

The Panel Study of Income Dynamics and Mobility

David S. Johnson
University of Michigan

Workshop on The Potential for Research Using Linked
Census, Survey, and Administrative Data to Assess
the Longer Term Effects of Policy

CNSTAT May 9, 2016



PSID in the Beginning

- Began in 1968 with 4,800 American families, including oversample of low SES families
- Originally designed to understand the causes and consequences of poverty in US



Almost 50 years Later

- World's longest running nationally representative household panel survey
- Family of studies: Main interview (“Core”), regular supplements (Child Development and Transition to Adulthood Supplements), age and content-specific supplements, add-on modules, and linkages



The Family of Studies



Main sponsors of core
National Science Foundation
National Institute on Aging
Eunice Kennedy Shriver National Institute of
Child Health and Human Development

Core Study 39 waves
and 48 years

The Family of Studies



Well-being and Daily Life, 2016

Childhood Retrospective
Circumstances Study, 2014

Disability and Use of Time
2009, 2013

Transition to
Adulthood Supplement;
every other year
since 2005

Child Development
Supplement;
~every five years
since 1997

Core Study 39 waves
and 48 years

The Family of Studies

Administrative data linkages
(Medicare, Mortality, 1940
Census), and Zillow and
SSA in future

Family Rosters and Transfers

Philanthropic Behavior

Food Security

Core Study 39 waves
and 48 years



PSID Sample

- 39 waves of PSID data collected 1968-2015
- In 2015, ~25,000 individuals in 10,000 families
- Sample Growth
 - When adult children “split off” and form their own economically independent households, they are invited to join
 - 1997 and upcoming 2017 immigrant refresher samples
- Multiple generations

