Who Could Afford to Buy a Home in 2009? Affordability of Buying a Home in the United States

Current Housing Reports

Ellen Wilson and Robert R. Callis

Issued May 2013

H121/13-02

INTRODUCTION

This is the seventh in a series of reports, starting in 1991, that attempt to measure changes in homeownership affordability for families and unrelated individuals (current owners and current renters). Data in this report reference May through November 2009 of the 2008 panel of the Survey of Income and Program Participation (SIPP). The SIPP data were collected from September through December 2009 in the fourth wave (interview). The represented population (population universe) is the civilian noninstitutionalized population living in the United States. The data collected included reports of income, debts, and financial assets. Income reported in the SIPP in the 4-month collection period is multiplied by 3 to represent annual income.[1] In this report, unrelated individuals in households are analyzed separately from families as sole purchasers. The American Community Survey (ACS) is the source of data on the value of homes (as reported by respondents) for individual states for computing affordability. Some of the comparisons that follow are based on estimates that are not included in the tables and figures in this report. These estimates are based on more detailed tabulations that are available on the U.S. Census Bureau's housing affordability Web site at <www.census.gov/housing/affordability>.

BARRIERS TO HOMEOWNERSHIP

Homeowners can be prevented from buying a home for a variety of reasons, such as high debt, insufficient cash for a down payment, a poor credit history, or interest rates that set the monthly mortgage payment too high for the family to afford on its current income. This report attempts to quantify some of these factors for different types of households and illustrate how affordability might be changed by varying down payment requirements, changing interest rates, or providing cash assistance to renters in the process of purchasing a home. This report does not examine the effect of credit-paying history, as that information was unavailable. "Home" refers to detached and attached single-family homes and condominium dwellings. Condominiums and cooperatives in multi-unit buildings are not examined separately but are included in this report. Mobile homes are not included in this report. They are usually not financed in the same manner as other owner-occupied housing and often involve additional costs for mobile home park fees. Mobile homes can provide relatively low-cost housing in some areas of the country for some families and individuals to move into homeownership, especially in the South where they compose about 10 percent of the inventory.

HIGHLIGHTS

In 2009, about 50 percent (+/– 0.6) of American families (current owners as well as renters) could afford to purchase a modestly priced home in the state where they lived. That is, they could afford to purchase a modestly priced home with cash or could qualify for a 30-year conventional mortgage with a 5 percent down payment. A modestly priced home is one that is among the 25 percent least expensive owner-occupied homes in the area where a family lives (Table 1). (The term "area" is limited to inside or outside Metropolitan Areas within states).

[1] Details on the guidelines for conventional rate lending requirements are available on the U.S. Census Bureau's housing affordability Web site at <www.census.gov/housing/affordability>.

U.S. Department of Commerce
Economics and Statistics Administration
U.S. CENSUS BUREAU
census.gov

United States™ Census Bureau

Table 1.
Affordability Status of a Modestly Priced Home for Families and Unrelated Individuals by Tenure: Selected Years, 1984 to 2009

Year	Percentage of families and unrelated individuals who could afford to buy						
		Familes			Unrelated individuals		
	Total	Total	Owner	Renter	Total	Owner	Renter
1984	52.2	60.4	79.6	12.6	33.5	60.2	13.4
1988	51.4	59.7	78.1	14.0	33.9	60.8	12.8
1991	49.4	57.6	75.2	13.1	33.4	59.0	12.2
1993	49.5	57.7	76.5	11.7	33.5	60.8	11.2
1995	48.3	55.6	74.6	9.9	34.3	62.3	10.6
2002	47.9	56.4	73.6	7.8	33.1	57.0	7.3
2004	49.1	58.4	75.7	8.3	34.2	59.8	7.0
2009	42.5	50.3	66.5	7.1	30.5	53.9	6.5

Note: Assumes conventional, fixed-rate 30-year financing with a 5 percent down payment. No report was issued between 1995 and 2002.

Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 4, 2008. For information on confidentiality protection, sampling and nonsampling error see <www.census.gov/sipp/>.

- The percentage of families able to buy a modestly priced home was lower in 2009 than in 2004, when about 58 percent (+/– 0.6) could afford to purchase a modestly priced home (Table 1). Fewer families could also afford a modestly priced home in 2009, when compared to earlier years (Figure 3).

