Abstract

Income questions are frequently asked in social surveys and most surveys suffer from high rates of item nonresponse. While all imputation strategies lean on the key assumption that the propensity of an income being missing does not depend on a person’s unknown income, not much is known whether this assumption is realistic.

Even for respondents who do report their income, not much is known of the quality of these reports. Again, if income is reported with error and this error is associated with a person’s unknown income, analyses will be biased. Sociological theory, e.g. the Social Desirability Theory suggests a relation between the unknown income and item nonresponse and measurement error: respondents whose income is far away from an assumed desirable income would rather refuse the answer the question or report an income that is closer to the desired one than give an undesired (true) answer.

Linking survey income information to individual register data of the Federal Employment Agency allows for the investigation of these relationships. Using a web and a telephone survey conducted by the IAB, these effects can also be compared across modes. Our specific questions are:

1.) Do respondents with a low or high income show a higher propensity of item nonresponse than respondents with a moderate income?
2.) Do people with low income systematically over and respondents with high income under report their income?
3.) Are these effects higher in the interviewer administered telephone mode?