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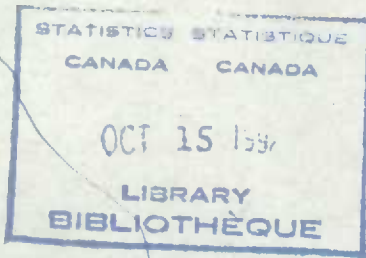
# LABOUR AND INCOME

# Dynamics

Volume 1 Number 2

September 1992

## CONTENT



■ The spring and early summer of this year was a time of intense activity for those working on the content of the Survey of Labour and Income Dynamics.

A document, proposing the SLID content, was distributed in February 1992. We knew the content would be quite similar to that collected in the Labour Market Activity Survey (labour market data) and the Survey of Consumer Finances (income data), but felt that it was important to get a clear idea of users' priorities. As a result, some additional data will also be included, particularly regarding demographic events, non-market work in households, and wealth.

The content document was distributed to over 160 organizations and individuals. These organizations included government departments, academics, special interest groups, and private consultants. Approximately 40 submissions regarding content were received.

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## Editor's Note

*Dynamics*, the newsletter produced by Statistics Canada to report developments in the Survey of Labour and Income Dynamics, has lived up to its name by changing editors for its second issue. This issue contains a survey status report from the Project Manager, Maryanne Webber, plus four reports on topics of current interest for the survey: content development, tracking respondents, maintaining a representative sample, and the SLID Research Paper Series.

Those new to SLID are invited to read *What is SLID?* in this issue of *Dynamics*.

I can be reached at Household Surveys Division, Statistics Canada, Room 3000 Main Building, Tunney's Pasture, Ottawa, Ontario, K1A 0T6, telephone (613) 951-2891, fax (613) 951-3253.

Philip Giles

The SLID content team also held meetings with a number of principal users and survey organizations to obtain direct input on the proposed content.

These consultations provided many good ideas. The content document is currently being revised to reflect changes in the survey content, and will be available through the SLID Research Paper series. A future issue of *Dynamics* will also discuss the content in some detail.

If you would like more information on the development of survey content or on the content consultation, please contact Garnett Picot (613) 951-8214, or Susan Poulin (613) 951-0086.

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## SLID UPDATE

■ The SLID team is gearing up for a major date in our development calendar: January 1993. In that month, we will conduct a Preliminary Interview on our first panel of 20,000 households. This interview is designed to collect background information on selected households at the beginning of our first reference year.

At the same time, we are mounting a "dress rehearsal" on a separate sample of 2,800 households to test the questions we will ask once each year. This test will be done using computer-assisted interviewing (CAI), with interviewers using laptop computers from their home. Thus in addition to testing content, the dress rehearsal will give us an opportunity to further test the technology that will be introduced in 1994. Another important facet of the dress rehearsal is its longitudinal character. The sample selected for the test consists of households formerly in the Labour Force Survey, last interviewed in May 1992, and we will need to trace respondents who have moved. This test involves two interviews -- a labour interview in January and an income interview in May, reflecting our plans for the first annual cycle of interviews that begin in 1994.

Meanwhile, the team has come through a very successful user consultation process, and requirements identified during that process have, where possible, been incorporated.

Based upon our user community demands, some major decisions regarding the sample rotation scheme and the definition of the target population have been made. Indeed, we seem to make a dozen decisions each week and, in doing so, some principles are emerging. These principles are becoming milestones for us.

The most important one is that SLID is first and foremost a longitudinal survey. There is a requirement to produce "annual cross-sectional" estimates -- for example, estimates of the number of people unemployed at some time during the year -- that can be analyzed in time series fashion. However, this requirement is secondary to longitudinal uses of the data which take advantage of the full six years of data that will ultimately be available on respondents. This priority for longitudinal applications will influence the way we deal with certain design issues -- the sample rotation pattern is a good example of this.

A second principle is that we will use dependent interviewing as fully as possible. In other words, we will feed back information to the respondents on their situation at the time of the last interview and ask about changes. There is a limit (not yet known) to how far this technique can be used, even with CAI, but we believe that it will result in better data.

A third principle is that we are aiming for a broad range of variables, but limiting the depth or detail we collect on any one topic. This is because SLID is intended to meet the research needs of a broad range of users -- the survey's fundamental focus is on the determinants of change in economic well-being, and this is a study area with wide appeal. To achieve a good range of variables without overly burdening the respondent we will have to curtail the level of detail collected on most variables. This approach is also consistent with our intention of accepting proxy reporting -- also designed to limit respondent burden and to maintain high response rates.

■ The target population for SLID is all persons living in Canada, excluding persons in the Yukon and Northwest Territories, residents of institutions (staying at least six months), persons living on Reserves, and full-time members of the Canadian Armed Forces.