- About 7 percent (+/– 0.4) of families who were renting could afford to buy a modestly priced home in 2009—not statistically different from the 8 percent (+/– 0.4) of renters who could afford such a purchase in 2004 (Table 1).

- About 11 percent (+/– 1.5) of non-Hispanic White families who were renting in 2009 could afford a modestly priced home, compared with 2 percent (+/– 1.4) of Black families who were renting (Figure 2). Both measures were not statistically different from the figures in 2004.

- Renter families in 2009 were usually disqualified from purchasing a modestly priced home for more than one reason (lack of down payment, excessive debt, or insufficient income). About 74 percent (+/– 1.0) of renter families did not qualify because of multiple reasons (Table 4).

- Assistance with down payments would do more to improve the affordability of a modestly priced home for renters than lower down payment requirements (which would increase monthly mortgage payments) or a major reduction in interest rates. Subsidies would, however, require funding from another source, such as employers, nonprofit groups, or a governmental agency (Table 5).

AFFORDABILITY IN 2004 AND 2009

In 2009, about 50 percent of all families (including current owners and current renters) would have qualified for a mortgage for a modestly priced home in the area where they lived using 30-year conventional fixed-rate financing with a 5 percent down payment (Table 1).[2] This percentage was lower than in 2004 (58 percent)—the last time affordability measures were developed. The percentage of unrelated individuals that were able to buy a modestly priced home under these conditions in 2009 (31 percent) was lower than in 2004 (34 percent). Some of the decline in affordability was likely due to a loss of equity as home values fell, a decrease in real household incomes over the 5-year period, as well as an increase in unemployment rates over this period. Ninety-four percent of households (families and unrelated individuals) that can afford to purchase a home currently own their homes.

Fewer families could afford a modestly priced home in 2009 (50 percent), compared to earlier years.[3] This was attributed mainly to owner affordability. The percentage of owners who could afford a modestly priced home ranged from about 7 to 13 percentage points lower in 2009 than in earlier years.[4] For renters, the gap was smaller, with the percentage that

[2] Terms are defined in text box "How Homes Were Priced" and on the Internet site for this report. Although there are many types of new or alternative mortgages, such as adjustable-rate mortgages, interest-only mortgages, and others, conventional fixed-rate mortgages have been used as a standard in this report to evaluate housing affordability. The potential impact of elements of these alternative features for mortgages, such as lower interest rates or no down payment, is evaluated in the Increasing Affordability section.

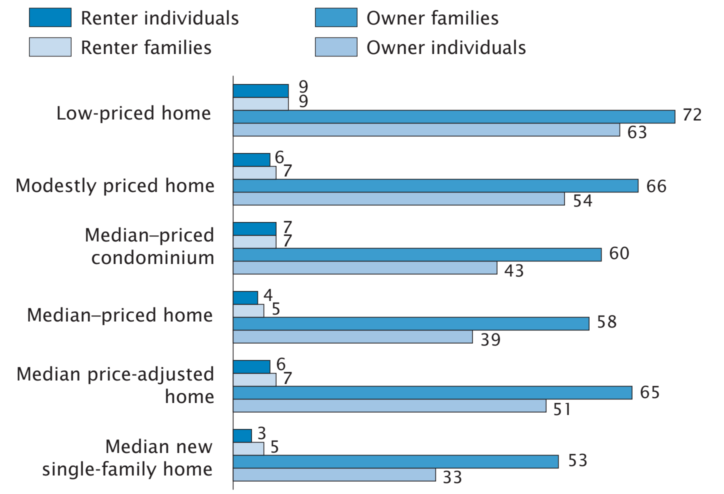
[3] The percentage of families able to afford a modestly priced home were not statistically significant for the following: 2004 vs. 1993 and 1991; 2002 vs. 1995; 1993 vs. 1991; 1988 vs. 1984.

