homes, other real estate, business and farm, and motor vehicles, but it only includes one total value of savings accounts, savings bonds, IRAs, money market shares, and CDs. Debts coverage in NSFH consists of debts on home, other real estate, business or farm, and motor vehicles, as well as credit card loans, installment loans for major purchases, educational loans, personal loans from banks, other businesses or friends/relatives, and home improvement loans. The first wave of data collection was conducted between 1987 and 1988, and two follow-up surveys were conducted in 1992-1994 (wave 2) and 2001-2002 (wave 3). Currently, there are no plans for additional waves of the survey, but additional waves could be funded.

**Saving for Education, Entrepreneurship, and Downpayment (SEED) Data.** SEED is a large, multi-method study of children's savings accounts (CSAs). SEED is led by five national

partners: CFED, Center for Social Development at Washington University in St. Louis, the Initiative on Financial Security of the Aspen Institute, the New America Foundation, and the University of Kansas School of Social Welfare. SEED began in 2004 and research is scheduled to continue until 2012, for some research methods. SEED will generate four quantitative data sets. The first is a data set from a Quasi-experimental Impact Assessment, consisting of two waves of survey data from one community-based SEED site, a Head Start program with multiple locations. The initial size of this data set is targeted at 600 total treatments and comparison families. Impact measures will include savings for children, total household savings, and outlook and behaviors of parents regarding the child's future. A second data set will be from a true experiment with an initial total of 2000 treatments and controls within a single state. This "universal policy model" will use a state's 529 plan to model a low-cost CSA with centralized account administration. Accounts will begin with infants in the first year of life. Impact measures will be similar to those in the quasi-experiment. A third data set will be based on Account Monitoring Research, which tracks all account transactions at 12 community-based SEED sites, along with participant characteristics. A fourth data set will be from a cross-sectional Parents Survey that will yield more information on SEED families at community sites and can be combined with Account Monitoring data for analyses of participant family characteristics, interactions with SEED programs, and savings patterns and outcome

## Appendix Exhibit A-1. Summary of Secondary and Limited Use Data Sets<sup>a</sup>

Name	Population	Sample Size <sup>b</sup>	Years Available <sup>c</sup>	Survey Design <sup>d</sup>	Broad Asset Topics	Broad Limitations
<b>Secondary Data Sets: Surveys</b>						
Consumer Expenditure Survey (CEX)	Non-institutionalized civilians.	(1) 7,700 households in the diary survey. (2) 7,500 households in the interview survey.	Ongoing: 1980-2002.	Type: Cross-Sectional. Frequency: Quarterly.	(1) Home/Real Estate; (2) vehicles; (3) checking and savings accounts; (4) credit balances; (5) savings bonds; (6) securities (stocks, bonds, mutual funds); (7) business investment and divestiture in the last 12 months; (8) household appliances.	Data may not be as reliable as the Survey of Consumer Finances due to nonresponse or incorrect responses.
Current Population Survey (CPS) <sup>e</sup>	Non-institutionalized civilians ages 15 and over.	60,000 households (112,000 individuals).	Ongoing: 1945-2003.	Type: Cross-Sectional. Frequency: Monthly (asset related questions are asked on an annual basis).	(1) Homeownership; (2) home equity; (3) interest income; (4) dividend income; (5) retirement income.	(1) Cross-sectional. (2) Cannot create a household balance sheet due to lack of complete asset and liability information.
Health and Retirement Study (HRS) <sup>e</sup>	(1) HRS sub-sample: Individuals born in 1931-1941 and their spouses or partners. (2) AHEAD sub-sample: Individuals born in 1923 or earlier and their spouses or partners. (3) War Baby (WB) sub-sample: Individuals born in 1942 - 1947 and their spouses or partners. (4) Children of the Depression (CODA) sub-sample: Individuals born in 1924 - 1930 and their spouses or partners.	26,728 individuals.	Ongoing: 1992-2002.	Type: Longitudinal. Frequency: Every two years.	(1) Real estate (not primary residence); (2) vehicles; (3) businesses; (4) IRA & Keogh accounts; (5) stocks, mutual funds, and investment trusts; (6) checking, savings, or money market accounts; (7) CD, government savings bonds, and T-bills; (8) bonds and bond funds; (9) all other savings; (10) other debt; (11) primary residence; (12) all mortgages; (13) other home loans.	Sample limited to older Americans.
National Longitudinal Survey of Youth (NLSY79)	Nationally representative sample of young men and women who were 14-22 years old in 1979.	12,686 individuals (10,406 civilian sample and 1,280 military sample).	Ongoing: 1979-2002.	Type: Longitudinal. Frequency: Annual until 1994, currently biannual.	Ownership and values of different types of assets and debts.	(1) Limited assets data for survey years 1979-1984. (2) No assets data on survey years 1991 and 2002. (3) Top coding of assets data. (4) Assets data focus primarily on the respondent, not the household.
National Survey of Families and Households (NSFH)	Non-institutionalized individuals 19 and over.	9,600 households (13,000 individuals).	1997-88, 1992-94, 2001-02.	Type: Longitudinal. Frequency: Three survey rounds.	Ownership and values of different types of assets and debts.	Under representation of the most wealthy families.

<sup>a</sup> Current as of July 2006.

<sup>b</sup> Sample Size is for most recently available data.

<sup>c</sup> Years Available refers to the data set overall. Assets-related data may not be available for all years.

<sup>d</sup> Survey Design: Cross-Sectional, Longitudinal, Retrospective.

<sup>e</sup> The CPS and HRS survey data can be linked to administrative earnings data from the Social Security Administration and/or Internal Revenue Service.

