

ASSESSING ASSET DATA APPENDIX C

Descriptions of Other Datasets Examined

American Dream Demonstration Account Monitoring Data

The American Dream Demonstration Account Monitoring (ADD-AM) data were collected from a 14-program nationwide demonstration of individual development accounts (IDAs). The demonstration had three purposes: (1) to determine whether the poor can save and build assets in a matched-savings structure, (2) to analyze how IDA savings outcomes are associated with institutional structure and IDA design, and (3) to analyze how IDA savings outcomes are associated with participant characteristics. Data on ADD's 2,350 participants were recorded at enrollment, and cash flows in the IDA accounts were recorded monthly. All participants had income below 200 percent of the federal poverty level, but the sample is not representative of the low-income population. Asset data cover balances in passbook and checking accounts, homes, nonresidential real estate, vehicles, and businesses. Liability data cover home mortgages, nonresidential mortgages, vehicle loans, business debts, credit card debts, and private loans. ADD-AM data were collected from 1997 to 2003. There is no plan for additional data collection in the future.

American Dream Demonstration Experiment Data

Data from the American Dream Demonstration Experiment (ADD-E) were collected from a program in ADD in which qualified applicants (employed with income below 150 percent of the poverty level) were randomly assigned to a treatment group (537 people) with access to IDAs and a control group (566 people) without access. Data were collected from members of both groups at assignment (in cohorts from November 1998 to December 1999), 18 months after assignment, and 48 months after assignment. The sample is not representative of the low-income population. The experiment was designed

to provide simple tests of the impact of access to IDAs on a variety of outcomes such as education, community and political involvement, life satisfaction, and the presence and value of different types of assets and liabilities. Asset data cover balances in passbook and checking accounts, other interest-earning assets, stocks and mutual funds, U.S. Savings Bonds, other financial assets, individual retirement accounts (IRAs), 401(k)s, homes, nonresidential real estate, vehicles, businesses, and durable goods. Liability data cover home mortgages, debt for nonresidential real estate, vehicle loans, business debt, credit card debt, bank loans, and personal loans. There is no plan for additional collection of ADD-E data in the future.

Assets for Independence Act Evaluation Data

Assets for Independence (AFI) program evaluation data were mandated by the Assets for Independence Act. Sponsored by the U.S. Department of Health and Human Services, the evaluation is being conducted by an independent research organization, Abt Associates Inc. The AFI evaluation consists of two components: (1) process analysis (evaluation of the development, planning, start-up, and ongoing operations of 14 selected AFI projects) and (2) nonexperimental impact analysis (collection and analysis of information on program participants and a comparable nonparticipants). Sample selection criteria are identical with AFI program eligibility: those who are eligible for Temporary Assistance for Needy Families or the federal earned income tax credit, or those with income less than two times the federal poverty level. Since the AFI program samples are limited to program participants they are not representative of the general low-income population of the United States. The program participation tracking and monitoring program uses the same method as and collects information identical to the ADD-AM data. That is, program and monitoring data are created with programs' administrative data on participants' IDA accounts, such as participant savings, average monthly deposit, deposit regularity, and matched withdrawals. The nonexperimental impact analysis uses survey instruments similar to the Survey of Income and Program Participation (SIPP) topical module on assets and liabilities.

Consumer Expenditure Survey

The Consumer Expenditure Survey (CEX) is a survey sponsored by the Bureau of Labor Statistics (BLS) with the goal of collecting information about the consumption patterns of households in the United States. It is a quarterly cross-sectional survey that currently uses a rotating sample of approximately 7,500 households. The survey captures

noninstitutionalized civilians and provides representative estimates on a national level. It is also representative of the low-income subpopulation. Currently, the CEX provides information about broad asset-holding categories but limited information about detailed asset-holding categories. Asset questions about home value, vehicle value, checking and savings accounts, stock and mutual fund holding, savings bonds, and appliance ownership are included in the survey. Liability questions cover only mortgages and vehicle loans. Omitted asset and liability categories include retirement accounts, quasi-liquid pensions, businesses, life insurance, business debt, and loans secured by retirement accounts. The BLS warns users of nonresponse to asset and liability questions and suggests that researchers interested in asset and liability holdings use the Survey of Consumer Finances. This survey is planned to continue for the foreseeable future with new asset data being released quarterly.

Current Population Survey

The Current Population Survey (CPS) is a monthly cross-sectional survey sponsored by the BLS with the goal of collecting information about the labor force. The CPS, which interviews approximately 50,000 households each month, is representative of noninstitutionalized civilians age 15 and over and is also representative of the low-income population. Each month, the CPS provides new estimates about employment. Each March, a CPS supplement collects information on the following asset-related categories: homeownership, home equity, interest income, dividend income, and retirement income. This survey does not contain information about assets such as checking accounts, savings accounts, other interest-earning assets, stocks, mutual funds, retirement accounts, quasi-liquid pensions, life insurance, nonresidence real estate, vehicles, and businesses. Liabilities such as mortgages for nonresidence real estate, business debt, vehicle loans, margin accounts, credit card debt, bank loans, and loans against retirement accounts are also not covered by the survey. The CPS is planned to continue for the foreseeable future with asset-related questions being asked each March.