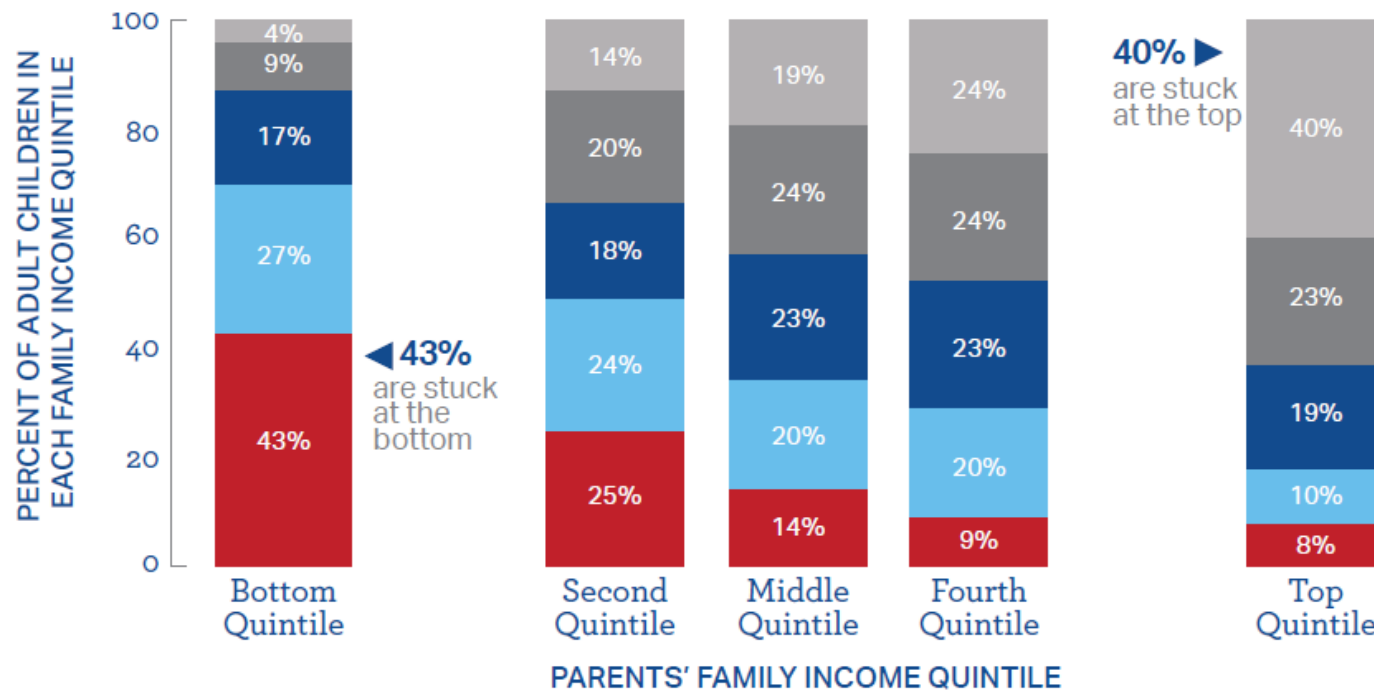


Key Figure in AEI/Brookings report on Poverty and Opportunity

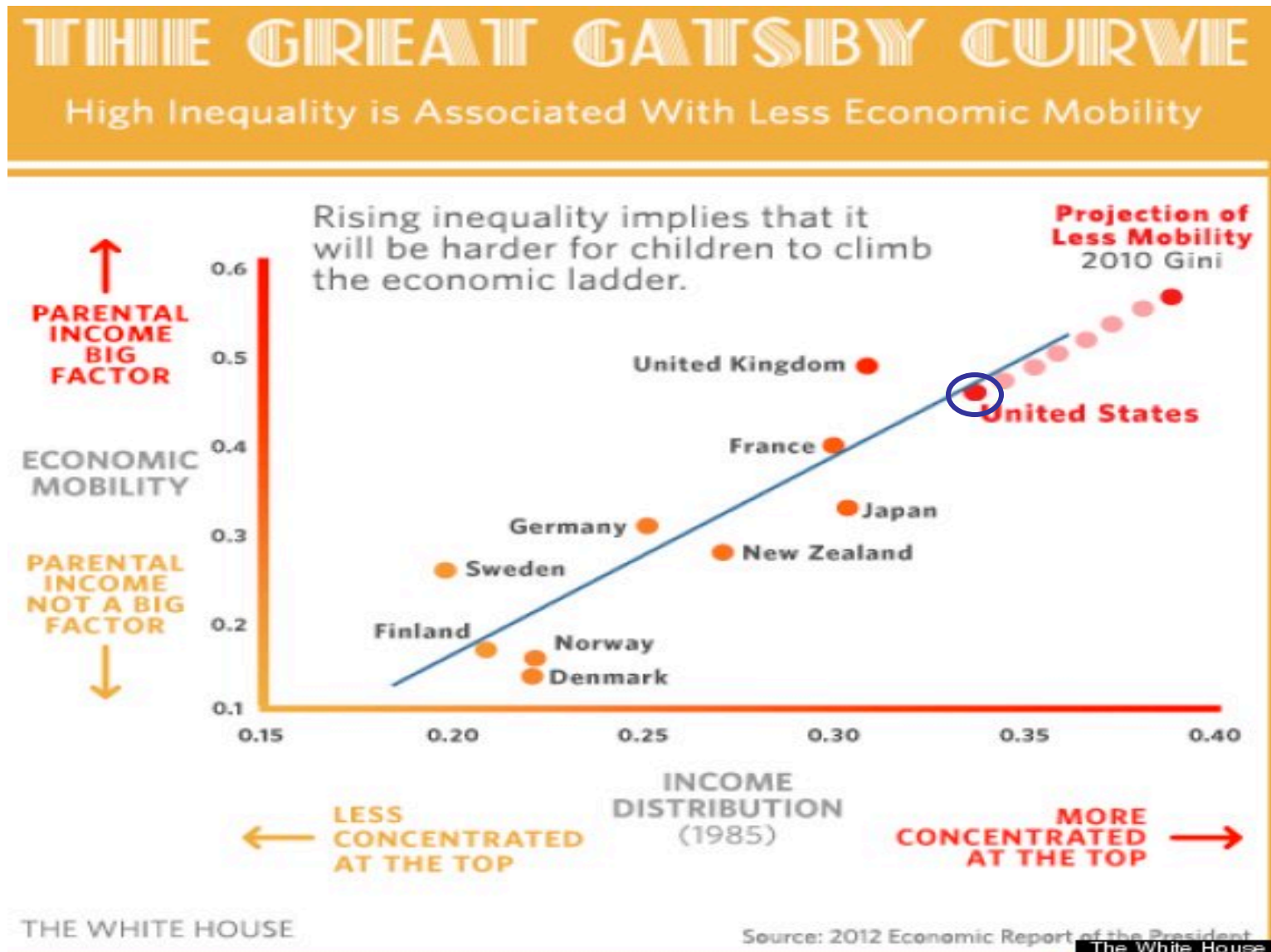
FIGURE 3
INCOME QUINTILE OF CHILDREN WHEN THEY GROW UP RELATIVE TO THEIR PARENTS' INCOME QUINTILE