## Appendix Exhibit A-1. Summary of Secondary and Limited Use Data Sets<sup>a</sup> (Continued)

Name	Population	Sample Size <sup>b</sup>	Years Available <sup>c</sup>	Survey Design <sup>d</sup>	Broad Asset Topics	Broad Limitations
<b>Secondary Data Sets: Demonstration and Administrative Data</b>						
American Dream Demonstration Account Monitoring (ADD-AM) Data	Program participants (those who opened an account) at 14 programs across the United States in the American Dream Demonstration (ADD). Individual programs had their own eligibility criteria, but all participants had family income of less than 200% of the poverty line, with median and mean at 100% of poverty line.	2,350 participants.	Enrollment in ADD began in September 1997 and ended on December 21, 1999. In general, deposits made through December 31, 2001 were eligible for matches. Participants could usually make matched withdrawals after the December 31, 2001 deadline.	Type: Cross-section for participants, longitudinal for participants' IDA cash flows. Frequency: Data on participants and programs were collected once, at enrollment. Data on IDA cash flows were collected monthly.	(1) Whether the poor can save and build assets in a matched-saving structure. (2) How IDA savings outcomes are associated with institutional structure and IDA structure. (3) How IDA savings outcomes are associated with participant characteristics.	(1) Participant data are cross-sectional, gathered only at enrollment. (2) Institutional structure and aspects of IDA design were measured only at enrollment. (3) Participant data were collected by program staff, not trained researchers (4) Participants were both self-selected and program selected. (5) Some questions were added to MIS IDA after ADD enrollment started, so some items have missing values for earlier enrollees.
American Dream Demonstration Experiment (ADD-E) Data	Qualified applicants (family income < 150% of poverty and currently employed) were randomly assigned to treatment (with access to IDAs) or control groups (without access to IDAs). Randomization was across qualified applicants (who were self-selected) and not across eligibles (who would not have been self-selected).	(1) Treatment: 537. (2) Control: 566. (3) Total: 1103.	Random assignment took place from November 1998 to December 1999. There were three waves of interviews: just before random assignment (before opening an IDA), about 18 months after enrollment, and a third time about 48 months after enrollment.	Type: Longitudinal. Frequency: Three times.	Impacts of access to IDAs on: (1) presence and value of types of assets and liabilities; (2) Education (adults and children); (3) involvement in children's education; (4) expectations for children's education and asset ownership; (5) employment and earnings; (6) community and political involvement; (7) life satisfaction; (8) marital status and living arrangements; (9) household composition; (10) quality of personal relationships; (11) material hardship; (12) use of public or private assistance; (13) insurance coverage; (14) value of sources of income.	(1) 48 months may not be long enough for asset effects to be detectable. (2) Some forms of asset accumulation (such as post-secondary education and home purchase) entail up-front cash outflows that are converted into non-monetized forms of wealth (e.g., college degree). Hence, some treatment members may have increased their "total" assets but decreased their "measured" assets.
Asset for Independence Act (AFI) Evaluation, current phase	AFI program participants (Individuals are eligible for AFI programs if they have incomes < 200% of poverty or are eligible for TANF assistance or have adjusted gross income within the EITC guideline, and have a net worth of less than \$10,000).	600 individuals nationwide who opened AFI accounts in 2001, and a matched comparison group drawn from the 2001 SIPP panel	2002-2004	Type: Longitudinal. Frequency: at the 12th, 24th, and 36th month after account opening date.	1) Personal and household demographic characteristics; 2) education and employment status; 3) household income including means-tested program benefits; 4) interest-earning assets at financial institutions; 5) homeownership, vehicle ownership, and consumer debt; 6) IDA project services and experiences; 7) IDA deposits and withdrawals; 8) IDA match funds disbursed to participants; and 9) IDA account balances	(1) Three years may not be long enough for asset effects to be detectable. (2) Some forms of asset accumulation (such as post-secondary education and home purchase) entail up-front cash outflows that are converted into non-monetized forms of wealth (ie: college degree). Hence, some treatment members may have increased their "total" assets but decreased their "measured" assets. (3) Estimated program effects are based on a matched comparison group, not a randomized control group.
Home Mortgage Disclosure Act (HMDA) Data	Home mortgage loan records from certain financial institutions including banks, savings associations, credit unions, and other mortgage lending institutions.	41.6 million loan records.	Ongoing: 1975-2004.	Type: Universe of qualifying loans from specified institutions. Frequency: Once per loan.	(1) Home mortgage loan size; (2) mortgage type.	(1) Limited to homeowners. (2) Limited asset and liability information.

<sup>a</sup> Current as of July 2006.

<sup>b</sup> Sample Size is for most recently available data.

<sup>c</sup> Years Available refers to the data set overall. Assets-related data may not be available for all years.

<sup>d</sup> Survey Design: Cross-Sectional, Longitudinal, Retrospective.

<sup>e</sup> The CPS and HRS survey data can be linked to administrative earnings data from the Social Security Administration and/or Internal Revenue Service.

## Appendix Exhibit A-1. Summary of Secondary and Limited Use Data Sets<sup>a</sup> (Continued)

Name	Population	Sample Size <sup>b</sup>	Years Available <sup>c</sup>	Survey Design <sup>d</sup>	Broad Asset Topics	Broad Limitations
<b>Limited Use Data Sets</b>						
Federal Reserve Bank of Chicago: Ethnic Neighborhoods Project	Households in three communities: (1) Little Village, Chicago, IL. (2) Chatham, Chicago, IL. (3) Minneapolis, MN.	(1) 300 households in Chatham. (2) 300 households in Little Village. (3) 200 Hmong and 200 control households in Minneapolis.	(1) Little Village-1994/1995. (2) Chatham- 1997/1998. (3) Minneapolis-2000.	Type: Cross-Sectional. Frequency: One-time.	(1) Home value; (2) savings account, checking account, CDs, IRAs, mutual funds, retirement funds; (3) vehicles; (4) land; (5) credit use.	(1) Small sample. (2) Not nationally representative. (3) Focuses more on access to credit.
National Survey of American Families (NSAF)	Non-institutionalized civilian individuals under age 65.	43,000 households (100,000 individuals).	1997, 1999, 2002.	Type: Cross-sectional. Frequency: Three survey rounds.	(1) Do not qualify for programs due to the asset test - yes/no; (2) car ownership; (3) home ownership; (4) receipt of retirement pension/annuity; (5) income from rental property; (6) interest income.	The questions do not allow for household valuation of net worth, assets, or liabilities.
Survey of Financial Activities and Attitudes	Individuals living in low and moderate income households in Los Angeles County and New York City.	2,006 individuals.	1998/1999.	Type: Cross-sectional. Frequency: One-time.	(1) Reasons for saving; (2) home ownership; (3) car ownership; (4) account ownership; (5) credit use; (6) financial institution use.	Not nationally representative.
Survey of Rent-to-Own Customers	Individuals 18 and over nationwide in telephone households.	12,136 adults, including 532 rent-to-own customers.	1998-99.	Type: Cross-sectional/Retrospective. Frequency: One time.	Rent-to-own merchandise.	(1) Limited asset data; (2) specific subpopulation.
Welfare Rules Database (WRD)	50 States and DC.	50 States and DC.	Ongoing: 1996-2000.	Type: Longitudinal (state-level). Frequency: Monthly.	(1) Asset tests (type, amount); (2) Vehicle exemptions; (3) IDAs.	(1) Asset-related AFDC/TANF rules/policies only. (2) No individual-level data.

<sup>a</sup> Current as of July 2006.

<sup>b</sup> Sample Size is for most recently available data.

<sup>c</sup> Years Available refers to the data set overall. Assets-related data may not be available for all years.

<sup>d</sup> Survey Design: Cross-Sectional, Longitudinal, Retrospective.

<sup>e</sup> The CPS and HRS survey data can be linked to administrative earnings data from the Social Security Administration and/or Internal Revenue Service.

