
Elimination of the Survey of Income and Program Participation (SIPP)

Overview

The President's FY07 budget removes continued funding for the Census Bureau's Survey of Income and Program Participation (SIPP) program. Eliminating the SIPP would prevent the Census Bureau from gathering critical data about the U.S. population and economy. Researchers need access to high-quality data that tracks the economic well-being of the population. The SIPP is the only large-scale survey that provides information about the effectiveness of welfare reform, Medicaid, unemployment insurance and other income-support programs. It is widely used by economists and social scientists of all political persuasions. Eliminating the SIPP would make it impossible for researchers to evaluate the impacts of current and future budgets on the U.S. population.

Background

Launched in 1984, the SIPP is a multi-panel, nationally representative dataset created by the U.S. Census. A panel dataset follows the same individuals over time. The SIPP was developed so that the U.S. government had an instrument to evaluate the efficacy of social programs and their effects on families' economic well-being. It has served as the basis for thousands of academic papers and government and independent policy reports on poverty, income mobility, and the effectiveness of state and federal government programs.

The survey tracks individuals for two to four years, with the most recent surveys tracking over 90,000 individuals. Respondents are asked questions every fourth month about their experiences over the prior four months, including their participation in income-maintenance programs (such as welfare and unemployment compensation), household and family composition, employment and earnings, assets and debt, and access to services (including health insurance and child-care).

Budget

A Census Bureau memo dated February 3, 2006 reports that the total proposed budget for the SIPP program in FY2007 is \$9.2 million. Of this, \$3.6 million is allocated to completing the current SIPP panel (pending partner funding from other agencies) and the remaining \$5.6 million is allocated to developing a new survey on wealth, income, health insurance, and program participation data. To fully fund the SIPP, the Census Bureau needs about \$40 million annually. To avoid missing any data collection, this money needs to be allocated this year so that the Census staff has adequate time to plan future SIPP panels.

Key Features of the SIPP

- *The SIPP was explicitly designed to measure economic well-being, including program participation.* It provides in-depth questions on wealth and assets, debt, childcare usage, work schedules, disabilities, medical expenses, detailed educational attainment information, and detailed information on fertility.
- *The SIPP provides more accurate data on key topics than other surveys.* The SIPP interviews the same respondents every four months, in contrast to the Annual Demographic Survey, which only asks questions about experiences over the prior year. This allows the SIPP to produce more accurate data.
- *The SIPP is the only multi-panel, longitudinal Census Bureau survey, tracking individuals over three years.* The SIPP follows a sample of the population for three years (or four years in the case of the 1996 panel), which enables researchers to understand families' transitions in and out of government benefit programs, as well as transitions in and out of employment.

Recommendation

Congress should fully fund the SIPP so that researchers can continue to evaluate the effectiveness of public policy in promoting the well-being of America's families. The total cost of the survey is about \$40 million per year, yet it provides a constant stream of in-depth data that allows government, academic, and independent researchers to evaluate the effectiveness and improve the efficiency of billions of dollars in spending on social programs.

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