Percent of Adult Children with Income in the:

■ Top Quintile ■ Fourth Quintile ■ Middle Quintile ■ Second Quintile ■ Bottom Quintile



US Mobility point in Gatsby Curve is from an estimate using PSID



PSID has been used for Mobility research since the beginning (some examples)

- Smith, J. and Morgan, J. “Variability of Economic Well-being and Its Determinants,” *American Economic Review*, 1970.
- Corcoran, M., Jencks, C. and Olneck, M. “The Effects of Family Background on Earnings,” *American Economic Review*, 1976.
- Lillard, L. and Willis, R., “Dynamic Aspects of Earnings Mobility,” *Econometrica*, 1978.
- Solon, G. Intergenerational Income Mobility in the United States. *American Economic Review*. 1992.
- Altonji, J. and Paxson, C. Labor Supply, Hours Constraints, and Job Mobility. *Journal of Human Resources*. 1992.
- Duncan, G., Boisjoly, J. and Smeeding, T. Economic Mobility of Young Workers in the 1970s and 1980s. *Demography*, 1996.
- Burkhauser, R., Holtz-Eakin, D. and Rhody, S. Labor Earnings Mobility and Inequality in the United States and Germany During the Growth Years of the 1980s. *International Economic Review*. 1997.
- Bjorklund, A. and Jantti, M. Intergenerational Income Mobility in Sweden Compared to the United States. *American Economic Review*. 1997.

Some Recent Mobility Research using PSID

- Song, X. and Mare, R. Prospective Versus Retrospective Approaches to the Study of Intergenerational Social Mobility. *Sociological Methods & Research*. 2015.
- Mazumder, B. and Acosta, M. Using Occupation to Measure Intergenerational Mobility. *The ANNALS of the American Academy of Political and Social Science*. 2015.
- Bloome, D. Income Inequality and Intergenerational Income Mobility in the United States. *Social Forces*. 2015.
- Pfeffer, F. and Killewald, A. “How Rigid is the Wealth Structure and Why? Inter- and Multigenerational Associations in Family Wealth,” manuscript, 2015
- Fisher, J., Johnson, D., Latner, J., Smeeding, T. and Thompson, J. “Inequality and Mobility using Income, Consumption, and Wealth for the Same Individuals,” forthcoming in *Russell Sage Foundation Journal of the Social Sciences*, 2016
- Mazumder, B. “Estimating the Intergenerational Elasticity and Rank Association in the United States: Overcoming the Current Limitations of Tax Data,” In *Inequality: Causes and Consequences*, 2016

Current linkages with Commercial and Administrative Data

- Geospatial Information
- National Death Index
- Medicare Claims (CMS)
- School Identifiers
- Assisted housing (HUD)
- 1940 Census
- Currently Investigating
 - Zillow
 - Social Security