[4] The percentage of owner-families able to afford a modestly priced home were not statistically significant for the following: 2004 vs. 1991; 2002 vs. 1995; 1995 vs. 1988.

could afford a modestly price home ranged from about 1 to 7 percentage points lower in earlier years.[5] The percentages for renter families in 2002 and 2009 were not statistically different from each other. (Figure 3)

The 2009 level of affordability for families coincided with a fall in the homeownership rate. In the fourth quarter of 2004, about 69 percent of American householders owned their own home, compared with 67 percent in the fourth quarter of 2009. Over this period, the number of owner households showed no statistically significant change (from 75.2 million in the fourth quarter of 2004 to 75.5 million in the fourth quarter of 2009). However, the number of renter households increased by 10 percent from 33.5 million in the fourth quarter 2004 to 36.9 million in the fourth quarter of 2009. Between these two dates as housing values fell, many owners—especially those with lower incomes, smaller assets, and the most debt—became renters.[6]

Figure 1.
Homeownership Affordability by Price of Homes, Tenure, and Families and Unrelated Individuals: 2009
(Percent who could afford various types of homes)



Note: Affordabilty relates to the ability to qualify for a conventional, fixed-rate 30-year mortgage, with a 5 percent down payment. See text explanation of price categories. For information on sampling error and nonsampling error, see <www.census.gov/sipp/source.html>.

Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 4, 2008. For information on confidentiality protection, sampling error and nonsampling error, see <www.sipp.census.gov/sipp/>.

The percentage of householders who can afford a home is less than the percentage of householders who already own a home. Some households that own homes have experienced changes in their income, debt, and asset ownership

[5] The percentage of renter-families able to afford a modestly priced home were not statistically significant for the following: 2004 vs. 2002; 1993 vs. 1984; 1991 vs. 1988 and 1984; and 1988 vs. 1984.

[6] U.S. Census Bureau, Housing Vacancies and Homeownership: <www.census.gov/housing/hvs/files/historic/2010/his_tab7a_v2010_web.xls>.

How Homes Were Priced

Home prices were determined for most states and segmented by whether a home was inside or outside a metropolitan area.[1] These prices came from the 2009 American Community Survey (ACS) and represent values as reported by respondents. A modestly priced home is one priced so that 25 percent of all owner-occupied homes in the area in which the survey respondent lives are below this value and 75 percent are above. A median-priced home has a price below that of half of the owner-occupied homes in the area and above that of the other half. A price-adjusted home is a home that was median-priced in 1988 and has been adjusted for increases in prices due to inflation as measured by the Urban Consumer Price Index (CPI-U) from 1988 to 2009. Low-priced homes are priced so that 10 percent of all owner-occupied homes in an area are below that value and 90 percent are above. A maximum-priced home is the highest-priced home a family or unrelated individual can afford, given the limitations of income, debt, and financial assets (Figure 1). As an example of the range of these housing prices, a modestly priced home in a nonmetro area of Florida was $100,000 in 2009, while a modestly priced home in a metro area in California was $249,000. Median new, single-family home values for each of the nine census geographic divisions were derived from the Survey of Construction. Median condominium values for each of the 50 states were derived from the 2009 ACS and adjusted for inflation using the CPI-U. The values of all of these homes can be found on the Census Bureau's housing affordability Web site at <www.census.gov/housing/affordability>.

[1] For five states—Arizona, Colorado, Connecticut, New Jersey, and Rhode Island—and the District of Columbia (a state equivalent), home prices for outside Metropolitan Areas were determined at the state level only.

Table 2.
Affordability of a Modestly Priced Home for Families and Unrelated Individuals by Tenure and Type of Family: 2009

Type of family	Percentage of families and unrelated individuals who could afford to buy		
	Total	Owner	Renter
Married-couple families	61.2	72.3	12.9
With children under 18	50.2	62.7	10.4
Without children under 18	69.1	78.4	15.8
Male-householder families	27.0	46.1	2.9
Female-householder families	22.3	43.6	1.3
Unrelated individuals	30.5	53.9	6.5

Note: Assumes conventional, fixed-rate 30-year financing with a 5 percent down payment.
Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 4, 2008. For information on confidentiality protection, sampling and nonsampling error see <www.census.gov/sipp/>.

(including equity on their current home) that would prevent them from buying another home.

AFFORDABILITY BY REGION

Affordability in 2009 was highest in the Midwest, with 56 percent of families able to afford a modestly priced home, followed by the Northeast with 53 percent. Affordability was lowest in the West at 41 percent. The percentage in the South was near the national average, at 51 percent. Affordability declined in all four regions in the past 5 years.[7]

For unrelated individuals in 2009, affordability was also highest in the Midwest (36 percent) and lowest in the West (25 percent). The percentages in the Northeast and South were 28 percent and 32 percent. Affordability for unrelated individuals declined since 2004 in the Northeast, South, and West, while the percentage in the Midwest was not statistically different from 2004.[8]

OWNERS AND RENTERS

The ability to purchase a modestly priced home differed by whether families and unrelated individuals currently owned or rented their residence. For all renters, 7 percent could afford to buy a modestly priced home in 2009, compared with 8 percent in 2004. By contrast, 63 percent of owners could afford to purchase a different modestly priced home in the same area where they lived in 2009. In 2004, more owners (71 percent) could afford a modestly priced home in their own area.

