

DATA ERRORS

The following is a description of known errors in the PSID release files. Once errors are corrected, the relevant data files will be re-released.

FAMILY FILES

Interest Income Calculation when using wealth data

YEARS: 2003, 2005, 2007, 2009

VARIABLES: Head Interest Income: ER27936, ER40926, ER46834
Taxable Income: ER24100, ER27953, ER40943, ER46851
Total Family Income: ER24099, ER28037, ER41027, ER46935

DESCRIPTION: There is a typo in the asset income code processing for cases where we are calculating interest income using wealth data. As background, the interviewer asks about interest income in the income section, then restates that information during the wealth section and asks users whether this information is correct. If the user says NO, we replace the interest income values with “corrected” values giving during the wealth section of the interview. For these cases, we have been using incorrect values for the number of months interest income was received for Heads. The month variables are used to annualize interest income when the income is not provided in annual amounts (e.g., monthly interest * # months received – the # months received is incorrect). This has been a problem since 2005. In 2003 only, we incorrectly replaced dividend income with interest income for those observations where a user reported corrected interest income in the wealth calculation. For 2005 forward, this is an issue for those cases where we are using corrected interest income amounts and where the per value is not annual (6 or DK/Unknown – 1,7,8,9). In 2007, this affected 13 Heads out of the 2,374 Heads that received positive interest income. In 2003, there were 39 cases of revised interest that are not correct.