## ***Appendix B: Asset and Liability Questions in the Primary Data Sets***

This appendix presents the questions each of the three key data sets ask about assets and liabilities. These questions are from the 2001 SIPP, the 2001 SCF, and the 2001 PSID survey questionnaires. For more information or clarification, please refer to the appropriate website:

- **SIPP:** <http://www.bls.census.gov/sipp/>
- **PSID:** <http://psidonline.isr.umich.edu/>
- **SCF:** <http://www.federalreserve.gov/pubs/oss/oss2/scfindex.html>

---

### ***Survey of Income and Program Participation (SIPP)***

#### **Assets**

##### **Checking Accounts**

1. *As of [Last Day of Reference Period], did you own jointly with your spouse any checking accounts which did not earn interest?*
2. *What is your best estimate of the amount of money you and your spouse had in those checking accounts as of [Last Day of Reference Period]?*
3. *Beside any checking accounts owned jointly with your spouse, as of [Last Day of Reference Period], did you own any other checking accounts which did NOT earn interest in your OWN name?*
4. *What is your best estimate of the amount of money you had in those checking accounts as of [Last Day of Reference Period]?*

##### **Savings Accounts, CDs, Interest Earning Assets**

1. *I recorded earlier that ... owned these assets jointly with ... spouse: Interest bearing checking accounts Savings accounts Money Market deposit accounts Certificate of deposit (CD) As of last day of the reference period what was the total amount that ... and spouse had in these jointly held accounts?*

##### **Municipal Bonds, Corporate Bonds, Government Securities**

1. *I recorded earlier that you and your spouse jointly owned: [Municipal or Corporate Bonds/U.S. Government Securities]- As of [Last Day of Reference Period], what was the total amount that you and your spouse had in these jointly held accounts?*
2. *Earlier you told me that you owned in your own name: [Municipal or Corporate Bonds/U.S. Government Securities]- As of [Last Day of Reference Period], what was the total amount that you held in these assets?*

##### **Stocks and Mutual Funds**

1. *I recorded earlier that you owned mutual funds. Did you own any of these funds jointly with your spouse as of [Last Day of Reference Period]?*
2. *I recorded earlier that you owned stocks. Did you own any of these stocks jointly with your spouse as of [Last Day of Reference Period]?*



3. *As of [Last Day of Reference Period], what was the market value of the stocks and mutual funds held jointly by you and your spouse? (Exclude stock in own corporation if the value of that corporation was already obtained.)*
4. *Besides the stocks or mutual fund shares held jointly with your spouse, did you hold any other stocks or mutual fund shares in your own name as of [Last Day of Reference Period]?*

**U.S. Savings Bonds**

1. *I recorded earlier that you owned Series E or EE U.S. Savings Bonds. Did you own them as of [Last Day of Reference Period]?*
2. *What was the FACE VALUE of the U.S. Savings Bonds that you owned? If ownership was shared, count only your share.*

**Other Financial Investments**

1. *Earlier ... reported owning other financial investments. What was ...'s equity in these other financial investments? By equity, we mean the total market value less any debts held against it. If the investments are jointly owned, count only ...'s share of equity.*

**IRA/Keogh**

1. *I recorded earlier that you owned an IRA or KEOGH account. As of [Last Day of Reference Period], did you have an Individual Retirement Accounts -any IRAS?*
2. *For how many years have you contributed to your IRA accounts?*
3. *As of [Last Day of Reference Period], what was the total balance or market value (including interest earned) of the IRA accounts in your own name?*
4. *As of [Last Day of Reference Period], which kinds of assets did you hold in your IRA accounts? Was your IRA account invested in (READ CATEGORIES)?*
  - 1) Certificates of deposit or other saving certificates
  - 2) Money market funds
  - 3) U.S. Government securities
  - 4) Municipal or corporate bonds
  - 5) U.S. Savings Bonds
  - 6) Stocks or mutual fund shares
  - 7) Other assets
5. *As of [Last Day of Reference Period], did you have a KEOGH account in your OWN name?*
6. *For how many years have you contributed to your KEOGH account?*
7. *As of [Last Day of Reference Period], what was the total balance or market value of assets in your KEOGH account(s)?*
8. *As of [Last Day of Reference Period], which kinds of assets did you hold in your KEOGH account(s)? Was your KEOGH account invested in (READ CATEGORIES)?*

- 1) Certificates of deposit or other saving certificates
- 2) Money market funds
- 3) U.S. Government securities
- 4) Municipal or corporate bonds
- 5) U.S. Savings Bonds
- 6) Stocks or mutual fund shares
- 7) Other assets

**401(K) or Thrift Plan**

1. *I recorded earlier that you participated in a 401K or thrift plan. As of [Last Day of Reference Period], did you have any 401K or thrift plan accounts in your OWN name?*
2. *For how many years have you contributed to your 401K or thrift plans?*
3. *As of [Last Day of Reference Period], what was the total balance or market value (including interest earned) of any 401K or thrift plans held in your own name?*
4. *As of [Last Day of Reference Period], which kinds of assets did you hold in your 401K or thrift plans? Was your 401K/thrift plan invested in (READ CATEGORIES)?*
  - 1) Certificates of deposit or other saving certificates
  - 2) Money market funds
  - 3) U.S. Government securities
  - 4) Municipal or corporate bonds
  - 5) U.S. Savings Bonds
  - 6) Stocks or mutual fund shares
  - 7) Other assets

**Principal Residence**

1. *Is this residence a mobile home?*
2. *What is the current value of this property; that is, how much do you think it would sell for on today's market if it were for sale? Include rental properties attached to or located on this residence.*
3. *How much do you think this mobile home would sell for today if it were for sale?*

**Other Real Estate**

1. *Did you and your spouse own rental property as of [Last Day of Reference Period]?*
2. *How many properties did you own jointly with your spouse as of [Last Day of Reference Period]?*
3. *What type of properties were they?*
  - 1) Vacation Home
  - 2) Other residential property
  - 3) Farm property
  - 4) Commercial property
  - 5) Equipment

6) Other

4. *Were any of these properties attached to or located on the same land as your own residence?*
5. *Were all of these properties attached to or located on the same land as your own residence?*
6. *Excluding properties attached to or located on your own residence,*
7. *What was the total market value of the rental properties as of [Last Day of Reference Period]?*
8. *Did you own any rental property in your own name as of [Last Day of Reference Period]?*
9. *How many properties did you own in your OWN name as of [Last Day of Reference Period]?*
10. *What type of properties were they?*
  - 1) Vacation Home
  - 2) Other residential property
  - 3) Farm property
  - 4) Commercial property
  - 5) Equipment
  - 6) Other
11. *Were any of these properties attached to or located on the same land as your own residence?*
12. *Were all of these properties attached to or located on the same land as your own residence?*
13. *Excluding properties attached to or located on your own residence, what was the total market value of the rental property as of [Last Day of Reference Period]?*
14. *Did you jointly own any rental property jointly with other people besides your spouse as of [Last Day of Reference Period]?*
15. *How many properties did you own jointly with other people as of [Last Day of Reference Period]?*
16. *What type of properties were they?*
  - 1) Vacation Home
  - 2) Other residential property
  - 3) Farm property
  - 4) Commercial property
  - 5) Equipment
  - 6) Other
17. *What was the total market value of the rental [fill TEMP5] as of [Last Day of Reference Period]?*

