Restating Earnings in Common-Year Terms

Background
- Multiple PUMS to increase sample
- Need to adjust for inflation
- Census CPI-U in 5-year files
  - ADJHSG
  - ADJINC
- Does one size fit all?

Presentation Focus
- Earnings
  - SEMP – self-employment
  - WAGP – wages
  - PERNP total earnings
- PUMS adjustment
  - Intra-year
  - Inflation → Our focus
Possible Restatement Factors
- CPI-U
- Wage index
- Average hourly earnings
- BLS series
- Internal ACS derivations
- All earnings
- Full-time, year-round earnings

Why Internal Index?
- Application
  - Compute at top level
  - Apply to subpopulations
- Internal better
  - Combining multiple PUMS
  - Making comparable

Year-to-Year Change

Graph showing year-to-year change with data points for different factors.
Restating Earnings in Common-Year Terms

### Construct ACS Index

- Centered at 2010
- Basis for restatement
- Separate for
  - FYR
  - All Earners

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<th>Year</th>
<th>FYR Basis</th>
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<th>All Earners</th>
<th>ACS FYR</th>
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**5-Year PUMS Impact**

Impact on 5-year PUMS – Variance from Constructed Index

- Wage All
- Wage FT20
- CPI All
- CPI FT20

**Application**

- Update/add “index” each year
- Restate to current year
  - Constructed index to last ACS year
  - Some inflation measure since
    - Wage index
    - CPI

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**Thank You**