

David S. Gibson

# Restating Earnings in Common-Year Terms

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## 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?

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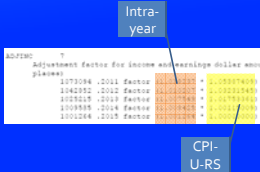
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## Presentation Focus

- Earnings
  - SEMP – self-employment
  - WAGP - wages
  - PERNP total earnings
- PUMS adjustment
  - Intra-year
  - Inflation ← Our focus




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## Possible Restatement Factors



- ◆ CPI-U
- ◆ Wage index
  - Average hourly earnings
  - BLS series CEU050000008
- ◆ Internal ACS derivations
  - All earnings
  - Full-time, year-round earnings

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## Why Internal Index?

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




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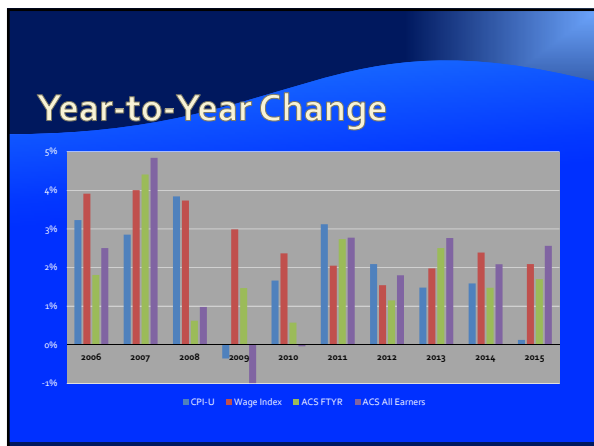
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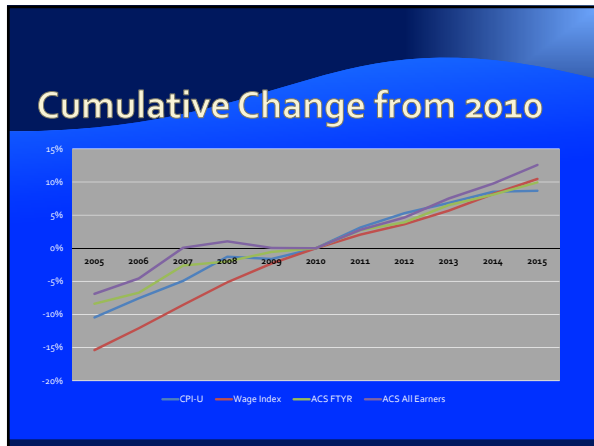
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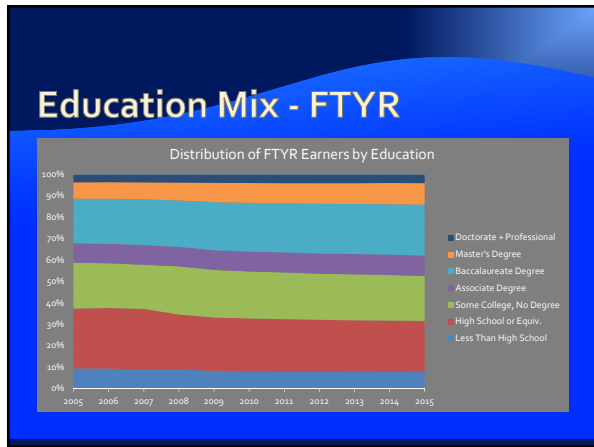
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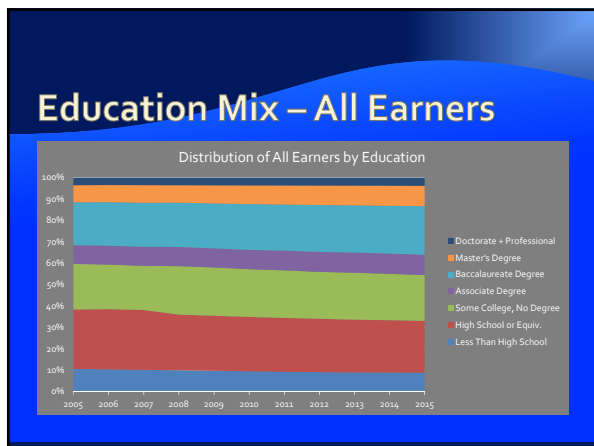
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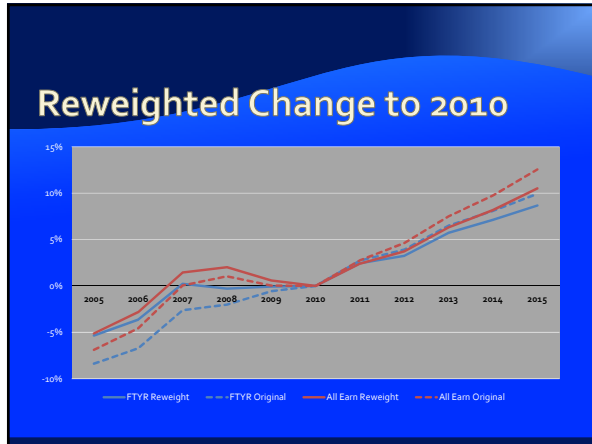
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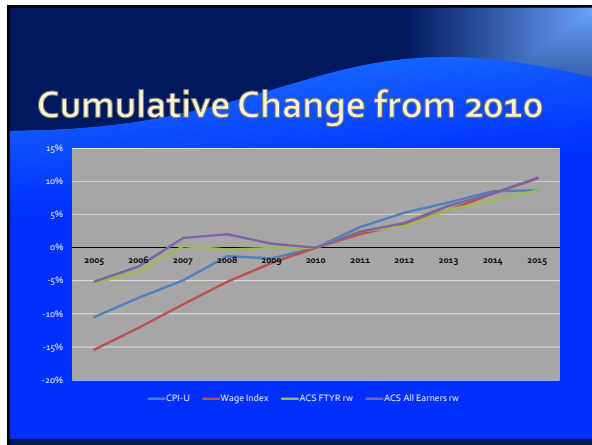
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### Construct ACS Index