18. *Do you own any other real estate such as a vacation home or undeveloped lot? Exclude rental property previously reported or rental property attached to or located on the same land as your own residence.*
19. *What is the total value of the equity in this real estate?*
20. *As of [Last Day of Reference Period], did anyone outside of this household owe money to you as the result of the sale of a business or property? Exclude mortgages owed to you which have already been reported.*
21. *How much was owed to you? If shared, count only your share.*

### **Vehicles**

1. *Does anyone in this household own a car, van, or truck, excluding recreational vehicles (RV's) and motorcycles?*
2. *How many cars, trucks, or vans do members of this household own?*

Questions for three vehicles, SIPP computes the Blue Book value:

3. *What is the model year of this vehicle?*
4. *What is the make of this vehicle?*
5. *What is the model of this vehicle?*

Other vehicles, information recorded for 2 maximum:

6. *Does anyone in this household own any other type of vehicle, not used for business, such as a motorcycle, boat, or recreational vehicle (RV)?*
7. *If this boat/recreational vehicle were sold, what would it sell for in its present condition?*

### **Businesses**

1. *As of [Last Day of Reference Period], what percent of [Business Name] did you own? (Value Between 1% and 100%)*
2. *Was the value:*
  - 1) Less than \$1
  - 2) Between \$1 and \$1,000
  - 3) Between \$1,001 to \$ 10,000
  - 4) Between \$ 10,001 to \$100,000
  - 5) More than \$100,000?

### **Liabilities**

#### **Debt on Stocks and Mutual Funds**

1. *Did you have a debt or margin account held against these stocks or mutual funds as of [Last Day of Reference Period]?*

#### **Debt on Principal Residence**

1. *Is there a mortgage, home equity loan, or other debt on this home?*
2. *Altogether, how many mortgages, home equity loans, or other debts are there on this home?*

3. *How much principal is currently owed on the first mortgage or loan?*
4. *How much principal is currently owed on the second mortgage or loan?*
5. *How much principal is currently owed on all the remaining mortgages or loans not reported previously?*
6. *Is there a mortgage, installment loan, contract to purchase, or other debt on this mobile home or site?*
7. *Is this mortgage, contract, or other debt for just the site, or does it also apply to this mobile home?*
8. *How much principal is currently owed on all mortgages?*

### **Mortgages on Rental Properties**

1. *As of [Last Day of Reference Period], how much principal was owed on the property?*

### **Vehicle Loans**

Question for 3 cars and 2 non-car vehicles:

1. *How much is currently owed for this vehicle?*

### **Credit Card and Store Debt**

1. *As of [Last Day of Reference Period], did you and your spouse owe any money for - Store bills or credit card bills?*
2. *How much was owed as of [Last Day of Reference Period] for - Store bills or credit card bills?*
3. *As of [Last Day of Reference Period], did you owe any money in your own name for - Store bills or credit card bills?*
4. *How much was owed as of [Last Day of Reference Period] for - Store bills or credit card bills?*

### **Other Loans**

1. *As of [Last Day of Reference Period], did you and your spouse together owe any money for- Loans obtained through a bank or credit union, other than car loans or home equity loans?*
2. *How much was owed as of [Last Day of Reference Period] for - Loans obtained through a bank or credit union, other than car loans or home equity loans?*
3. *As of [Last Day of Reference Period], did you owe any money in your own name for- Loans obtained through a bank or credit union, other than car loans or home equity loans?*
4. *How much was owed as of [Last Day of Reference Period] for - Loans obtained through a bank or credit union, other than car loans or home equity loans?*

## **Other Liabilities**

1. *As of [Last Day of Reference Period], did you and your spouse together owe any money for- Any other debt we have not yet mentioned, including medical bills not covered by insurance, money owed to private individuals, or any other debt not covered and excluding mortgages, home equity loans, and car loans?*
2. *How much was owed as of [Last Day of Reference Period] for - Any other debt we have not yet mentioned, including medical bills not covered by insurance, money owed to private individuals, or any other debt not covered and excluding mortgages, home equity loans, and car loans?*
3. *As of [Last Day of Reference Period], did you owe any money in your own name for- Any other debt we have not yet mentioned, including medical bills not covered by insurance, money owed to private individuals, or any other debt not covered and excluding mortgages, home equity loans, and car loans?*
4. *How much was owed as of [Last Day of Reference Period] for - Any other debt we have not yet mentioned, including medical bills not covered by insurance, money owed to private individuals, or any other debt not covered and excluding mortgages, home equity loans, and car loans?*

---

## **Panel Study of Income Dynamics (PSID)**

### **Assets**

#### **Checking Accounts/Savings Accounts/CDs/Interest Earning Assets**

1. *Do [you/you or anyone in your family] have any money in checking or savings accounts, money market funds, certificates of deposit, government savings bonds, or treasury bills -- not including assets held in employer-based pensions or IRAs?*
2. *If you added up all such [accounts/accounts for all of your family], about how much would they amount to right now?*
3. *Would it amount to \$5,000 or more? \$10,000 or more? \$50,000 or more? \$1,000 or more?*

*(These are asked separately only if the previous response is Don't Know or Refuse.)*

#### **Stocks and Mutual Funds**

1. *Do [you/you or anyone in your family] have any shares of stock in publicly held corporations, mutual funds, or investment trusts -- not including stocks in employer-based pensions or IRAs?*
2. *If you sold all that and paid off anything you owed on it, how much would you have?*
3. *Would it amount to \$25,000 or more? \$50,000 or more? \$100,000 or more? \$5,000 or more?*

*(These are asked separately only if the previous question was answered DK or RF.)*

### **IRA/Keogh**

1. *Do [you/you or anyone in your family] have any money in private annuities or Individual Retirement Accounts (IRAs)?*
2. *Are they mostly in stocks, mostly in interest earning assets, split between the two, or what?*
3. *How much would they be worth?*
4. *Would it amount to \$25,000 or more? \$50,000 or more? \$100,000 or more? \$5,000 or more?*

*(These are asked separately only if the previous question is DK or RF.)*

### **Pensions**

1. *What is the approximate dollar amount in [your/his/her] account now?*
2. *Are the funds invested mostly in stocks, bonds, or annuities? Some of each, or what?*
3. *How much could [you/he/she] take out of this account today if [you/he/she] were to leave this employer?*

*Note: These questions are part of an extensive section on Pensions where a battery of questions are asked for every employed adult in the family. However, this information is not included in the wealth section or calculated as part of net worth.*

### **Principal Residence**

1. *Do you live in a one-family house, a two-family house, an apartment, a mobile home, or what?*
2. *Do you [/or anyone else in your family living there] own the [home/apartment], pay rent, or what?*
3. *Could you tell me what the present value of your [house/apartment] is -- I mean about how much would it bring if you sold it today?*
  - a. *PROBE QUALIFIED ANSWER, RANGE, OR DK: What's your best estimate?*
4. *About how much are your total yearly property taxes, including city, county, and school taxes?*
5. *How much is your total yearly homeowner's insurance premium?*

