Oversampling in surveys captures key data about U.S. racial and ethnic groups

September 2020 By Equitable Growth

versampling is a survey method in which target groups are surveyed at a higher rate than they appear in the general U.S. population. Households with children younger than 18, for example, are oversampled in the Current Population Survey's Annual Social and Economic Supplement. This oversample allows reliable analysis of the State Children's Health Insurance Program at the state level.

The chart below provides an example where analysis is limited by small sample sizes. It shows <u>homeownership</u> <u>rates by age for White and Black households</u> born in two successive decades, 1961–1970 and 1971–1980. The overlapping confidence intervals (shaded areas) limit our ability to say anything about how the two generations compare for Black households, while the trend is clear for White households. (See Figure 1.)

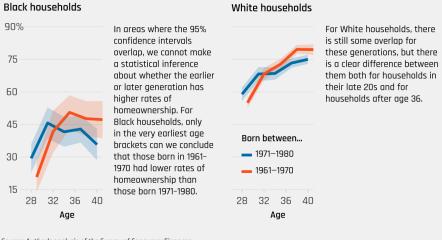
Communities of color are often underrepresented

in surveys relative to their share of the population. Even when they are proportionally represented, samples are often too small to disaggregate these groups to the extent we can with White Americans.

One case in point: If an analyst wants to examine Black women with college degrees, there are relatively few members of this group in most surveys. Any estimates of their characteristics will have large errors, if they are available at all. In some groups, such as Asian Americans, samples are not sufficiently large to support a single demographic cut, so even disaggregation by gender poses problems. The same is true for Latinx Americans, even though there are well-established differences between Americans of Cuban, Puerto Rican, or Mexican descent.

Confidence intervals for Black households in the Survey of Consumer Finances limit analysis of homeownership by generation

U.S. homeownership rates by generational cohorts and age, for Black and White households. 95% confidence intervals are shaded.



Source: Author's analysis of the Survey of Consumer Finances.

FIGURE 1

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Americans of Cuban, Puerto Rican, or Mexican descent

Accurately measuring economic outcomes is critically important amid the current recession, which is having especially dire economic and medical impacts on communities of color. So that economists and other social scientists can accurately observe economic outcomes for these communities and policymakers, in turn, can target policymaking accordingly, Equitable Growth recommends that Congress:

- Provide funding for the U.S. Census Bureau and the U.S. Bureau of Labor Statistics to perform an oversample of Black, Latinx, Native American, Asian American, Native Hawaiian, and Pacific Islander populations, and provide cash incentives to respondents in the monthly Current Population Survey and the Annual Social and Economic Supplement to incentivize participation
- Request that the Federal Reserve consider oversampling Black, Latinx, Native American, and AANHPI populations in its Survey of Consumer Finances
- Direct the Government Accountability Office to study the feasibility, desirability, and cost of instituting oversamples for these groups in other surveys conducted by federal statistical agencies

These surveys play a critical role in economic research, economic journalism, and, by extension, economic policymaking. The monthly Current Population Survey is the foremost survey for understanding labor attachment and is available at a high frequency. The Annual Social and Economic Supplement is the most important source of income data for many researchers. And the Federal Reserve's Survey of Consumer Finances is the most commonly cited survey for the measurement of wealth in the United States and the primary source of data on the Black-White wealth divide.

Instituting oversamples in these surveys will dramatically improve our understanding of the economic fortunes of communities of color across the United States.

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