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SIPP OMB comments (OMB Docket Number USBC-2023-0003)
Submitted to census.sipp@census.gov

September 18, 2023

Ms. Sheleen Dumas
Department PRA Clearance Officer
Office of the Under Secretary for Economic Affairs
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Ms. Dumas:

On behalf of the Center on Budget and Policy Priorities (CBPP), I am writing to express our concern about the proposal to make a permanent one-third reduction in the sample size of the Survey of Income and Program Participation (SIPP). CBPP is a nonpartisan research and policy institute that advances federal and state policies to help build a nation where everyone — regardless of income, race, ethnicity, sexual orientation, gender identity, ZIP code, immigration status, or disability status — has the resources they need to thrive and share in the nation's prosperity.

CBPP uses SIPP in a wide variety of ways to inform policy makers and the public about the needs of low- and moderate-income households and to estimate the likely impact of diverse policy proposals on program participation, family economic well-being, and federal spending. We have deep concerns that the Census Bureau's temporary reduction of the SIPP sample size in 2023 caused damage to the reliability of the data. Reducing the sample size in perpetuity would institutionalize these reliability issues, permanently undercutting the utility of the SIPP survey, which is the most comprehensive source of information on the economic well-being and program participation of everyday Americans.

Examples of recent CBPP analyses that use data from the 2014 SIPP panel — but would have been adversely impacted by a one-third sample size reduction — include:

- Simulating how updating asset limits in the Supplemental Security Income (SSI) program would affect program participation and budgetary costs. www.cbpp.org/research/social-security/the-case-for-updating-ssi-asset-limits (published July 2023).
- Simulating the budgetary cost and poverty-reducing impact of proposed provisions in the federal EITC and Child Tax Credit to (a) allow an “earnings lookback” (that is, allowing filers for those earnings-based tax credits to qualify based on earnings from earlier years); (b) create a “safe harbor” for lower-income filers who receive a monthly Child Tax Credit based on current eligibility status but whose children subsequently change homes during the tax year rendering them no longer eligible; or (c) allow filers to claim exemption from earnings-related provisions based on participation in SSI or other circumstances. (Unpublished estimates, 2020-2023.)
- Revealing the surprisingly large share of U.S. households with children (including “middle income” households) who, over a recent pre-pandemic three-year period, report experiencing one or more material hardships (food insecurity or falling behind on rent or mortgage or utility bills). www.cbpp.org/research/poverty-and-inequality/widespread-economic-insecurity-pre-pandemic-shows-need-for-strong (published July 2021).

A permanent one-third reduction in SIPP’s sample size would have noticeably affected the statistical reliability of many of these estimates and in many cases would have made it impossible to provide meaningful demographic breakdowns, making it harder for researchers and policy makers to accurately assess and address inequities. Many of our estimates with SIPP are used by federal policy makers to inform their evaluation of government programs’ effectiveness and take steps to strengthen the effectiveness and efficiency of these programs.

Other available data sources do not provide meaningful substitutes for SIPP. The estimates depend on SIPP’s unique features and advantages, such as its greater accuracy relative to other surveys with regard to rates of reported program participation; singular monthly and multi-year longitudinal content; and unusually detailed data on household composition and who, within each household, participates in a given federal or state assistance program. We are frequently asked to provide demographic detail such as by racial and ethnic categories or for the non-metropolitan U.S.

We note that SIPP provides data for many agencies and organizations whose analysis would also likely be affected by the reliability issues raised by permanently reducing SIPP’s sample size. The Congressional Budget Office (CBO) chose to build its main Health Insurance Simulation Model around SIPP – in part, specifically, because SIPP’s sample size at the time was deemed sufficient – and has used the model for estimates and projections of Affordable Care Act coverage.¹ CBO uses SIPP for other microsimulation models and ad hoc analyses as well, while SSA uses SIPP extensively in its Modeling Income in the Near Term (MINT) simulation model and other work., The U.S.

¹ National Academies of Sciences, Engineering, and Medicine, *The 2014 Redesign of the Survey of Income and Program Participation: An Assessment*, The National Academies Press: 2018, p.37.

Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation (HHS-ASPE) relies for many purposes on the Transfer Income Model Version III (TRIM III), developed and maintained by the Urban Institute, which uses SIPP for purposes such as dividing child support payments across the year.² USDA and other agencies rely on it as well.

Finally, undercutting SIPP's ability to provide disaggregated data by reducing sample size would also appear to be inconsistent with the Biden Administration's Biden Administration Executive Orders related to ensuring equity in federal program operations and in federal data collection by race, ethnicity, and along other demographic dimensions.³ [Executive Order 13985 on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#) (January 20, 2021) in part requires OMB and agency heads to assess "barriers to full and equal participation by all eligible individuals" along lines of "race, ethnicity, religion, income, geography, gender identity, sexual orientation, and disability." [Executive Order 14091 on Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#) (February 16, 2023) further requires "redressing unfair disparities and removing barriers to Government programs and services" including by improving collection of "data that allow for rigorous assessment of the extent to which Government programs and policies yield consistently fair, just, and impartial treatment of all individuals." For many federal assistance programs, SIPP provides the most accurate, and sometimes only, available data comparing program participants with eligible non-participants along dimensions of race, ethnicity, disability, veteran status, and other categories identifies by the Executive Orders. Importantly, moreover, SIPP is often the only such data source that further provides crucial contextual data on eligible families' need for (and potential barriers to receiving) assistance, such as data on prior earnings history and job loss, dynamics of marriage and cohabitation, extended household relationships, detailed disability status, urban or nonmetropolitan residence, state of residence, assets, debt, and material hardship. Such data are central to assessing the likely causes and consequences of inequities in program take-up rates between demographic groups and identifying promising opportunities for addressing them as required in the Executive Orders. This makes SIPP in many ways the most obvious, most versatile, and potentially most important tool in the Census Bureau and other agencies' toolbox for responding to the Executive Orders. Shrinking the sample size of SIPP by one-third would almost certainly render unreliable some otherwise statistically significant policy-relevant findings for some racial and ethnic populations in some federal programs.

In sum, because of SIPP's crucial roles in budget and policy work, a permanent reduction in SIPP's sample size poses a threat to the quality of information used for informing policy on a large variety of social programs for the nation's low-income, economically insecure, or otherwise marginalized populations, and may make it considerably more difficult for the Census Bureau and other agencies to comply with Executive Orders 13985 and 14091. We hope the Bureau will reconsider its proposed plan to reduce SIPP's sample size and instead seek whatever resources are necessary to protect the survey's sample size and improve its response rates and overall data quality.

² Sheila Zedlewski and Linda Giannarelli, *TRIM: A Tool for Social Policy Analysis*, Urban Institute: May 2015, <https://aspe.hhs.gov/sites/default/files/private/pdf/205341/TRIM.pdf>.

³ [Exec. Order No. 14091](#), 88 FR 10825 (2023); [Exec. Order No. 13985](#), 86 FR 7009 (2021).

Respectfully,

Arloc Sherman
Vice President for Data Analysis and Research