### **Other Real Estate**

1. *Do [you/you or your family] have any real estate other than your main home, such as a second home, land, rental real estate, or money owed to you on a land contract?*
2. *Does that include a second home?*
3. *If you sold all that and paid off any debts on it, how much would you realize on it?*
4. *Would it amount to \$50,000 or more? \$150,000 or more? \$5,000 or more?*

*(These are asked separately only if Q3 was Don't Know or Refuse)*

**Vehicles**

1. *What is the value of what [you/you or anyone in your family] own on wheels? Including personal vehicles you may have already told me about and any cars, trucks, a motor home, a trailer, or a boat -- what are they worth all together, minus anything you still owe on them?*
2. *Would it amount to \$10,000 or more? \$25,000 or more? \$2,000 or more?*

*(These are asked separately only if the previous answer was DK or RF.)*

**Businesses**

1. *Do [you/you or anyone in your family] own part or all of a farm or business?*
2. *If you sold all that and paid off any debts on it, how much would you realize on it?*
3. *Would it amount to \$50,000 or more? \$200,000 or more? \$10,000 or more?*

*(These are asked separately only if the previous question was answered DK or RF.)*

**Other Assets**

1. *Do [you/you or anyone in your family] have any other savings or assets, such as bond funds, cash value in a life insurance policy, a valuable collection for investment purposes, or rights in a trust or estate that you haven't already told us about?*
2. *If you sold that and paid off any debts on it, how much would you have?*
3. *Would it amount to \$10,000 or more? \$25,000 or more? \$2,000 or more?*

*(These are asked separately only if the previous question was answered DK or RF.)*

**Liabilities**

**Debt on Principal Residence**

1. *Do you have a mortgage or loan on this property?*
2. *Is that a mortgage, a land contract, a home equity loan, or what?*
3. *Is that the original loan and terms or have you refinanced?*
4. *About how much is the remaining principal on this (loan/mortgage)?*
5. *How much are your monthly mortgage payments?*
6. *What is the current interest rate on that loan?*
7. *Do you also have a second mortgage?*

**Vehicle Loans**

1. *Did you borrow or finance part of the total price?*
2. *How much did you borrow, not including financing charges?*
3. *Note: These questions are part of an entire battery of questions under the Vehicles Inventory section. Respondent is asked to describe every car (make,*



*model, year acquired) and how and when it was bought, leased, received, or acquired. In the Wealth section, only one question is asked about the total value of all vehicles minus debt.*

### **Other Debt Including Credit Cards, Student Loans, and Medical Bills**

- 1. Aside from the debts that we have already talked about, like any mortgage on your main home or vehicle loans -- do [you/you or anyone in your family] currently have any other debts such as credit card charges, student loans, medical or legal bills, or loans from relatives?*
- 2. Would it amount to \$2,000 or more? \$5,000 or more? \$1,000 or more?*

### **Active Savings**

- 1. These next questions are about changes in your wealth during the last two years. In these questions, when I refer to you I mean you and any family members living with you during that time. Since January 1999, did [you/you or your family] put aside money in any private annuities or IRAs?*
- 2. How much did that amount to?*
- 3. Was it \$10,000 or more? \$50,000 or more? \$5,000 or more?*
- 4. Since .*  
*January*  
*February*  
*March*  
*April*  
*May*  
*June*  
*July*  
*August*  
*September*  
*October*  
*November*  
*December 1999, did [you/you or anyone in your family] cash in any part of a pension, private annuity, or IRA?*
- 5. How much did that amount to, not including any penalties or costs?*
- 6. Was it \$10,000 or more? \$50,000 or more? \$100,000 or more? \$5,000 or more?*
- 7. Since January 1999, did [you/you or anyone in your family] sell any home you were using as your main dwelling?*
- 8. About how much was the selling price, net of any commissions?*
- 9. Was it \$60,000 or more? \$120,000 or more? \$30,000 or more?*
- 10. Since January 1999, did [you/you or anyone in your family] buy any real estate other than your main home, such as a vacation home, land, or rental property?*
- 11. Altogether, how much money did [you/you or anyone in your family] get from that?*

12. *Was it \$60,000 or more? \$120,000 or more? \$30,000 or more?*
13. *Since January 1999, did [you/you or your family] make additions or improvements totaling \$10,000 or more to any homes or other real estate [you/any of you] owned? Do not count general maintenance or upkeep.*
14. *What was the total dollar cost of the additions or improvements, plus the value of any work you may have done yourself?*
15. *Was it \$25,000 or more? \$75,000 or more?*
16. *Since January 1999, did [you/you or anyone in your family] put money into a business or farm?*
17. *Altogether, how much money did [you/you or anyone in your family] put into that?*
18. *Was it \$25,000 or more? \$100,000 or more? \$10,000 or more?*
19. *Since January 1999, did [you/you or anyone in your family] sell part or all of your interest in a business or farm?*
20. *Altogether, how much money did [you/you or anyone in your family] get from that?*
21. *Was it \$25,000 or more? \$100,000 or more? \$10,000 or more?*
22. *Since January 1999, did [you/you or anyone in your family] buy any shares of stock in publicly held corporations, mutual funds, or investment trusts, including any automatic reinvestments -- not including any IRAs?*
23. *Did [you/you or anyone in your family] also sell any such assets?*
24. *Did you buy more or sell more -- that is, on balance, did you put money into stocks, mutual funds, or investment trusts, take money out of them, or put about as much in as you took out?*
25. *About how much money did [you/you or anyone in your family] [put in/take out]?*
26. *Would it amount to \$25,000 or more? \$50,000 or more? \$100,000 or more? \$5,000 or more?*
27. *Altogether, how much money did [you/you or anyone in your family] put in?*
28. *Would it amount to \$20,000 or more? \$50,000 or more? \$100,000 or more? \$5,000 or more?*
29. *Since January 1999, did [you/you or anyone in your family] sell any shares of stock in publicly held corporations, mutual funds, or investment trusts?*
30. *Altogether, how much money did [you/you or anyone in your family] get from that?*
31. *Would it amount to \$20,000 or more? \$50,000 or more? \$100,000 or more? \$5,000 or more?*
32. *Sometimes changes in a family's savings or assets are due to people joining or leaving the family. Was there anyone living with you in January 1999 who doesn't*

*live with you now and who took \$5,000 or more in assets or debts away with them?*