## **MAINTAINING A REPRESENTATIVE SAMPLE**

A sample of 20,000 households (one panel) will be selected every three years. At the time of sample selection, each panel will be representative of the target population. Each panel will remain in the SLID sample for six years. The first panel will be introduced in January 1993, the second in January 1996, and so on. Table I, at the end of the newsletter, illustrates the sample rotation.

It is important to note that the SLID sample will be all persons in sampled households when the panel is introduced, and not the dwelling unit itself, which is often used as the sampling unit when a sample is selected from an area frame. *All sampled persons will remain in the sample for the life of the panel, regardless of whether any or all move.* At the time of any SLID interview, anyone who has moved in with a person in the SLID longitudinal sample (called "cohabitants") will also be interviewed. The reasons for this approach will be explained below.

Interviews will be conducted twice each year: in January for labour market data and in May for income data. In both cases, the reference period will be the previous calendar year. The persons to be interviewed for labour and income data are all those 15 years or older as of January 1 of the reference year (and therefore 16 years or older on January 1 of the year of data collection). However, all persons in the originally selected households, regardless of age, are deemed to be in the target population, and are therefore followed if they move. Basic demographic information will be collected on all household members at each interview, even though some persons will be too young for the SLID interviews.

Each year the composition of the target population will change; thus changes to the sample are required to keep the sample representative. There are three possible sources of additions to the target population:

- (a) persons arriving from another country, from the Yukon or North-West Territories, or from a Reserve;
- (b) former residents of institutions;
- (c) newborns.

Persons in these groups who "move in" with a person who is part of the SLID longitudinal sample will be included, since all cohabitants are also included in the survey. (Cohabitants are not considered part of the SLID longitudinal sample, and therefore are interviewed only as long as they reside with a member of the SLID longitudinal sample.) Therefore, the only source of bias from changes in the target population comes from new households where *all members were outside the target population at the time the sample was selected*. Based on information from other surveys, the number of households in this group is likely to be small, resulting in a small bias only. The possibility of sampling households in this group is currently being examined, but it is currently felt that this bias will not seriously affect the quality of the estimates, and thus will be ignored.

Reductions in the target population result from similar, but opposite, reasons as additions:

- (a) persons moving to another country, to the Yukon or North-West Territories, or to a Reserve;
- (b) persons entering institutions;
- (c) deaths.

Although they will be out-of-scope for that particular SLID interview, an attempt will be made to trace all persons in groups (a) and (b) as they may re-enter the target population at a later point in time. Most deaths will be accounted for during the tracing process.

The implementation of this survey plan will ensure a representative sample both for a particular year as well as over time. For longitudinal analysis, the target population will be defined as of January 1 of the year in which the panel is introduced. For cross-sectional analysis, the target population is defined as of January 1 following the reference year under analysis.

One potentially major source of bias will be non-response and sample attrition. The extended period of time during which a sampled person will be interviewed for SLID will result in the loss of respondents at every interview. Experience will tell whether the six-year time frame is realistic. If sample attrition becomes so high that data quality is seriously affected, a

reduction in panel rotation will be considered. By the same token, if a high response rate can be maintained, the possibility of longer panels will also be considered.

More information on the sample design can be obtained by contacting Pierre Lavallée, at (613) 951-2892.

## RESPONDENT TRACING

■ The current plan calls for persons selected into the SLID sample to be interviewed thirteen times. A preliminary interview will determine household composition and personal and work history information. Then, respondents will be interviewed twice a year (once for labour market data and once for income data) for six years. To successfully accomplish this task, mechanisms to trace respondents who move are necessary. A tracing strategy is being developed, with several elements:

- At time of data collection

When initial contact is made, two items of information will be collected for tracing purposes. The first is a telephone number at work. The second is the name, address and telephone number of a friend or relative who could be contacted to help us reach the respondent -- useful if the respondent has moved. This tracing information will be updated as necessary over time.

- Interviewer tracing

Most SLID data will be collected by telephone, using CAI. If an interviewer finds that a household has moved, the automated collection system will suggest possible approaches. One possibility is to use the information on work telephone and contact person. Other alternatives are to use the telephone company directory assistance, and to visit the household to ask the current occupants or neighbours.

- Regional Office Tracing

If the interviewer is unable to resolve the situation, the case is sent to the appropriate Statistics Canada Regional Office. The CAI system allows this to be done electronically, as well as indicating the steps already taken, which will eliminate duplication of effort. Tracing "experts" in the R.O. will have access to reverse directories and telephone books from across their area of jurisdiction.

- Other

Additional possibilities are currently being examined. While many options may be operationally feasible, cost-effectiveness will be the main determining factor when deciding whether to adopt them.

