

LABOUR AND INCOME

# Dynamics

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## INTERNATIONAL EQUIVALENCE MICRODATA FILE

§ When embarking on international comparisons, researchers are frequently hampered by major conceptual and definitional differences among the datasets. The resolution of these differences usually requires the cooperation of representatives from each of the supplying surveys, and can be very time-consuming.

The result of one of these international studies which used American and German data was the decision to make the database created for the study available to other researchers. Furthermore, funding was obtained to create a more generic microdata file providing comparable datasets from different countries. This dataset is the Panel Study of Income Dynamics-German Socio-Economic Panel (PSID-GSOEP) Equivalent File, the most recent version of which contains data for the period 1980-1996.

These PSID data come from over 57,000 individuals living in approximately 8,000 households, from 1980 to 1996. (Not all members of the sample provided an interview in each of the 17 years.) The number of respondents in any particular year range

### Editor's Note

At the beginning of the year, we told you of our intentions to release more than one year of data during 1998. We are now in the process of delivering on that commitment. We plan to release our wave 4 data (for reference year 1996) before the end of the year. The next issue of *Dynamics* will provide details on the release. Early in 1999, we will release a public-use microdata file on CD-ROM. This product will contain a four-year longitudinal file (for reference years 1993 to 1996) and cross-sectional files for

1995 and 1996. For more information or to order this upcoming CD-ROM, please contact our Client Services Section at 613-951-7355 or toll-free at 1-888-297-7355. The Internet address is [dynamics@statcan.ca](mailto:dynamics@statcan.ca).

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from over 18,900 in 1980 to over 22,900 in 1996. Included in the data is any individual who was in the survey for at least one year between 1980 and 1996. The GSOEP covers a thirteen-year sample (1984-1996), including over 28,000 individuals living in approximately 5,000 households in Germany. As with the PSID, there are both respondents and nonrespondents in each year.

As stated, the PSID-GSOEP Equivalent File was created to increase the accessibility and use of panel data among cross-national researchers and to assist current PSID-GSOEP users in the creation of comparably defined cross-national variables. It provides a set of constructed variables (for example, family income before and after taxes) that are not immediately available on either of the two surveys. The data permit researchers to track yearly changes in the health and economic well-being of people in the United States and Germany from 1980 to present.


The next version of this file will be available in 1999 on CD-ROM, containing data for Great Britain (from the British Household Panel Study) and for Canada (from SLID).

Currently the file has the following annual content for each person:

- < Demographics: Age, Sex, Race, Marital status, Relationship to head, Family size and number of children, Level of education, Disability status, and satisfaction with health
- < Labour: Labour force status, Major activity, Annual work hours, Annual earnings, Industry and Occupation
- < Family Income: Earnings, Investment, Government transfers, Pension, Income tax paid, Total income before and after taxes, and Income equivalence weights (used to compare income for families of different sizes)

As well, to aid analysts the following information is provided for each year covered by the survey: Consumer price index, Median family income before taxes and Median family income after taxes.

The PSID-GSOEP Equivalent File 1980-1996 is developed and administered by the All-University Gerontology Center, Syracuse University. It uses subsets of the original PSID and the English Language Public Use Version of the GSOEP data.



Those who request the data will receive:

- < The PSID-GSOEP Equivalent File 1980-1996, which includes PSID data from 1980 to 1996 and GSOEP data from 1984 to 1996. These data are available in **SAS-Windows \*.SD2, SAS Transport \*.V5X, SPSS-Windows \*.SAV, SPSS Transport \*.POR, TDA, Stata 4.0, and ASCII** formats.
- < Dictionary files that include the variable names, labels, and positions, as well as value labels and formats.
- < A codebook that describes the methodology used to create each variable in each country, the algorithm for its creation based on the original PSID and GSOEP survey variable names, and descriptive statistics for each variable in **WordPerfect 6.1, Word 6.0, and Adobe Acrobat** formats.
- < An explanatory paper that discusses the construction of comparable variables, supplies a list of supporting publications and working papers, and provides an example of how to use the data file for analyses. This paper is available in **Adobe Acrobat** format.

The CD-ROM with the Syracuse University User Package for the PSID-GSOEP Equivalent File 1980-1996 also includes the Syracuse University English User Package for the GSOEP 1984-1996.

For new users, the dissemination of the PSID-GSOEP Equivalent File 1980-1996 is a two step process. First, a contract must be signed with the DIW (the organization in Germany which carries out the survey) to use the GSOEP. Once the contract is signed, contact Syracuse University to receive the data. The cost of the CD-ROM is \$125 US.

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*<http://www-cpr.maxwell.syr.edu>*.


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**WORKING PAPER  
SUMMARIES**

§ The following are recently released working papers which can be ordered individually (\$10) or by annual subscription (\$50 on diskette or \$100 for paper version for 12 to 15 documents). These documents are also available free of charge on the Internet through Statistic's Canada web site, at the following address:  
*<http://www.statcan.ca/english/research/75F0002MIE/free.htm>*.