33. *Altogether, what is the total dollar value of the assets that were removed that way?*
  34. *Would it amount to \$10,000 or more? \$25,000 or more? \$100,000 or more? \$5,000 or more?*
  35. *Altogether, what is the total dollar value of debts that were removed that way?*
  36. *Would it amount to \$10,000 or more? \$25,000 or more? \$5,000 or more?*
  37. *Is there someone in your family living with you now who has joined the family since January 1999 and who had \$5,000 or more in assets or debts at the time they joined the family?*
  38. *Altogether, what is the total dollar value of assets that were brought into the family that way?*
  39. *Would it amount to \$10,000 or more? \$25,000 or more? \$100,000 or more? \$5,000 or more?*
  40. *Altogether, what is the total dollar value of debts that were brought into the family that way?*
  41. *Would it amount to \$10,000 or more? \$25,000 or more? \$5,000 or more?*
  42. *Some people's assets come from gifts and inheritances. During the last two years, have [you/you or anyone in your family] received any large gifts or inheritances of money or property worth \$10,000 or more?*
  43. *What year did you receive that?*
  44. *How much was it worth altogether, at that time?*
  45. *Would it amount to \$25,000 or more? \$75,000 or more?*
  46. *Did you receive any other large gifts or inheritances of money or property in the last two years?*
  47. *What year did you receive that?*
  48. *How much was it worth altogether, at that time?*
  49. *Would it amount to \$25,000 or more? \$75,000 or more?*
  50. *Any other large gifts or inheritances in the last two years?*
  51. *What year did you receive that?*
  52. *How much was it worth altogether, at one time?*
  53. *Would it amount to \$25,000 or more? \$75,000 or more?*
-

## **Survey of Consumer Finances (SCF)**

### **Assets**

#### **Checking Accounts**

1. *First, do you or anyone in your family have any checking accounts at any type of institution?*
2. *Have you or anyone in your family ever had a checking account?*
3. *Looking at this list, please tell me which is the most important reason you or your family doesn't have a checking account.*
  - 1) Don't write enough checks to make it worthwhile
  - 2) Minimum balance is too high
  - 3) Do not like dealing with banks
  - 4) Service charges are too high
4. *How many checking accounts do you have?*

Questions about the six largest accounts:

5. *How much is in this account?*
6. *Is this a money market type account?*

Questions about remaining accounts:

7. *How much is in all your remaining checking accounts?*

#### **Savings Accounts**

1. *Do you or anyone in your family have any savings accounts? These could be passbook accounts, share accounts, Christmas club accounts, or any other type of savings account.*
2. *How many such accounts do you and your family have?*

Questions about the six largest accounts:

3. *How much is in this account?*
4. *What type of account is this? (Is it a passbook or statement savings account, or some other type?)*

Questions about remaining accounts:

5. *How much is in all you or your family's remaining savings accounts? (What was the average over the last month?)*

#### **CDs**

1. *Not including CDs that are part of IRAs or Keoghs, do you or anyone in your family here have any CDs or certificates of deposit at financial institutions?*
2. *Altogether, how many such CDs do you have?*
3. *What is the total dollar value of all these CDs?*

#### **Bonds**

1. *I need to know what types of bonds or bills you have. Do you have. . .*

2. *Do you have Mortgage-backed bonds such as those from "Ginnie-Mae", "Fannie-Mae" or "Freddie-Mac"?*
3. *What is the face value of all of the Mortgage-backed bonds that you and your family own?*
4. *Do you have U.S. Government bonds or Treasury bills?*
5. *What is the face value of all of the U.S. Government bonds or Treasury bills that you and your family have?*
6. *Do you have State or municipal bonds, or other taxfree bonds?*
7. *What is the face value of all of the State or municipal bonds, or other taxfree bonds that you and your family have?*

**Call Accounts, Stocks, and Mutual Funds**

1. *Not including any accounts you've told me about, do you have a "cash" or "call money" account at a stock brokerage?*
2. *What is the total dollar value of all the cash or call money accounts that you and your family have?*
3. *I need to know what types of mutual funds you have. Do you have Stock Funds?*
4. *What is the total market value of all of the Stock Funds that you and your family have?*
5. *Do you have Tax-Free Bond Funds?*
6. *What is the total market value of all of the Tax-Free Bond Funds that you and your family have?*
7. *Do you have Government or Government backed Bond Funds?*
8. *What is the total market value of all of the Government or Government backed Bond Funds that you and your family have?*
9. *Do you have Other Bond Funds?*
10. *What is the total market value of all of the Other Bond Funds that you and your family have?*
11. *Do you have Combination funds or any other mutual funds?*
12. *What is the total market value of all of the Combination funds or any other mutual funds that you and your family have?*
13. *In how many different companies do you own stock?*
14. *What is the total market value of this stock?*

**U.S. Savings Bonds**

1. *Do you have any U.S. government savings bonds?*
2. *What is the total face value of all the savings bonds that you have?*

### **Other Financial Assets**

1. *We have talked about various types of savings, investments, and loans. Other than what I have already recorded, are you owed any money by friends, relatives outside the immediate family, businesses, or others?*
2. *Altogether, how much are you owed?*
3. *Other than pension assets and other retirement assets, do you have any other substantial assets that I haven't already recorded -- for example, artwork, precious metals, antiques, oil and gas leases, futures contracts, future proceeds from a lawsuit or estate that is being settled, royalties, or something else? (DO NOT INCLUDE PENSION- TYPE OR EMPLOYER PROFIT-SHARING ACCOUNTS HERE.)*
4. *About the three most valuable other assets, what kind of asset is it?*
  - 1) Misc. real estate (except cemetery)
  - 2) Cemetery plots
  - 3) Loans to friends/relatives
  - 4) Other loans/debts owed to R
  - 5) Cash
  - 6) Future proceeds from a lawsuit (includes expected settlement from a divorce)
  - 7) Future proceeds from an estate
  - 8) Deferred compensation
  - 9) Insurance Settlement
  - 10) Other deferred income
  - 11) Oil/gas/mineral leases or investments
  - 12) Futures contracts, stock options, hedge funds
  - 13) Royalties; patents
  - 14) Non-publicly traded stock; stock with restricted trading rights
  - 15) Other obligations to R; tax credits
  - 16) Child support owed to R
  - 17) Remaining payment from sale of an asset
5. *What is the total dollar value that you have in this asset (specified in previous question)?*

### **IRA/Keogh**

1. *Do you or your family have any Keoghs or IRAs?*
2. *Including any rollovers from past pensions, how many IRA and Keogh accounts do you or your family have?*
3. *How much in total is in you or your family member's IRA(s)/Keogh account(s)?*
4. *For that part of your (spouse's/partner's) plan where money is accumulated in an account, how much is in the account?*
5. *Can (you/he/she) borrow against that account?*

### **Thrift Accounts, 401(k)**

1. *Are you or your spouse included in any pension, retirement, or tax-deferred savings plans connected with the job you just told me about? Please do not include any assets I have already recorded.*
2. *What kinds of plans are these?*
3. *Can you tell me a little more about this plan? Is it a thrift or savings plan, a 401K, Supplemental Retirement Annuity (SRA), a profit-sharing plan, or what?*
4. *If (you/your spouse/partner) needed money in an emergency, could (you/he/she) withdraw some of the funds in the account?*
5. *Can (you/he/she) borrow against the account?*
6. *How much money is in your (spouse's/partner's) account at present?*