HOW MUCH OWNERS COULD AFFORD

The median value of the maximum amount that owner families could afford to pay in 2009 to relocate to another home using conventional financing was $245,700, less than in 2004 ($265,600). For unrelated individuals who owned, the median value of a home they could afford to buy in 2009 was $139,400, not statistically different from 2004 ($143,800). In contrast, most renters could not afford to buy any home because of low incomes, little or no savings or other financial assets, or high amounts of debt relative to their income. For more information on this topic, please visit the Internet site for this report at <www.census.gov/housing/affordability>.

AGE, GENDER, MARITAL STATUS, RACE, AND ETHNICITY

Affordability varied by type of household and marital status. About 61 percent of married couples, 27 percent of male-householder families, 22 percent of female-householder families, and 30 percent of all unrelated individuals could afford a modestly priced home in 2009. For families, the ability to afford a modestly priced home was also related to whether they had children under the age of 18. Among married couples with children under 18, 50 percent could afford a home, while 69 percent of their counterparts with no children under 18 could afford a home in 2009 (Table 2).

Homeownership affordability varied by race and Hispanic origin when similar family types are compared. About 1 out of 5 non-Hispanic White married couples who rented could qualify to buy a modestly priced home, while about 1 in 20 Black married couples who rented could buy a home.[9] About 76 percent non-Hispanic White married-couple homeowners could afford to relocate to a modestly priced home in the area where they lived, compared with 63 percent of Black married-couple owners.

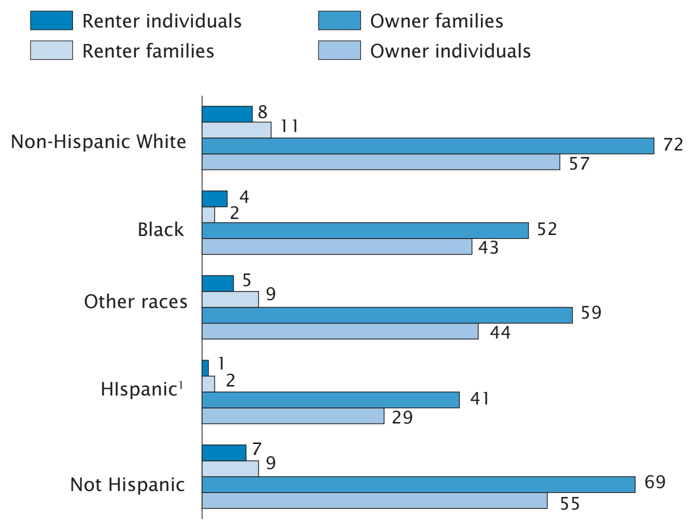
[7] The apparent difference in the percentage of families able to afford a modestly priced home in the South and the Northeast was not statistically significant in 2004.

[8] The percentage of unrelated individuals able to afford a modestly priced home in the Midwest and the South were not significantly different from each other in 2004.

[9] Race is defined by the race of householder.

Figure 2.
Affordability of a Modestly Priced Home by Race, Hispanic Origin, Tenure, and Families and Unrelated Individuals: 2009

(Percent who could afford various types of homes)



[1] Hispanics may be of any race.

Note: Affordabilty relates to the ability to qualify for a conventional, fixed-rate 30-year mortgage, with a 5 percent down payment. See text explanation of price categories. For information on sampling error and nonsampling error, see <www.census.gov/sipp/source.html>.

Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 4, 2008. For information on confidentiality protection, sampling error and nonsampling error, see <www.sipp.census.gov/sipp/>.

Four percent of Hispanic married couples who were renters could afford a modestly priced home, compared with 16 percent of non-Hispanic married-couple renters.[10] About 47 percent of Hispanic married-couple homeowners could afford to purchase a different modestly priced home, compared with 75 percent of non-Hispanic married-couple homeowners.