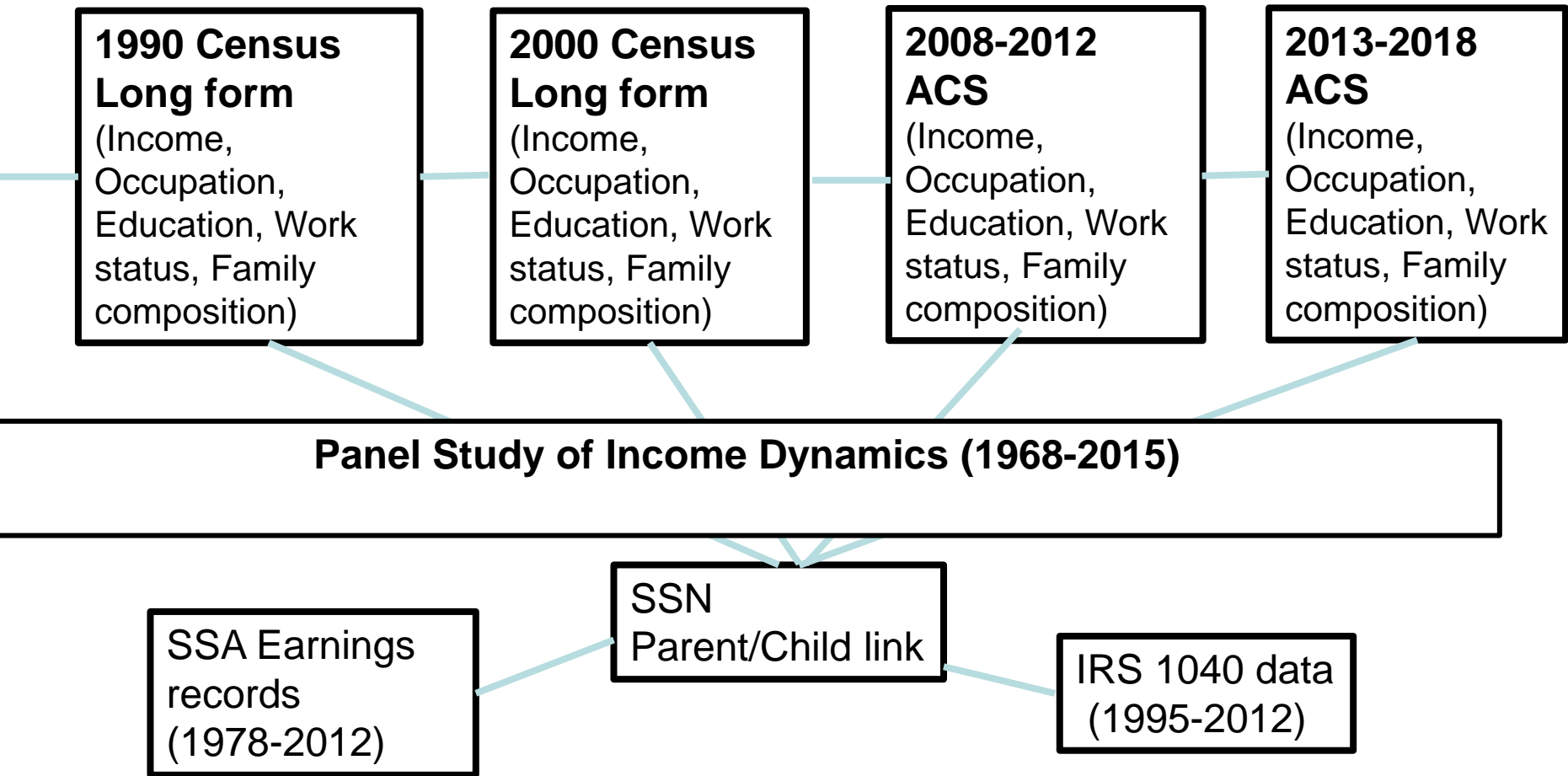
Example of Uses for Policy Evaluation

- Linking Food Stamp participation and child outcomes
Hoynes, Schanzenbach, and Almond, “Long-Run Impacts of Childhood Access to the Safety Net,” *American Economic Review*, 2016
- Linking school characteristics and educational outcomes
Jackson, Johnson, and Persico, “The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms,” *Quarterly Journal of Economics*, 2016