More information on tracing can be obtained from Sylvie Michaud, at (613) 951-9482.

## RESEARCH PAPER SERIES

■ SLID is documenting the results of its major work activities and decisions. These reports will be catalogued, and available upon request in both official languages. Thus, those interested in more detail on any aspect of the survey or results of various work studies can obtain this information easily. Future issues of *Dynamics* will contain descriptions of new research papers as they become available.

A brief description is provided here of those now available. You may request individual documents or you may be placed on the mailing list to receive all research papers. To obtain research papers, contact Anne Palmer at (613) 951-2903. She may also be reached by fax or by mail at our office location given in the *Editor's Note* on the first page.

- **92-01 Content of the Survey of Labour and Income Dynamics**  
Garnett Picot, Susan Poulin, Richard Veevers,  
Brian Biggs

A research paper containing a proposal for the SLID survey content was produced in February 1992 and widely distributed. As discussed in the feature article, feedback was invited from anyone interested in doing so. As well, formal consultation was conducted. The result was revisions to the content proposal. The original document is now out of print, replaced by this document describing the revised content. The document also contains a detailed description of the consultation process.

- **92-02 Survey of Labour and Income Dynamics:  
Possible Interview Dates**  
Maryanne Webber

When a survey respondent is asked to recall various events, it is known that the quality of the responses diminishes as the length of recall increases. On the other hand, increasing the frequency of data collection increases both the costs of collection and the burden on the respondents. The paper examines options which attempt to strike a reasonable balance between these factors. As it relates to this decision, the paper also describes how the sample has been designed to ensure that it remains representative of the target population, both for a given year and over time.

- **92-03 Sample Rotation for the Survey of Labour and Income Dynamics**  
Sylvie Michaud, Lecily Hunter, Georges Lemaître

As SLID is a longitudinal survey, it is desirable to maintain respondents in the sample for as long as possible. However, sample attrition and changes in the population result in the sample becoming less representative of the population as time passes. To balance these factors, the sample for a longitudinal survey usually is comprised of panels, with each panel being representative of the target population. Starting with a fixed sample size, the paper examines feasible options for the number of panels in the sample and the length of time which each panel remains in the survey. The rationale for the selected option is reviewed.

- **92-04 The Measurement of Job Search and Unemployment in a Retrospective Setting**  
Georges Lemaître

The accurate measurement of job search has proven difficult in surveys with a lengthy reference period. In fact, in a significant number of cases, respondents have reported no job search prior to the start of a job. While an initial reaction is that the reference period is too long and needs to be shortened, an additional cause of poor response is the line of questioning used by the survey. The paper suggests that using questions developed for traditional surveys to measure labour force status



at a given point in time is inappropriate in a survey such as SLID, which will ask questions on labour market activity over a one-year reference period. Possible approaches to resolve the problem are presented.

- **92-05 Dealing with the Seam Problem for the Survey of Labour and Income Dynamics**  
Georges Lemaître

Seam problems occur when retrospective surveys collect data where the measurement period is less than the reference period. Various studies have found that reported events tend to be concentrated at the beginning and the end of the reference period; i.e., at the "seams". The paper presents suggestions for minimizing such occurrences.

■ **Note:** This section is included for those readers requiring a brief survey overview.

## WHAT IS SLID ?

The main goal of SLID is to record important events in a person's life, including moving, family formation and dissolution, and to relate these events to changes in labour force participation and income. The key to gaining a real understanding of how these important events and changes are linked, is to follow individuals over time. With SLID, Canada will be joining a growing number of countries that are building longitudinal "panel surveys" to better understand what causes changes in the economic well-being of families and individuals.

The SLID sample size is 40,000 households, split evenly between two panels. All persons in selected households will be in the SLID sample, and will remain there for the life of the panel (six years). SLID data will be collected twice annually using computer-assisted interviewing: in January for labour information and in May for income information. In both cases, the information will be requested to cover the previous calendar year.

TABLE I / TABLEAU I

SAMPLE ROTATION PLAN / LE PLAN DE RENOUVELLEMENT DE L'ÉCHANTILLON														
Year / Année														
	93	94	95	96	97	98	99	00	01	02	03	04	05	06
Panel														
1	P	I	I	I	I	I	I							
2				P	I	I	I	I	I	I				
3							P	I	I	I	I	I	I	
4										P	I	I	I	I
<p>P = Preliminary Interview I = Labour and Income Interviews                      P = Interviews Préliminaires I = Interviews sur le travail et le revenu</p>														
<p><i>Each panel has 20,000 households at the outset.                      Chaque panel contient au départ 20 000 ménages.</i></p>														