*98-08 What Do People Do When They Are Laid Off?*  
*Stéphane Crespo, Johanne Boisjoly, Paul Bernard*

Being laid off is part of the experience of a good number of workers. It is therefore important to understand how they react to being laid off, either because their workplace has shut down, or because jobs have been cut, both on a permanent and temporary



basis. The authors start by asking, which laid-off workers maintain their participation in the labour market, and which ones pull out of it, at least for some time? Then for those who maintain their participation, how long does it take to find a new job?

*98-09 Increases in Employment Earnings from 1993 to 1994*  
*Gaétan Garneau*

From year to year, many changes can occur, affecting the earnings of an individual. This is even more so after a recession such that in 1990-1992. For the men and women experiencing an increase in their employment earnings following the last recession, this study aims to identify the factors and characteristics that created that increase. The author also identifies the occupations and industries where improvements seem to be consistent from year to year. These characteristics help target the key fields where progression takes place.

*98-10 Economic Circumstances and the Stability of Nonmarital Cohabitation*  
*Zheng Wu, Michael Pollard*

Using data from the first two waves of SLID, this paper examines the role of economic circumstances in the dissolution of marriage or common-law unions. Data are analysed using discrete-time event history methods separately for women and men, and for each of the competing exits. The results show that deterioration in household economic circumstances increases union instability. For both cohabiting women and men, an increase in personal earnings raises the likelihood of union separation. The implications of these results are discussed.

*98-11 Involuntary Job Loss in Canada: Preliminary Results from the Survey of Labour and Income Dynamics*  
*Sue Wilson, Susan Silver, John Shields*

This report is part of a larger research program designed to investigate the employment prospects and outcomes for Canadian workers who lost their main job due to workplace restructuring.

The authors want to explore the common meanings, adjustment strategies and interpretations attributed to the post-displacement experiences and try to determine what cluster of resources, at the institutional, community and familial levels, capacitate individuals and allow them to maintain a sense of personal worth, hopefulness and attachment during joblessness. Their strategy is to combine two methodologies: one using data from SLID and one using nonrandom qualitative interviews.

*98-12 Impact of Edit and Imputation on Income Estimates: A Case Study*

*Maryanne Webber, Cathy Cotton*

Statistics Canada has recently concluded a review of its household and family income statistics programs. This review was inspired by a need to harmonize income data emanating from various surveys and administrative sources. This paper looks at the work of the task force, and at one of associated program changes, namely, the integration of two major sources of annual income data in Canada, the Survey of Consumer Finances (SCF) and the Survey of Labour and Income Dynamics (SLID).


*98-13 Measuring Low Income and Poverty in Canada: An Update*

*Maryanne Webber*

Since the early 1970s, Statistics Canada has produced low income rates, based on a measure called the Low Income Cutoff (LICO). In the late 1980s, a second measure, called the Low Income Measure (LIM), began gaining in popularity for certain types of analyses. Both are by design relative measures. Statistics Canada has maintained that neither measure is intended as a poverty line but, in the absence of other measures, they are at times interpreted as such.

There is currently an initiative underway in Canada, sponsored by the provincial and territorial Ministers of Social Services and the federal Human Resources Development Canada, to devise a needs-based measure of poverty called the Market Basket Measure





(MBM). The note outlines the existing measures and summarizes the recent developments.

*98-14 Comparison of Hours Worked Based on the Survey of Labour and Income Dynamics and the Labour Force Survey*

*Ilona Bartman, Gaétan Garneau*

This paper compares **hours worked** obtained from two different surveys: SLID and the Labour Force Survey. The average hours worked for both surveys are presented, as well as figures on the hours' distribution. Comparisons are based on the labour force status, educational level, industry, sex and age. The objective of the report is to produce a summary evaluation of the quality of the data. The accurate measurement of hours worked has been a recurring issue among researchers and this paper checks for consistency of results. The study concludes that the information regarding hours worked derived from SLID and LFS is consistent. The minor differences found between these two surveys are attributed to the different methods of data collections.

*98-15 Labour Market Dynamics: Information from New Canadian Longitudinal Sources*

*Maryanne Webber, Mike Sheridan*

Since the early 1990s, a number of new longitudinal data sources have been developed and have begun to yield analytical results. Among these new data sources are SLID, first conducted in 1993, and the Longitudinal Administrative Database (LAD), created retrospectively from tax records. These and other data sets are now being exploited. Research themes include transitions from school to work and from work to retirement, earnings mobility, labour market adjustment and the impacts of layoff on the family. This paper reviews some of the substantive findings that have emerged from recent studies. It then discusses the “growing pains” that can occur as these complex sources find their niche, and explores some of the lessons learned in the Canadian context.