Challenges of using Administrative Data

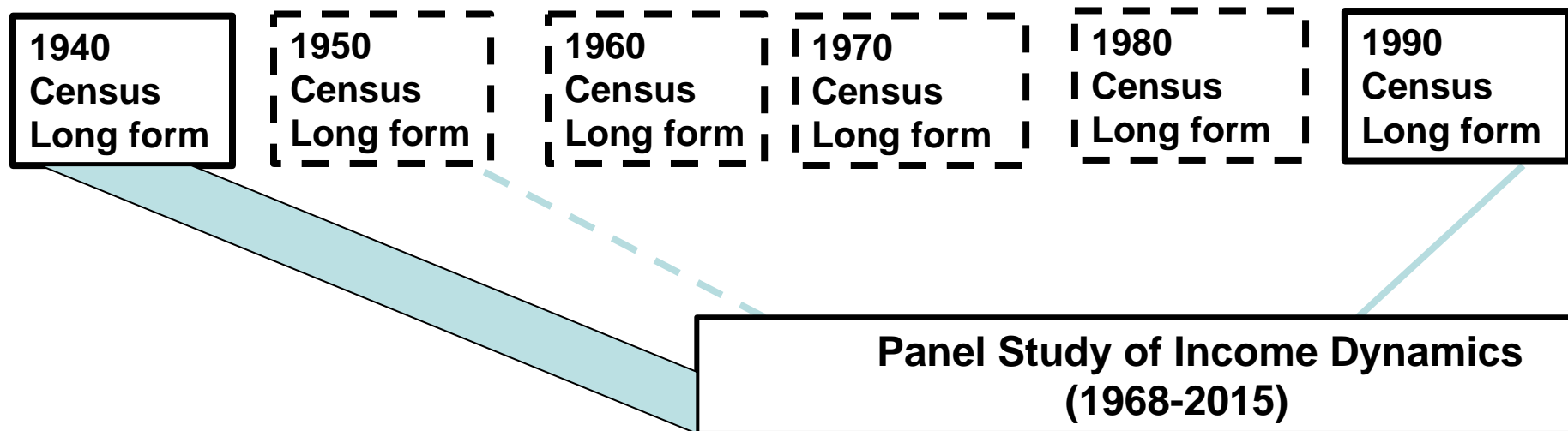
- Determining when consent and permission needed, under what conditions data can be used
- When permission required, gaining cooperation from respondents
- Regulatory environment and data acquisition
- Protection of data and minimize risks of disclosure
- Who does the linking
- Dissemination and project approval at Michigan enclave or FSRDC
- How do we contract with Census

