



601 E Street, NW  
Washington, DC 20049

T 202-434-2277  
1-888-OUR-AARP  
1-888-687-2277  
TTY 1-877-434-7598  
www.aarp.org

November 16, 2009

Brian Harris-Kojetin, OMB Desk Officer  
Office of Management and Budget  
New Executive Office Building  
725 17<sup>th</sup> Street, N.W. Room 10201  
Washington, D.C. 20503

**Re: Proposal to the Office of Management and Budget (OMB) to Revise the Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS) – 73 Federal Register, 52944, October 15, 2009**

Dear Mr. Harris-Kojetin:

I am writing on behalf of AARP to comment on the Census Bureau's proposal to OMB to revise the ASEC to the Current Population Survey CPS. The new items proposed to be included in the ASEC would assist in implementing a modernized poverty measure. AARP supports efforts to produce a modernized poverty measure as recommended by the National Academy of Sciences (NAS) and reflected in the Measuring American Poverty Act (S.1625/H.R. 2909), legislation supported by the AARP. Consequently, AARP in general supports revising the ASEC by including questions related to home values and mortgage amounts, medical out-of-pocket spending, child care expenses, and child support payments. AARP's own analysts look forward to analyzing the CPS data to evaluate its usefulness for improving measures of economic well-being and income poverty.

**Property value/mortgage amount**

These proposed CPS ASEC questions ask survey respondents who are home owners to report information on the market value of their home and mortgage amounts. These questions are designed to elicit information that may be useful in arriving at measures of imputed rental income for homeowners. Although it makes sense in theory to adjust cash income for imputed income accruing to home owners, there are many technical issues to be resolved. We note that the NAS report stressed the importance of accounting for the flow of services home owners obtain from their home in counting resources. We look forward to an examination of the data and to discussions of whether the data are useful and whether practical barriers to implementation can be overcome.

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### **Medical Expenditures**

The proposed CPS ASEC questions ask survey respondents to report how much they paid for health insurance premiums and medical care. These questions are designed to provide CPS estimates of out-of-pocket spending and may be useful in supplementing existing data used to impute medical out-of-pocket spending for poverty measurement.

It is our understanding that the term "medical out-of-pocket spending" for the purposes of poverty measurement is to be construed very broadly to include expenditures on long-term care and long-term services and supports. Therefore, we ask whether it will be important to revise the proposed questions, especially those related to expenditure amounts, to include terms that relate to long-term care?

The question as proposed asks the respondent to report amounts paid for "medical care, including hospital visits, medical providers, dentist, medicine, or medical supplies." We suggest that the question be more descriptive for respondents and ask, instead, about amounts paid for "medical care and long-term care, including hospital visits, medical providers, home care aides, nursing home care, dental care, medicine, or medical supplies."

Since very few people have private long-term care insurance, it is likely less important to revise the question on premiums (HIPREM) to include reference to long-term care insurance premiums. We note that dental insurance premiums are not included in the proposed question.

### **Child Care Expenses/Child Support Payments**

With regard to child support payments and child care expenses, the AARP agrees that it makes sense to include questions on those expenses in the ASEC.

AARP appreciates the opportunity to comment on these important proposed survey questions. We look forward to working with the Department and others in developing and finalizing regulations that support modernizing the poverty measure. If you have any questions about our comments, please contact Larry White, AARP in our Government Relations office, at (202) 434-3813.

Sincerely,



David Certner  
Government Relations and Advocacy  
Legislative Counsel and Legislative Policy Director