Age was also related to affordability. Renters in families who could not afford to buy a modestly priced home tended to be younger (median age of the householder was 38) than homeowners in families in general (median age of the householder was 51) and also younger than homeowners in families that could not afford to purchase a different modestly priced home (median age was 43). Renters in families who could afford to buy a modestly priced home were older (45) than all renters and renters who could not afford to buy a modestly priced home. The difference in the median age of all renters and renters who could not afford to buy a home was not statistically significant (Table 3).

[10] Ethnicity is defined by the ethnicity of the householder. Hispanics may be any race.

INCOME AND ASSETS

One percent of renter families with income below $25,000 (which is higher than the median of $22,400 for all renter families) could afford to buy a modestly priced home, and 14 percent with income of $25,000 or higher could afford to buy a modestly priced home. As mentioned previously, the four primary reasons that prevent families and individuals from qualifying to purchase a home are lack of cash or other financial assets for the down payment and closing costs, poor credit history, insufficient income to make the mortgage payments, and other debt payments that reduce the amount of income available for the mortgage payment. Financial assets include equity in a homeowner's present home, cash, and other assets that could be converted into cash. Excessive debt may be a symptom of insufficient income rather than insufficient cash.

Among renter families who could not qualify to purchase a modestly priced home, most (74 percent) were disqualified for multiple reasons (Table 4). For example, about 55 percent had both excessive debt and insufficient income for a mortgage, while 19 percent lacked cash (for the down payment and closing costs) and also had insufficient

How Affordability Is Constrained by Lack of Income and Debt Payments

According to traditional conventional mortgage underwriting guidelines, the maximum amount that can be allocated to mortgage payments is 28 percent of total income, and the maximum amount that can be allocated to all debt payments (including the projected mortgage payments) is 36 percent of income. These rules, combined with the amount of debt already accumulated and the amount of cash available for the down payment, effectively determine the maximum mortgage for which a family or individual can qualify. More details of how parameters are used to qualify a family or an individual for a mortgage may be found in the source and accuracy statement on the Internet at <www.census.gov/housing/affordability>.

Table 3.
Median Age of Families and Unrelated Individuals by Affordability and Tenure: 2009

Type of family	Median age of family householders and unrelated individuals		
	Total	Owner	Renter
Total families	**47.5**	**50.8**	**38.2**
Families who cannot afford	40.2	42.6	37.7
Total unrelated individuals	**49.3**	**56.8**	**39.2**
Unrelated individuals who cannot afford	42.7	49.0	38.3

Note: Assumes conventional, fixed-rate 30-year financing with a 5 percent down payment.
Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 4, 2008. For information on confidentiality protection, sampling and nonsampling error see <www.census.gov/sipp/>.

Table 4.
Reasons Why Families and Unrelated Individuals Could Not Afford a Modestly Priced Home, by Tenure: 2009

Type of problem	Percentage of families and unrelated individuals who could not afford to buy					
	Families			Unrelated individuals		
	Total	Owner	Renter	Total	Owner	Renter
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Cash problem only[1]	34.2	44.4	24.5	18.4	23.5	15.8
Income problem only	9.4	17.4	1.8	11.6	27.6	3.5
Cash and income problems	56.3	38.2	73.6	69.9	48.9	80.6

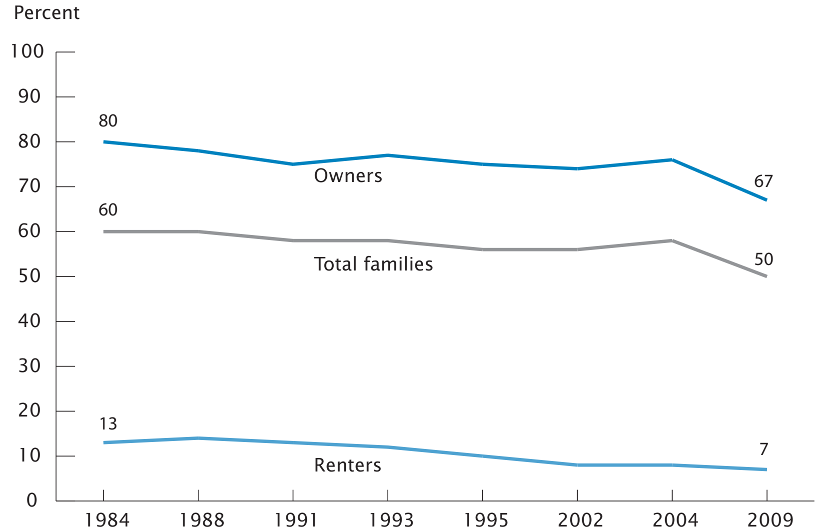
[1] Includes excessive debt.
Note: Assumes conventional, fixed-rate 30-year financing with a 5 percent down payment.
Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 4, 2008. For information on confidentiality protection, sampling and nonsampling error see <www.census.gov/sipp/>.