### **Life Insurance**

1. *Do you or anyone in your family have any life insurance? Please include individual and group policies, but not accident insurance.*
2. *The two major types of life insurance are term and cash-value policies. Term policies pay a benefit if the insured person dies, but otherwise have no value. They are often provided through an employer or union, but may also be bought by individuals. Cash-value policies also pay a death benefit, but differ in that they build up a value as premiums are paid. Other names for types of cash value policies are "whole life" and "universal life."*
3. *Do any of your family's policies individual term insurance?*
4. *What is the current face value of all of the policies that build up a cash value that you and your family have? (THE FACE VALUE OF A POLICY IS WHAT THE POLICY WOULD PAY IN THE EVENT OF DEATH.)*
5. *What is the total cash value of these policies? (THE CASH VALUE OF A POLICY IS WHAT THE INSURANCE COMPANY WOULD PAY IF THE POLICY WERE SURRENDERED BEFORE DEATH.)*

### **Principal Residence**

Questions if the residence is a mobile home:

1. *Now I have some questions about your home. Do you or your family living here own both this home and site or lot, do you own only the home, do you own only the site, do you rent both the home and site, or what?)*
2. *Could you tell me the current value of the home/site? I mean, about what would it bring if it were sold today?*

Questions if home is a farm:

3. *Do you or anyone in your family living here operate a farming or ranching business on this property?)*
4. *What proportion of this property is used for farming/ranching?*

5. *Could you tell me the current value of all the land and buildings - that is, what would it bring if it were sold today?*

Questions if residence is not a farm:

6. *What is the current value of this (home and land/apartment/property)? I mean, about what would it bring if it were sold today?*

### **Other Real Estate**

1. *Have you or anyone in your family ever sold any real estate for which you loaned money to the buyer? Please include accepting a note, land contract, or mortgage from the buyer.*
2. *Does the buyer still owe you money on any of these notes, land contracts, or mortgages?*
3. *Altogether, on how many such loans is your family owed money?*

Questions for up to three loans made to others:

4. *About this loan, is it a land contract, a mortgage, or something else? About the largest loan, is it a land contract, a mortgage,*
5. *About the next largest loan, is it a land contract, a mortgage, or something else?*
6. *How much are you and your family owed on this note?*

Questions for up to three properties:

7. *What type of property is this?*
  - 1) Farm/Ranch -- any mention
  - 2) Land only: Lot, tract, acreage; building lots; "farmland"
  - 3) Land and (seasonal) residence (exc. 14); "house + 50 acres"
  - 4) Land and some other type of structure
  - 5) Land and trailer/mobile home
  - 6) Recreational property; sports field; golf course
  - 7) Seasonal/vacation house (winter/summer home; cottage; etc.); other additional home
  - 8) Trailer/Mobile Home
  - 9) Mobile home park
  - 10) Time-share ownership -- any
  - 11) One single family house
  - 12) Multiple single family houses
  - 13) Duplex 2 unit residence
  - 14) Triplex - 3 unit residence
  - 15) Fourplex - 4 unit residence
  - 16) 5 or more unit residence
  - 17) "Apartment house" -- NA # of units; "rental" units or property NFS
  - 18) Other business/commercial property (exc. 41-46)
  - 19) Business/commercial and residential combination
  - 20) Condominium; co-op
  - 21) Residential
  - 22) Garage



23) Burial lot

8. *Is this property owned by you, is it owned jointly with others, owned by a partnership, is it a timeshare, or what?*
9. *What percentage of the property do you and your family own?*
10. *How much in total is this property worth?*
11. *How much in total is your family's share of these vacation homes or recreational property worth?*

## **Vehicles**

Other than any vehicles provided by a business...

1. *Are you or anyone in your family currently leasing any cars or other vehicles?*
2. *Not counting vehicles leased by a business, how many cars or other vehicles do you and your family lease?*
3. *Do you or anyone in your family own any cars, or any kind of truck, van or sport utility vehicle (SUV)? Do not include motorcycles, tractors, snow blowers, etc., or any vehicles owned by a business.*
4. *Altogether, how many such cars or vehicles do you and your family own?*

Questions for up to four vehicles:

5. *Originally reported value of cars or vehicles*

Questions for remaining cars:

6. *How much are all the other such vehicles that you and others in your family own worth in today's prices?*
7. *Do you or anyone in your family own any other vehicles such as a motor home, RV, motorcycle, boat, or airplane?*
8. *Altogether, how many of these other vehicles do you or someone in your family own?*
9. *What type of vehicle is the newest one? What type of vehicle is the next one?*  
*INTERVIEWER: PROBE IF NECESSARY. Is it a motor home, RV, airplane, boat, or what?*

Questions for up to two motor homes, RVs, airplanes, or boats:

10. *About how much is this vehicle worth?*

## **Businesses**

*Now I would like to ask you about businesses you may own.*

1. *Do you and your family own or share ownership in any privately-held businesses, farms, professional practices, limited partnerships or any other types of partnerships? Do not include corporations with publicly-traded stock or any partnerships that have already been recorded earlier.*

Questions about the three largest businesses:

2. *What kind of business is it/the largest business/the next business/that is, what does the business make of do?*
3. *These next few questions are about the relationship between our family's personal finances and the finances of your family's business.*
4. *Are you or your family using personal assets as collateral or did you have to cosign or guarantee any loans for this business?*
5. *Other than guarantees, does the business owe you or your family any money? Does the business owe you or your family any money?*
6. *How much is owed?*
7. *What is the net worth of this business? [ASKED IF R OWNS 100% OR ORGANIZATION FORM IS SOLE PROPRIETORSHIP] What is the net worth of your share of this business? What could you sell it for? [ASKED IN ALL OTHER INSTANCES]*

Questions for remaining businesses:

8. *For the remaining businesses you own and actively manage, what could you sell your share for? (What is your share worth?)*
9. *For the remaining business you and your family own and actively manage, what could you sell your share for? (What is your share worth?)*
10. *For the remaining businesses you and your family living here own and actively manage, what could you sell your share for? (What is your share worth?)*
11. *Do you or anyone in your family own or have an interest in any other businesses or any type of partnership where you do not have an active management role?*
12. *What could you or your family sell your share for? (What is it worth?)*
13. *Is it a sole-proprietorship, a limited partnership, another type of partnership, a Subchapter S corporation, another type of corporation, or what?*
14. *Are any of them limited partnership?*
15. *Are any of them other partnership?*
16. *Are any of them subchapter S corporation?*
17. *Are any of them other corporation?*
18. *Are any of them sole proprietorship?*
19. *Are any of them some other kind of business?*
20. *What could you sell you or your family's share of all these businesses for? (What is it worth?)*

### **Other Non-SIPP Assets**

1. *Other than pension assets and other retirement assets, do you or your family have any other substantial assets that I haven't already recorded -- for example, artwork, precious metals, antiques, oil and gas leases, futures contracts, future proceeds from a lawsuit or estate that is being settled, royalties, or something*