Health and Retirement Study

The Health and Retirement Study (HRS) is a panel survey collected by the University of Michigan's Institute for Social Research and sponsored by the National Institute of Aging. The HRS began in 1992 and interviews individuals biennially. The sample currently includes individuals born before 1948 (ages 56 and older in 2004) and has a total of four cohorts.¹ The two original cohorts, individuals born between 1931 and 1941

and individuals born in or prior to 1923, were first sampled in 1992 and 1993, while the two other cohorts were added in 1998.² The HRS collects information on older Americans' financial status, physical and mental health, family support systems, labor market status, and retirement planning. The HRS is representative of older Americans in general, so it is representative of low-income older Americans. The HRS provides detailed information about financial and nonfinancial assets. Financial asset coverage consists of checking and savings accounts, certificates of deposit (CDs), bonds, stocks and mutual funds, retirement accounts, homes, businesses, nonresidence real estate, and motor vehicles. Liability coverage consists of mortgages on home and other real estate and other types of loans. Compared to other datasets (e.g., SIPP and the Panel Study of Income Dynamics), HRS includes more detailed information on retirement accounts (e.g., IRAs, Keoghs). HRS collects data on capital gains and saving component changes between waves. The HRS includes data about employment-related pensions by linking to Employer Pension Study data. This survey is planned to continue every two years.

Home Mortgage Disclosure Act Data

The Federal Reserve Board has implemented the Home Mortgage Disclosure Act (HMDA) data program since 1975. New HMDA data are released yearly and provide information from financial institutions regarding home loans in an effort to determine the performance of financial institutions, to provide information to public officials in distributing public monies to attract further private investment, and to identify discriminatory lending. The unit of observation is a mortgage loan application. The 2004 HMDA included 41.6 million loan records submitted by 8,121 financial institutions. This dataset includes loan applications from most mortgage-lending institutions. In that sense, it should be representative of all low-income loan applicants; however, it may be difficult to identify low-income households due to a lack of correlates. HMDA data provide information about mortgage and home improvement loans. The extent of the asset-related information is the amount of the applied-for mortgage or home improvement loan. This dataset does not contain information about assets such as checking accounts, savings accounts, other interest-earning assets, stocks, mutual funds, retirement accounts, quasi-liquid pensions, life insurance, nonresidence real estate, vehicles, and businesses. HMDA data also do not include information about liabilities such as mortgages for nonresidence real estate, business debt, vehicle loans, margin accounts, credit card debt, bank loans, and loans against retirement accounts. HMDA data are a product of Congress' Home Mortgage Disclosure Act and will continue for the foreseeable future.

National Longitudinal Survey of Youth 1979

The National Longitudinal Survey of Youth 1979 (NLSY79) cohort is a panel survey sponsored by the BLS. The survey is conducted under contract with the Center for Human Resources Research at Ohio State University and the National Opinion Research Center at the University of Chicago. The NLSY79 is representative of 12,868 young men and women who were 14 to 22 years old when first interviewed in 1979. The initial survey contained oversamples of black, Hispanic, and economically disadvantaged youth. The NLSY79 is a longitudinal dataset that was collected annually between 1979 and 1994; data have been collected every two years since 1994. The most recently released data were collected in 2006. Data collection is planned to continue every two years into the future. The NLSY79 includes detailed information about the ownership and amounts of different types of financial assets and liabilities. Financial asset coverage consists of checking and savings accounts, CDs, homes, common stocks, bonds, retirement accounts, businesses, farms, nonresidence real estate, and motor vehicles. Liability coverage consists of mortgages on homes and other property, credit card debts, and debts on business and farms. Limited asset data were collected for survey years from 1979 to 1984, and no asset data on survey years were collected for survey years 1991, 2002, and 2006. Asset data of NLSY focus primarily on the respondents, not on households.

The National Survey of Families and Households

The National Survey of Families and Households (NSFH) is a panel study funded by the Center for Population Studies of the National Institutes of Child Health and Human Development. It was designed and carried out at the Center for Demography and Ecology at the University of Wisconsin–Madison. The NSFH consists of interviews with a national random sample of 13,017 respondents (noninstitutionalized individuals 19 and over), consisting of a main sample of 9,643 respondents and an oversample of 3,374 respondents including blacks, Puerto Ricans, Mexican Americans, single-parent families, families with stepchildren, cohabiting couples, and recently married couples. The NSFH provides asset coverage information on homes, other real estate, businesses and farms, and motor vehicles, but it only includes one total value of savings accounts, savings bonds, IRAs, money market shares, and CDs. Debt coverage in NSFH consists of debts on homes, other real estate, businesses, or farms; motor vehicles; credit card loans; installment loans for major purchases; educational loans; personal loans from banks, other businesses, or friends and relatives; and home improvement loans. The first wave of data collection was conducted between 1987 and 1988, and two follow-up surveys were

conducted between 1992 and 1994 (wave 2) and between 2001 and 2002 (wave 3). Currently, there are no plans for additional waves of the survey, but additional waves could be funded.

NOTES

1. A fifth cohort, those born between 1948 and 1953, was introduced in 2004 and a sixth cohort of those born between 1954 and 1959 is scheduled to be introduced in 2010.
2. The cohort introduced in 1993 was originally a separate study, the Study of Assets and Health Dynamics among the Oldest Old (AHEAD). The two studies were merged in 1998.