Table 5.
Effects of Possible Policy Changes on the Affordability of a Modestly Priced Home for Total, Black, and Hispanic Renters: 2009

Modified mortgage requirements	Percentage of renters who could afford to buy		
	Total	Black	Hispanic[1]
Current mortgage requirements[2]			
Modified Down Payment			
5.0 percent down payment	6.8	2.7	2.1
2.5 percent down payment	7.2	2.9	2.4
No down payment	8.1	3.2	2.8
Modified Interest Rate			
Current Rate	6.8	2.7	2.1
Interest rate 1 percentage point lower	7.0	2.7	2.2
Interest rate 2 percentage points lower	7.2	2.8	2.2
Interest rate 3 percentage points lower	7.3	2.8	2.3
Modified Cash Assistance			
No Assistance	6.8	2.7	2.1
$1,000 down payment assistance	6.9	2.8	2.1
$2,500 down payment assistance	7.3	2.9	2.4
$5,000 down payment assistance	8.7	3.5	3.2
$7,500 down payment assistance	11.2	5.0	4.9
$10,000 down payment assistance	16.1	9.6	8.1

[1] Hispanics may be any race.
[2] Based on mortgage requirements of a 5 percent down payment, an average fixed rate of 4.96 percent interest, 1.7 points, 30-year financing, and no subsidy.
Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 4, 2008. For information on confidentiality protection, sampling and nonsampling error see <www.census.gov/sipp/>.

Figure 3.
Percent of Families Who Could Afford to Buy a Home: 1984 to 2009



Source: U.S. Census Bureau, Survey of Income and Program Participation, Wave 4, 2008. For information on confidentiality protection, sampling error and nonsampling error, see <www.sipp.census.gov/sipp/>.

income to qualify for the mortgage. About 38 percent of owner families could not afford a modestly priced home for multiple reasons, while 34 percent had sufficient income but had a debt level too high to qualify for a mortgage.

FACTORS AFFECTING AFFORDABILITY

This report examines three primary factors that affect affordability: 1) changes in interest rates, 2) changes in the down payment requirements, and 3) assistance to homebuyers with their down payments. Using SIPP data, it is possible to simulate the potential effects of changing these parameters for owners and renters using conventional financing. In this discussion, the focus will be on using conventional financing for all renters purchasing a modestly priced home in 2009. Other ways to assist potential homebuyers might include financial literacy programs and home-purchase counseling services.

As displayed in Table 5, decreases of less than 3 percentage points from the conventional mortgage interest rate prevailing in 2009 (4.96 percent) had no statistically significant effect on the total number of renters who would have qualified for a mortgage on a modestly priced home. Because renters typically have more than one obstacle to buying a home, lower interest rates might remove one obstacle—lack of income to qualify for a loan—but renters still might not have enough cash for a down payment and closing costs or might have debt levels that are too high.

Lowering down payments would likely help more renters qualify to purchase a home. This option would lower the amount of cash required for the down payment and closing costs, but it would also increase the amount of income necessary to qualify for the mortgage and make the payments. Decreasing the required down payment from 5 percent (the minimum assumed for this report) to 2.5 percent would have had no statistically significant impact on the proportion of renters who would qualify for a mortgage. Requiring no down payment would have increased the proportion of qualified renters by about 1.3 percentage points (Table 5).

Another option to increase the number of renters who would qualify for a mortgage is down payment assistance. This approach is the equivalent of receiving a gift from parents or employers or receiving assistance from nonprofit or government agencies to increase the amount of cash available for a down payment, closing costs, or debt repayment. In 2009, assistance of $2,500 would not have had a statistically significant impact on the number of renters qualifying for a mortgage. Assistance of $5,000, $7,500, and $10,000 would have increased the number of renters qualifying for a mortgage by about 2 percentage points, 4 percentage points, and 9 percentage points respectively. On a large scale, these assistance options would require funding from private, nonprofit, or government agencies. One percent of total renters represented 475,730 households in 2009 (Table 5).