- ◆ Centered at 2010
- ◆ Basis for restatement
- ◆ Separate for
  - FTYR
  - All Earners

Year	FTYR Index	FTYR to 2015	All Earn Index	All Earn to 2015
2005	94.66	1.148	94.88	1.165
2006	96.37	1.128	97.17	1.137
2007	100.24	1.084	101.46	1.089
2008	99.72	1.090	102.03	1.083
2009	99.94	1.087	100.60	1.099
2010	100.00	1.087	100.00	1.105
2011	102.45	1.061	102.41	1.079
2012	103.25	1.052	103.73	1.065
2013	105.73	1.028	106.32	1.039
2014	107.12	1.014	108.17	1.022
2015	108.67	1.000	110.52	1.000

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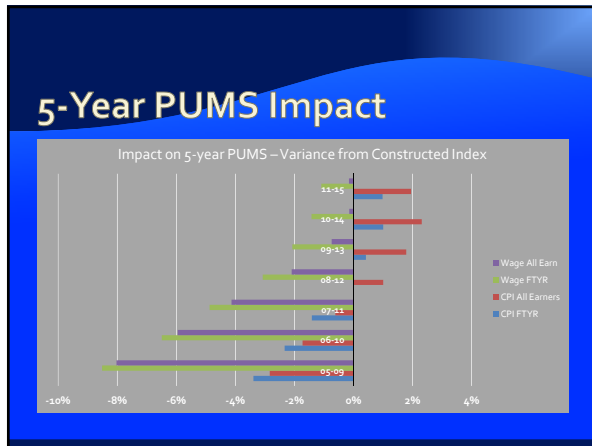
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### Application

- 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

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