The possibilities of the AOS and PSID

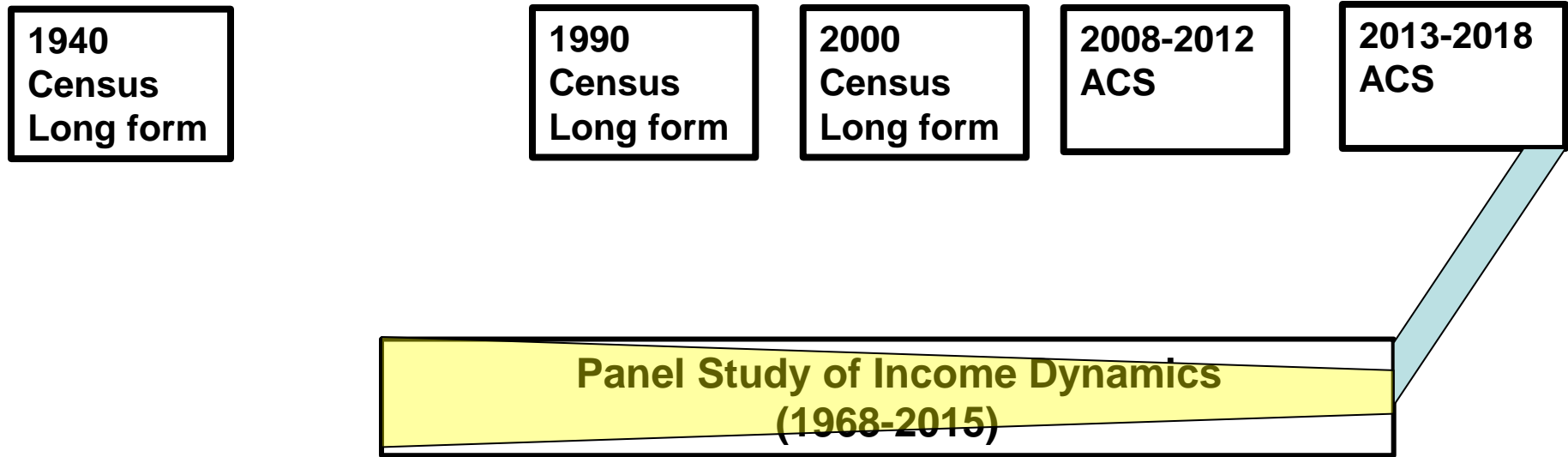




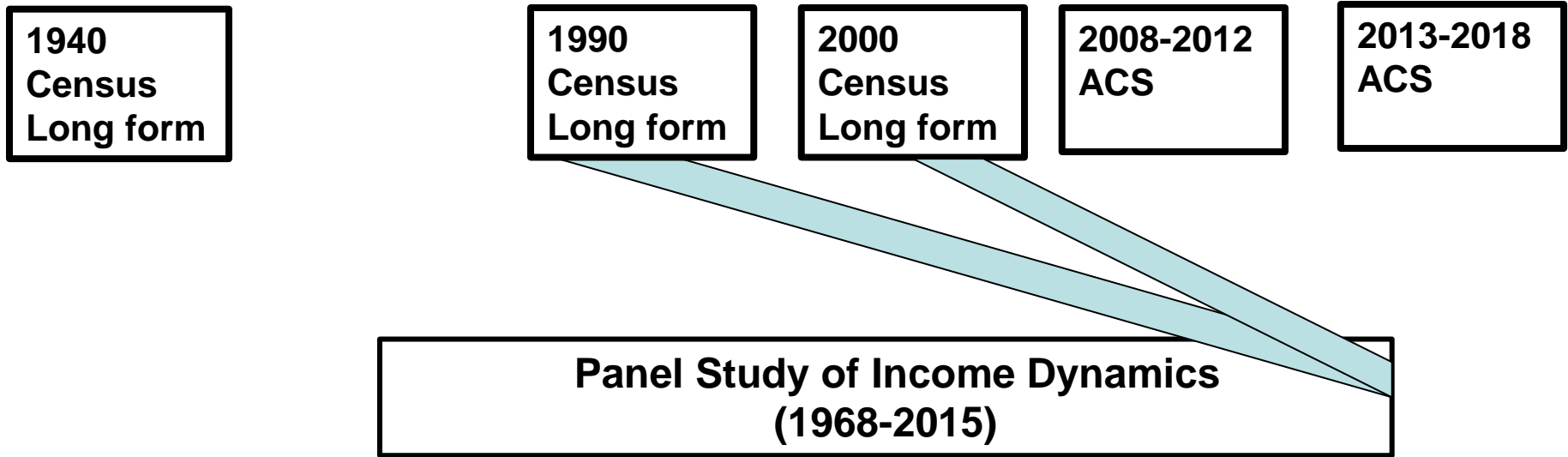
Linking PSID to 1940 Census finds many original PSID sample as kids in 1940



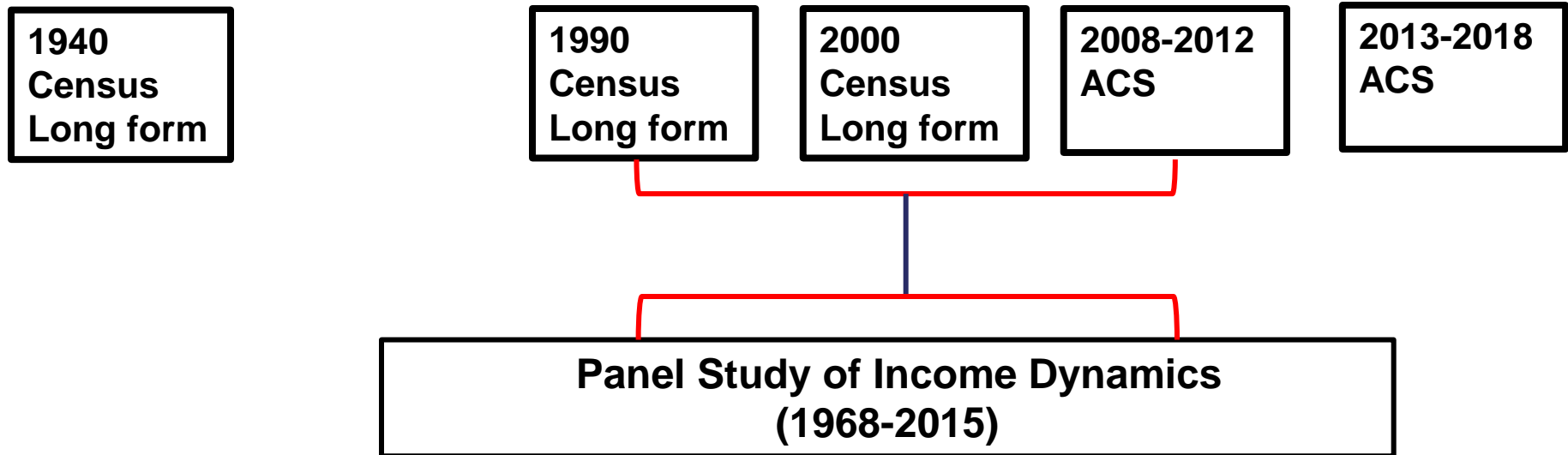
Possible Linking PSID to current ACS could find people who attrit from PSID



