

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

*We need good data to make good policy. The unique data provided by the SIPP is essential for good management of government programs, for the efficient use of resources in difficult times, and for making tough choices about important government policies.*

### **What's the threat to the SIPP?**

- The President's proposed FY2007 budget calls for the elimination of the Survey of Income and Program Participation (SIPP), effective September 2006.
- The SIPP is a longitudinal survey that tracks the same families over time. If the SIPP is skipped for even just one year, then the continuity of data that makes the SIPP unique will be lost.

### **What is the SIPP?**

- The SIPP is a U.S. Census Bureau survey that analyzes the impact of state and federal government programs on the well-being of American families.
- The SIPP provides essential information on the extent to which programs – such as *Temporary Assistance for Needy Families (TANF)*, *Medicaid*, *Social Security*, and *unemployment insurance* – meet families' basic needs and promote upward mobility.
- The SIPP also tracks *health insurance coverage*, and provides more in-depth information than other government surveys on *work-family issues*, such as *maternity leave*.
- The longitudinal nature of the SIPP, which allows it to track the same families over time, means that the survey's data is richer and more detailed than those of other surveys.
- The SIPP is the only large-scale survey explicitly designed to analyze the effects of policy on individual families. The survey has served as the basis for thousands of papers and reports on poverty, income mobility, and the effectiveness of state and federal government programs.

### **Why is the SIPP important?**

- *The SIPP is an important and unique source of data about poverty and income.* The National Academy of Sciences states, "SIPP should become the nation's primary source of income statistics... [Other national surveys] can never be designed to provide the same extent of detail or achieve the same quality of reporting as in SIPP."
- *The SIPP provides a more accurate picture of poverty than the annual Census survey.* The Census Bureau's Current Population Survey (CPS), the most-often cited source of poverty rates, measures annual income, while the SIPP measures monthly income. Since many low-income families experience

income fluctuations from month to month, experts agree that monthly poverty rates are generally higher (and more accurate) than annual rates.

- *We need the SIPP now more than ever, in order to know which programs are working and to prioritize scarce government resources.* The SIPP is the only data set that can adequately demonstrate what actually happens to low-income families when program policies are changed. With its unique design, the SIPP is the only survey that can provide hard evidence about whether these programs work.
- *Both the public and private sectors have made significant investments in the SIPP.* Over the last 25 years, hundreds of millions of public and private dollars have been invested in the development of the SIPP and the capacity to analyze its data. Analysis of SIPP data has helped the development, monitoring and improvement of social programs affecting millions of families. This investment will be lost if the SIPP is eliminated.

## **Myths about the SIPP**

- *Myth: The SIPP has very high non-response rates.* Fact: No, not compared to other available surveys. (Non-response is the share of those surveyed who never answer the survey.) The SIPP's non-response rate was 8 percent in the 1996 panel, about the same as the CPS.
- *Myth: The SIPP has very high attrition rates.* Fact: No, not compared to other available longitudinal surveys. (Attrition is the share of individuals in a panel data set who drop out after being previously interviewed.) The SIPP's attrition rate was 26 percent in the 1996 panel (as of wave nine), comparable to the National Longitudinal Study of Youth (26 percent as of 1992 in the 1979 panel) and lower than the Panel Study of Income Dynamics (43 percent as of 1988).
- *Myth: There are other surveys that can provide the same information.* Fact: No, the SIPP is a unique survey because it is comprised of a series of panels. This means we can track a group of individuals over time and compare them to another group in another period. No other survey available allows us to compare the effects on families both before and after significant policy changes.
- *Myth: The SIPP is not cost-effective.* Fact: The total cost of the SIPP is close to \$40 million per year, which is not expensive when compared to other national surveys. The American Community Survey costs at least \$160 million per year, and the CPS costs at least \$54 million per year. Since the \$40 million annual investment in the SIPP analyzes program spending totaling several hundred billion dollars, the evaluation that SIPP provides costs less than one cent per program dollar.

## **What if you still believe the SIPP is flawed?**

- *Even with its problems, the SIPP must be continued to prevent the loss of irreplaceable data – until we have a plan for fixing it or moving on to a new survey.* For good policy, we need good data.
- *It will take several years to develop a new survey.* While the government plans to have a new survey in place by 2008, experience shows that it takes about 7 years to develop such national surveys. We simply cannot afford to risk losing so much important information about the effectiveness of government programs.
- *Any planning process for the improvement or replacement of the SIPP should include researchers, advocates and government agencies.* The elimination of the SIPP appears to have been decided without the input of anyone outside the Administration.