FACTORS AFFECTING AFFORDABILITY BY RACE AND ETHNICITY

Lowering interest rates by 3 percentage points from their 2009 levels would have had no statistically significant effect on the percentage of Black or Hispanic renters who could qualify for a mortgage for a modestly priced home in 2009. Lowering the down payment to zero would not have had a statistically significant effect on the number of Black or Hispanic renters who could qualify for a mortgage on a modestly priced home (Table 5).

Assistance of at least $7,500 for the down payment would be required to increase the percentage of Black renters who would have qualified for a mortgage in 2009. Assistance of $7,500 would have increased the number of Black renters qualified for a mortgage by about 2 percentage points and assistance of $10,000 by 7 percentage points. One percent of Black renters represented 95,670 households in 2009 (Table 5).

For Hispanic renters, assistance of at least $5,000 was required to raise the percentage of those who would qualify for a mortgage on a modestly priced home. Assistance of $5,000 would have increased the number of Hispanic renters who could qualify by about 1 percentage points.[11] Assistance of $7,500 or $10,000 would have increased the number of Hispanic renters who could qualify by about 3 percentage points or 6 percentage points respectively. One percent of Hispanic renters represented 90,300 households in 2009 (Table 5).

FOR FURTHER INFORMATION

Robert Callis or Ellen Wilson, Social, Economic, and Housing Statistics Division, at 301-763-3199/ 301-763-3237. Or via e-mail at: <Robert.r.callis@census.gov>, <Ellen.b.wilson@census.gov>

SOURCE OF THE DATA

The represented population (the population universe) in the 2008 Survey of Income and Program Participation (SIPP) is the civilian noninstitutionalized population living in the United States. The SIPP is a longitudinal survey conducted at 4-month intervals. The data in this report were collected from September through December 2009 in Wave 4 of the 2008 SIPP. For the 2009 SIPP Panel, approximately 65,500 housing units were in the sample for Wave 1. About 13,500 of these housing units were found to be vacant, demolished, converted to nonresidential use, or otherwise ineligible for the survey. Of the 52,000 eligible units, about 42,000 were interviewed. In Wave 4, 36,195 interviews were obtained from 43,176 eligible units. The institutionalized population, which is excluded from the population universe, is composed primarily of the population in correctional institutions and nursing homes (91 percent of the 4.1 million institutionalized population in Census 2000).

[11] The percent of Hispanics receiving a $2,500 and $5,000 subsidy was not significantly different.

ACCURACY OF THE ESTIMATES

Statistics from surveys are subject to sampling and nonsampling error. All comparisons presented in this report have taken sampling error into account and are significant at the 90 percent confidence level unless otherwise noted. This means the 90 percent confidence interval for the difference between the estimates being compared does not include zero.

Nonsampling errors in surveys may be attributed to a variety of sources, such as how the survey is designed, how respondents interpret questions, how able and willing respondents are to provide correct answers, and how accurately the answers are coded and classified. The Census Bureau employs quality control procedures throughout the production process—including in the overall design of surveys, the wording of questions, review of the work of interviewers and coders, and the statistical review of reports—to minimize these errors. The SIPP weighting procedure uses ratio estimation, whereby sample estimates are adjusted to independent estimates of the national population by age, race, sex, and Hispanic origin. This weighting partially corrects for bias due to undercoverage, but biases may still be present when people who are missed by the survey differ from those interviewed in ways other than age, race, sex, and Hispanic origin. How this weighting procedure affects other variables in the survey is not precisely known. All of these considerations affect comparisons across different surveys or data sources. For information on sampling and nonsampling error, please visit <www.census.gov/sipp>.

The estimates in this report (which may be shown in text, figures, and tables) are based on responses from a sample of the population and may differ from the actual values because of sampling variability or other factors. As a result, apparent differences between the estimates for two or more groups may not be statistically significant. All comparative statements in this report have undergone statistical testing, and, unless otherwise noted, all comparisons are statistically significant at the 10 percent significance level.

For further information on statistical standards and the computation and use of standard errors, please visit <www.census.gov/sipp/sourceac/S&A08_W1toW6(S&A-13).pdf> or contact Sarah McMillan of the Census Bureau's Demographic Statistical Methods Division by e-mail at <sarah.tekansik.mcmillan@census.gov>.

Additional information on the SIPP can be found on the Internet at: <www.census.gov/sipp/index.html> (main SIPP Web site) and <www.census.gov/sipp/usrguide.html> (SIPP User's Guide).