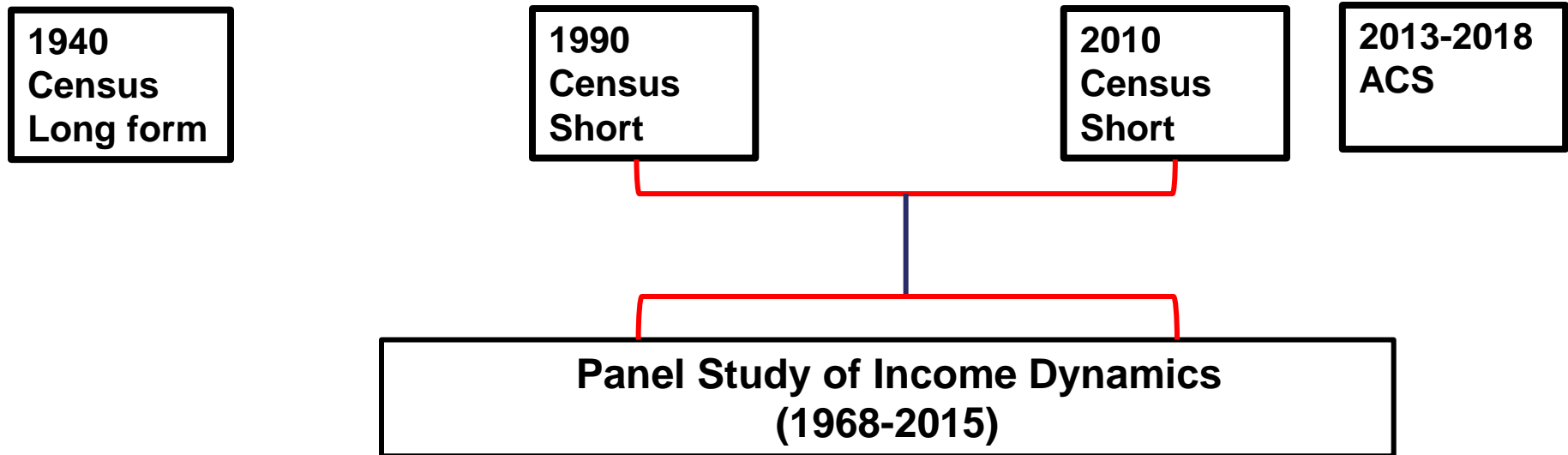
Possible Linking PSID to Census data could find new people who enter PSID



PSID linkage could be used to test the links across Census data



PSID linkage could be used to test the links across Census data



Questions from the AOS Committee

- What are the research questions you study, what data, including administrative data, do you now use in that research?
- What are the limitations of these data?
- How would access to an intergenerational panel improve the quality of research in your area? Linkage to which administrative data would be most important for your research?
- How would this intergenerational panel with linked administrative data improve the evidence base in assessing longer-term impacts of policy on key outcomes in your research area?
- What access/barriers to use do you foresee?