

Text table 9. Comparison of money income before taxes: Consumer Expenditure (CE) Survey and Current Population Survey (CPS), 1990-93

| Income category | CE survey aggregate money income before taxes ¹ (in billions) | | | | Ratio of CE to CPS | | | |
|--|---|--------|--------|--------|--------------------|------|------|------|
| | 1990 | 1991 | 1992 | 1993 | 1990 | 1991 | 1992 | 1993 |
| Money income before taxes ² | \$3077 | \$3300 | \$3364 | \$3378 | 0.87 | 0.90 | 0.89 | .87 |
| Wage and salary income | 2344 | 2502 | 2507 | 2651 | .90 | .93 | .89 | .88 |
| Self-employment income | 225 | 250 | 249 | 212 | .98 | 1.11 | 1.10 | .89 |
| Social Security and retirement income | 332 | 351 | 389 | 264 | .97 | .97 | 1.02 | 1.02 |
| Property income | 103 | 114 | 113 | 103 | .39 | .46 | .49 | .45 |
| Unemployment, workers compensation, and veterans benefits | 21 | 24 | 34 | 31 | .59 | .52 | .68 | .59 |
| Public assistance and Supplemental Security income | 23 | 26 | 32 | 32 | .79 | .80 | .96 | .82 |
| Regular contributions and other income | 30 | 33 | 41 | 36 | .63 | .68 | .73 | .61 |

¹ CE data are for complete reporters of income.

² Excludes the value of food stamps, meals as pay and rent as pay.

NOTE: Ratios are based on unrounded data.

SOURCE: CPS data on which ratios are based are from U.S. Department

of Commerce, Bureau of the Census, *Money Income of Households, Families, and Persons in the United States* (Annual), Series P-60, Numbers 174, 180, 184. Due to changes in the topcoding limits initiated in the March 1994 CPS income supplement, the CPS income estimates for 1993 are from unpublished tabulations derived using topcoding limits comparable with previous years.

struct comparable estimates for 1992 and 1993 are not available. Therefore, the comparisons in this report are for health care expenditures exclusive of consumers' health insurance premiums.

Text table 8 shows Consumer Expenditure estimates and CE-to-NHA ratios that compare estimates of out-of-pocket health care expenditures, less health insurance and nursing home care. As reported in the Consumer Expenditure Survey, aggregate health care expenditures were \$90 billion in 1993, or 71 percent of the \$135 billion estimated in the NHA. Of the CE total, \$40 billion were spent on medical commodities and \$55 billion on medical services. These amounts were 73 percent and 69 percent of the NHA estimates, respectively. The data show moderate variations in the CE-NHA relationship over the period for both medical commodities and medical services. Occasional dips in the ratios may reflect underlying underreporting or undetectable administrative error.

Current Population Survey. The Bureau of the Census collects income data in the March supplement to the Current Population Survey (CPS). There are several differences between the Consumer Expenditure Survey and the CPS. The CPS collects income data in March for the previous calendar year. By comparison, the Consumer Expenditure Survey estimates of income (from the Interview survey) are obtained in the second and fifth interviews of the consumer unit. These estimates refer to the prior 12 months and, due to the rotating panel design of the Interview survey, the interviews may occur anytime during the year. CPS income data are topcoded at the time of data collection, and as a result, some of the CPS income data at the upper and lower boundaries of the income distribution are limited to speci-

fied amounts. By comparison, all of the CE income data are reports of specific amounts.

Census imputes CPS income data that are missing (due to nonresponse to income questions) based on demographic characteristics. In contrast, Consumer Expenditure Survey estimates are for complete income reporters only; income data are not imputed as part of the estimation procedure. Neither procedure accounts for underreporting, which is especially prevalent for property income.

In the March 1994 supplement to the CPS survey, the Census Bureau collected income data by computer assisted personal interview (CAPI). As a result, the 1993 CPS estimates are not strictly comparable with earlier CPS data. When compared to the Consumer Expenditure Survey, which is collected by traditional paper and pencil interview, the 1993 estimates reflect a basic difference in collection method.

Text table 9 shows that the Consumer Expenditure survey estimates of total income before taxes are about 87 to 90 percent of the CPS estimates. This reflects similar ratios for the largest sources of income: Wages and salaries, self-employment income, and Social Security income. Some of the differences between the Consumer Expenditure Survey and CPS estimates are expected because the CPS is designed specifically to collect income data, while the focus of the Consumer Expenditure Survey is primarily on expenditures. In addition, the CPS population is about 3 percent larger than the CE population. The low ratios for property income reflect imputations for missing data in the CPS and underreporting in CE. Some of the variation in the ratios reflects the general difficulty of obtaining income information via household survey, which is experienced by both the Consumer Expenditure Survey and CPS.