

# Does Repeated Measurement Improve Income Data Quality?

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## **Paper Abstract:**

This paper provides evidence that measurement error in income data systematically reduces across waves of a panel survey and particularly across the initial waves. We exploit a unique feature of the survey design of the new UK Understanding Society Study - that, accounting for attrition, random samples of households are responding at different waves of the panel in a given calendar year - as a quasi-experiment to estimate the effect of repeated interviewing on reported income. Our OLS estimates indicate that the effect of being interviewed for a second time is to increase the mean of reported monthly income by \$124 (7.8 percent). Dependent interviewing a common recall device used in household panel surveys takes effect only after a first survey interview. It can explain approximately one third of the observed increase in reported income, with the remaining share attributed to changes in respondent reporting behaviour (panel conditioning). The results have implications for the reliability of any analysis based on repeated survey measures of incomes and also for the comparability with income data from cross-sectional surveys.