

Measurement Error in Program Participation*

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Abstract

Measuring government benefit receipt in household surveys is important to assess the economic circumstances of disadvantaged populations, program takeup, the distributional effects of government programs, and other program effects. We link New York State administrative data on four programs for low-income families, TANF, General Assistance, SNAP and subsidized housing, to survey data from the American Community Survey (ACS), Current Population Survey (CPS), and Survey of Income and Program Participation (SIPP) over the 2007-2013 period. We find that, depending on the survey, between 43 and 63 percent of public assistance (TANF or General Assistance) recipients are not recorded as receiving benefits. The corresponding ranges across the surveys for these false negative reporting rates for SNAP and housing benefits are 20 to 43 percent and 23 to 36 percent, respectively. False positive rates range from 0.5 percent to 2 percent across the programs and surveys. Both false negative and false positive error rates vary with individual characteristics. These error rates are higher among imputed observations except in the case of ACS public assistance where the false negative rate is kept low at the expense of a very high false positive rate. Estimates of the determinants of program receipt are badly biased in the survey data, and particularly understate the receipt rates by single parents, nonwhites and low educated heads.

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