

What Leads to Measurement Error?

Evidence from Reports of Program Participation in Three Surveys

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Abstract

Measurement error is often a large source of bias in survey data. Lack of knowledge of the determinants of such errors makes it difficult for data producers to reduce the extent of errors and for data users to assess the validity of analyses using the data. We study the causes of survey error using high quality administrative data on government transfers linked to three major U.S. surveys. The differences between survey and administrative records show that up to six out of ten cash welfare recipients are missed by the surveys. We find that misreporting by respondents, survey design features, and imputation of missing data induce substantial error. Our results for non-imputed respondents confirm several theories of misreporting, e.g. that errors are related to event recall, forward and backward telescoping, salience of receipt, respondent's degree of cooperation, and the stigma of reporting participation in welfare programs. Our results provide guidance on the conditions under which survey data are likely to be accurate and suggest different ways to reduce survey errors. (JEL C8, C18, H53, I3)

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