NYSERDA LOW- TO MODERATE-INCOME MARKET CHARACTERIZATION STUDY
METHODOLOGY REPORT – CURRENT POPULATION SURVEY

1.0 Introduction to Current Population Survey

The Current Population Survey (CPS) is a monthly survey of households sponsored jointly by the U.S. Census Bureau and the Bureau of Labor Statistics (BLS). The CPS is the primary source of labor force and unemployment statistics. In addition, various agencies sponsor different supplemental surveys to assess citizens' economic and social well-being including child support, volunteerism, health insurance coverage, and school enrollment. These supplements are added to the main monthly survey.

Individuals are included in the CPS survey sample for four continuous months, then are out of the sample for the following eight months, and finish their participation in the survey for the subsequent four months. Participants respond to the survey for the same four calendar months, for two years in a row. New participants are added to the survey sample each month of the year. [1]

2.0 June 2015 Unbanked/Underbanked Supplement

The Unbanked/Underbanked supplement is sponsored by the Federal Deposit Insurance Corporation (FDIC) and is conducted biennially. The most recent implementation was in June 2015. It asks respondents questions regarding their use of banks and other financial institutions in order to assess the inclusiveness of the banking system. Specifically, the supplement provides information on methods that banked households used to access accounts, the use of prepaid cards, the use of alternative financial services, saving for unexpected expenses/emergencies, the use of bank and nonbank credit, and the methods that households used to conduct financial transactions in a typical month. [2]

Table 2.1 - Sample Size of New York State CPS June 2015 Supplement File

CPS Data File	NYS Sample Size
June 2015	1,379

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[1] https://www.census.gov/programs-surveys/cps/about.html
[2] https://www.fdic.gov/householdsurvey/

3.0 Demographic, Income, and Housing Data

The LMI Market Characterization Study used variables that were taken directly from the CPS data files as well as some computed variables. The following are a list of the main computed variables.

- Poverty Group - Used data on annual income and household size to compute the ratio of household income to the HHS poverty guideline for each household size.

- Household Type – Used data on the household size, age of survey respondent, and presence of children to develop household composition categories.

- Program Eligibility Groups – Used data on annual income and household size to compute the income-eligibility of households for several national-level assistance programs (SNAP, LIHEAP, and HUD).

The following table shows the complete set of variables used in the analysis, including a brief description of the variable and information on whether the variable was developed by the project team or was used directly from the CPS data file.

Table 3.1 - LMI Market Characterization Study CPS Data - Demographic, Income, Housing

Variable Name	Variable Description	CPS or Computed
perrp	Identifies relationship of respondent to the reference person	CPS
hrintsta	Interview completion status of household	CPS
hefaminc	Annual household income; detailed categorical ranges	CPS
income_mid	Mid-Point of categorical income variable	Computed
hrnumhou	Number of persons in the household	CPS
povh	100% HHSPG based on household size	Computed
povh130	130% HHSPG based on household size	Computed
povh150	150% HHSPG based on household size	Computed
povh200	200% HHSPG based on household size	Computed
stmed_4	State Median Income (SMI) for a 4-person household in New York State (NYS)	Computed
smi100	100% SMI for NYS based on household size	Computed
smi80	80% SMI for NYS based on household size	Computed
smi60	60% SMI for NYS based on household size	Computed
income_grp	Annual household income; consolidated groups	Computed
liheaph60	Federal maximum LIHEAP eligibility based on household size (greater of 60% SMI and 150% HHSPG)	Computed

Variable Name	Variable Description	CPS or Computed
pov_seg	Program income-eligibility group using mid-point of income category as approximate income	Computed
hetenure	Owner/Renter status; detailed	CPS
rent_own	Owner/Renter status; consolidated	Computed
hrhtype	Household composition type by marriage status and participation in the Armed Forces	CPS
prtage	Age of survey respondent	CPS
prchld	Indicates presence of and age ranges for children in the household	CPS
hh_type	Household composition type	Computed
poverty_group	Percent of poverty level groups	Computed
hhsupwgt	Household weight for supplemental data	CPS

4.0 Banking Status Data

The project team developed a summary variable for banking status using the self-reported data elements from CPS respondents. The summary variable was developed using the following steps.

- Use of Bank Account – Used survey responses to determine if any member of the household (over the age of 15) has a checking or savings account with a bank.

- Use of Other Financial Institutions – Used survey responses to determine if any member of the household (over the age of 15) used an institution other than a bank to conduct financial transactions.

The following table shows the complete set of variables used to create the banking status variable, including a brief description of each variable and information on whether the variable was developed by the project team or was used directly from the CPS data file.

Table 4.1 - LMI Market Characterization Study CPS Data – Banking Status Analysis

Variable Name	Variable Description	CPS or Computed
hes2	Do you (or anyone else in your household) have a checking or savings account now?	CPS
hes120	In the past 12 months, that is since June 2014, did you (or anyone else in your household) go to some place other than a bank to cash a check?	CPS
hes121	In the past 12 months, did you (or anyone else in your household) go to some place other than a bank to purchase a money order?	CPS

Variable Name	Variable Description	CPS or Computed
hes122	Did you (or anyone else in your household) take out a payday loan or payday advance from some place other than a bank in the past 12 months?	CPS
hes123	Did you (or anyone else in your household) pawn an item at a pawn shop in the past 12 months? Do not include selling an unwanted item to a pawn shop.	CPS
hes124	In the past 12 months, that is since June 2014, did you (or anyone else in your household) take out a tax refund anticipation loan, or use a tax preparation service in order to receive your tax refund faster than the IRS would provide it?	CPS
hes125	Some stores allow people to rent to own items such as furniture or appliances. We do not mean stores that offer installment plans or layaway plans. In the past 12 months, did you (or anyone else in your household) rent anything from a rent-to-own store because it couldn't be financed any other way?	CPS
hes126	Auto title loans use a car title to borrow money for a short period of time. They are NOT loans used to purchase a car. In the past 12 months, did you (or someone else in your household) take out an auto title loan?	CPS
hes133	In the last 12 months, did you (or someone else in your household) send money abroad using a place other than a bank?	CPS
underbanked	Household's banking status	Computed
hhsupwgt	Household weight for supplemental data	CPS

The following table shows the population estimates for New York State of each banking status, first for all households and then for only LMI households.

Table 4.2 – New York State Population Estimates by Banking Status

Banking Status	All Households		LMI Households	
	Count	Percentage	Count	Percentage
Unbanked	632,948	8%	584,803	15%
Banked: Underbanked	1,866,987	24%	1,137,846	30%
Banked: Fully Banked	4,759,131	61%	1,841,324	48%
Banked: Underbanked Status Unknwn	598,521	8%	265,883	7%
TOTAL	**7,857,587**	**100%**	**3,831,857**	**100%**