*else? (DO NOT INCLUDE PENSION-TYPE OR EMPLOYER PROFIT-SHARING ACCOUNTS HERE.)*

About the three most valuable of these:

2. *What kind of asset is it?*

- 1) Gold
- 2) Silver (incl. silverware)
- 3) Other metals or metals NA type
- 4) Jewelry; gem stones (incl. antique)
- 5) Cars (antique or classic)
- 6) Antiques; furniture
- 7) Art objects; paintings, sculpture, textile art, ceramic art, photographs, (Rare) books
- 8) Coin collections
- 9) Stamp collections
- 10) Guns
- 11) Misc. real estate (except cemetery)
- 12) Cemetery plots
- 13) China; figurines; crystal/glassware
- 14) Musical instruments
- 15) Livestock; horses; crops
- 16) Oriental rugs
- 17) Furs
- 18) Other collections, incl. baseball cards, records, wine
- 19) Loans to friends/relatives
- 20) Other loans/debts owed to R
- 21) Cash
- 22) Future proceeds from a lawsuit (includes expected settlement from a divorce)
- 23) Future proceeds from an estate
- 24) Deferred compensation
- 25) Insurance Settlement
- 26) Other deferred income (other than 66)
- 27) Oil/gas/mineral leases or investments
- 28) Futures contracts, stock options, hedge funds
- 29) Royalties; patents
- 30) Non-publicly traded stock; stock with restricted trading rights
- 31) Computer
- 32) Equipment/tools
- 33) Future lottery/prize receipts
- 34) Association or exchange membership
- 35) Other obligations to R; tax credits
- 36) Child support owed to R
- 37) Remaining payment from sale of an asset

3. *Do you (or anyone in your family) receive income from or have assets in an annuity? Please do not include job pensions or other retirement accounts or any assets I have already recorded.*
4. *Do you (or your family) also have annuities in which you have an equity interest?*
5. *What is the total dollar value of these annuities?*
6. *Do you have income from or have assets in a trust or managed investment account?*
7. *Do you (or your family) also have (trusts/managed investment accounts/other) in which you have an equity interest?*
8. *What is the total dollar value of these assets?*

## **Liabilities**

### **Margin Loans**

1. *Do you (or anyone in your family living here) currently have any margin loans at a stock brokerage?*
2. *Altogether, what is the current balance on these margin loans?*

### **Mortgages, Home Equity Loans, Home Equity Credit Lines**

Questions for two mortgages and one home equity loan:

1. *Is there a mortgage or land contract on this (home/home and and/apartment/property)?*
2. *Do you have another mortgage or a land contract on this property?*
3. *What is the amount still owed on these land contracts?*
4. *Do you have any loans that use this property as collateral?*
5. *Do you have any other loans that use this property as collateral?*
6. *How much is still owed on these loans?*
7. *Do you owe money on any other loans used for the purchase of this property, such as loans from relatives or the seller?*
8. *How much is still owed on these loans?*

Questions for up to three home equity lines of credit:

9. *Do you or anyone in your family have a home equity line of credit or any other lines of credit, not counting credit cards or business lines of credit? Please include approved lines of credit even if you are not currently drawing against them.*
10. *How many lines of credit do you and your family living here have?*
11. *Is this line of credit secured by the equity in your home? (Each Line)*
12. *Do you currently owe any money on this line?*
13. *How much is currently owed on this line?*

Question for remaining lines of credit:

14. *What is the total amount that you and your family currently owe on all other remaining lines of credit?*

### **Loans on Other Real Estate**

Questions for loans on up to three properties:

1. *What percentage of the property do you and your family living here own?*
2. *Are there any outstanding loans or mortgages on this property?*
3. *Are there any outstanding loans or mortgages on this timeshare?*
4. *How much is still owed?*
5. *In total, how much is still owed?*
6. *Are there any mortgages or loans outstanding against these vacation homes or recreational land?*
7. *Altogether, about how much is owed on you or your family's share of these mortgages or loans?*

### **Other Loans**

1. *Do you (or anyone in your family living here) have any other loans for any reason listed on this card? (These are loans for household appliances, furniture, hobby or recreational equipment, medical bills, loans from friends or relatives, loans for a business or investment, or other loans.)*
2. *What are these loans for?*
3. *How much is still owed on each loan?*

### **Loans from Businesses**

Questions for loans from the three largest businesses:

1. *Do you or your family owe the business any money?*
2. *How much do you owe?*

### **Vehicle Loans**

Questions for up to four vehicles:

1. *Not counting any loans I've already recorded, is any money still owed on loans for this (make and model)?*
2. *How much is still owed on this loan?*
3. *Not counting any loans that I have already recorded, is any money still owed on loans for this (vehicle type)?*
4. *How much is still owed on this loan?*

Questions for up to two non-car vehicles:

5. *Not counting loans I have already recorded, is any money still owed on loans for these vehicles?*
6. *Altogether, about how much is still owed on these loans?*

### **Loans Secured by Pensions or Life Insurance**

1. *(Do you/Does [he/she]) currently have a loan against the account?*
2. *What is the amount of the loan balance?*
3. *Are you or your family borrowing against these policies?*
4. *Is the cash value you just gave me the net cash value, that is the total cash value minus the loan, or is it the gross cash value?*
5. *How much is currently borrowed?*

### **Education Loans**

Questions for first three education loans:

1. *Not counting credit cards or loans you may have told me about in detail, do you and your family owe any money or have any loans for educational expenses?*
2. *How many such loans are there?*
3. *How much is still owed on this loan?*

Questions for remaining education loans:

4. *How much in total is owed on all the remaining loans?*

### **Home Improvement Loans**

1. *Have you and your family ever made any major additions or done extensive remodeling to this property?*
2. *Other than what I have already recorded, do you owe any money on loans taken out for these projects?*
3. *How much is still owed on this loan?*
4. *Do you owe money on more than one loan for home additions or improvements to this property?*
5. *Altogether, how much is still owed on all other loans for additions or improvements to this property?*

### **Credit Lines**

Questions for three lines of credit:

1. *Do you or your family have any lines of credit, not counting credit cards or business lines of credit? Please include approved lines of credit even if you are not currently drawing against them.*
2. *Do you or your family have a home equity line of credit or any other lines of credit, not counting credit cards or business lines of credit? Please include approved lines of credit even if you are not currently drawing against them.*
3. *How many lines of credit do you and your family have?*
4. *Do you currently owe any money on this line? (Three Lines)*
5. *How much is currently owed?*

Questions for remaining lines of credit:

6. *What is the total amount that you and your family currently owe on all other remaining lines of credit?*

**Credit Cards**

1. *Do you or anyone in your family living here have any credit cards or charge cards?)*

Questions for five credit cards:

2. *After the last payment was made on this account, roughly what was the balance still owed on this account?*