Race, Ethnicity and Measurement Error

Bruce D. Meyer, University of Chicago, AEI and NBER
Nikolas Mittag, CERGE-EI
Derek Wu, University of Virginia

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Abstract

Large literatures depend on accurate social insurance and means-tested transfer receipt by race and ethnicity. For example, recent research using survey data uncovered important differences by ethnicity and gender in program receipt (e.g. Moffit and Gotschalk, 2001; Gould-Werth and Shaefer 2012; Kuka and Stuart 2021; Forsythe and Yang 2021; U.S. GAO 2022). One group of these papers emphasizes lower receipt of transfers by Black or Hispanic individuals suggesting that state laws or their administration has led to disparate access to these programs. A second group of papers examines whether Black or Hispanic individuals are overrepresented among program recipients, focusing mostly on means-tested transfers. A finding in one of the papers is that higher program receipt can mostly be explained by income and employment patterns. Other papers have emphasized racial and ethnic differences in measures of poverty and material well-being (e.g. Burkhauser et al. 2022; U.S. Census Bureau 2022). For such analyses it is not only important that surveys capture resources and program receipt well overall, but also that survey accuracy does not vary with race and ethnicity. If race or ethnicity predict survey error, then these analyses confound real differences with differences in survey error.

A more recent set of papers examines the accuracy of reporting of transfer receipt in major Census Bureau surveys, including the American Community Survey (ACS), the Current Population Survey Annual Social and Economic Supplement (CPS ASEC), and the Survey of income and Program Participation (SIPP) (Celhay et al. 2021; Meyer and Mittag 2022; Meyer et al. 2023). This literature has found a pronounced tendency of Blacks and Hispanics to underreport receipt of SNAP, TANF and Unemployment Insurance. The differences in reporting by race and ethnicity lead the surveys to severely understate differences in receipt rates by minorities compared to whites.

We will examine the reporting of SNAP, OASDI, UI, Housing Benefits, SSI and TANF in the CPS ASEC and the SIPP using linked data that are part an ongoing as well as proposed new Census Bureau project. The aim will be to both document the bias in reporting and then provide methods that could better isolate actual differences from differences in reporting (such as the methods in Bollinger and David 1997, Meyer and Mittag 2017 or Mittag 2019).

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