Socioeconomic status (SES): Concept & measurement

Mike Hout
University of California, Berkeley

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Concepts

Advantages, abilities, & privileges

Advantages and abilities in one sphere can lead to better outcomes in other spheres

Doing well in school may improve chances in the labor market, marriage market or both

Educated and affluent people may have better health outcomes

Some advantages might be undesirable or dysfunctional (more a privilege bestowed than an advantage earned)

Real estate agents show different apartments to black and white clients

Advantages, abilities, & privileges tied to occupations

The commonplace information about a what person does for a living encapsulates much of this

> Working conditions (indoors/out, clean/dirty, safe/dangerous)

> Hints at income and education

> Neighborhood, lifestyle, politics, ….

These attributes, in turn, can say something about advantages, abilities, & privileges

Drawback: occupations are highly specific, qualitative distinctions

Good/bad, desirable/undesirable occupations

Fifty years of research shows people reliably report some occupations are better than others

North-Hatt (1947)

Hodge, Rossi, Treiman, & Seigel (1964)

These ratings correlate very strongly ($r \approx .85–.92$) with other attributes like expert ratings of "occupational intelligence" or complexity of the work

Treiman (1977) compiled all available ratings (over 70 studies from 55 countries) and found that specific ratings correlated .81 with the weighted average of them.

US ratings from 1964 and 1989 correlate .97 (160 specific titles)

Good/bad, desirable/undesirable occupations

Even older data (with fewer titles) show correlations around .80.

Hauser compiled six historians' scales and found they correlated that high one with another and with Treiman's (1977) average.

"Treiman constant"

Very well predicted by education and income of the occupation (Duncan 1961; Treiman 1977; Hauser & Warren 1997)

Specific meaning of "SES" to some sociologists

Scales based on SES actually correlate <u>better</u> with income, marriage prospects, and <u>heath indicators</u> than prestige itself

Analysis

Using SES

Common usage:

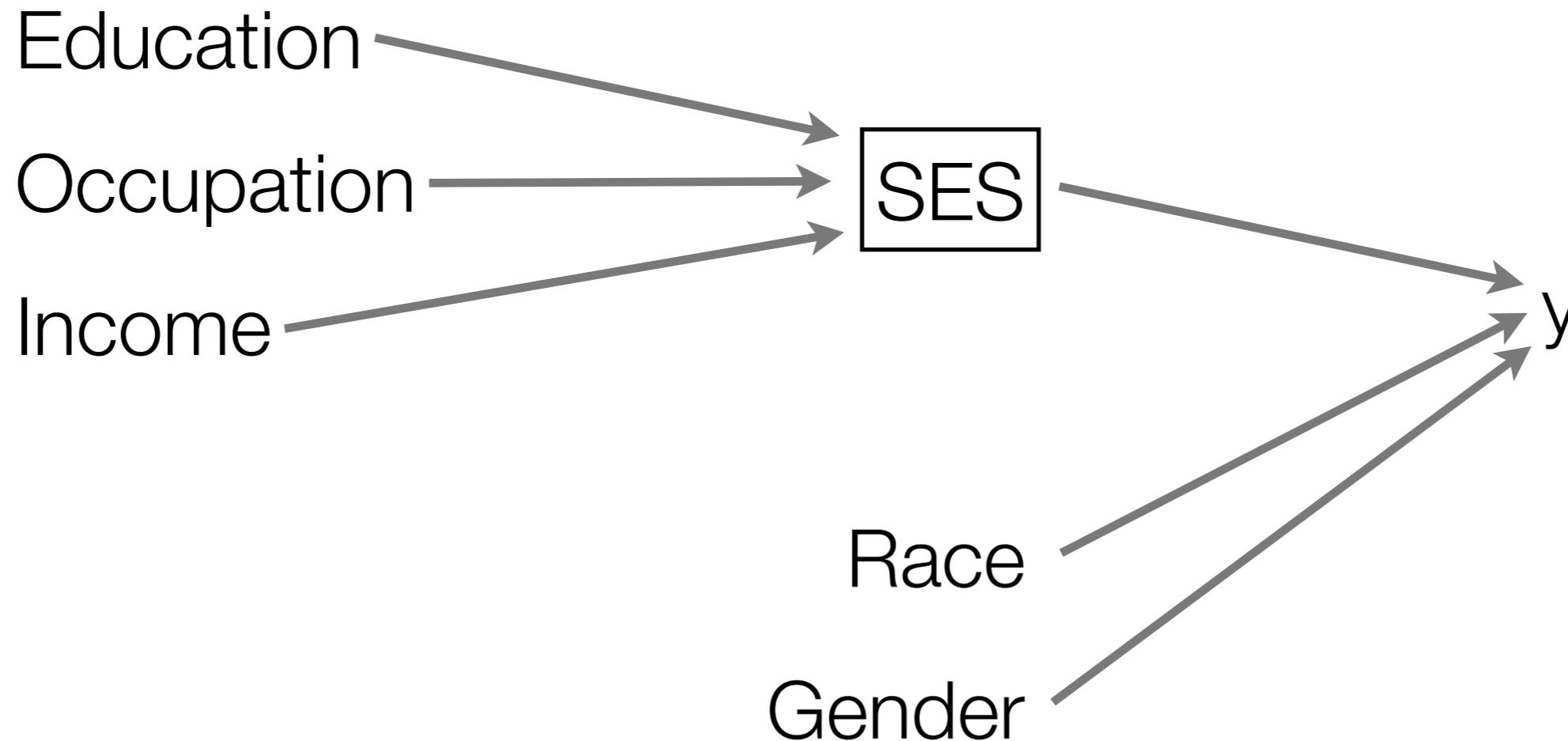$$g(y) = \beta_0 + \beta_1 SES_i + \Sigma_k \beta_k X_{ki} + \epsilon_k$$

Sometimes "SES" is a single measure, e.g., education, occupation, or income

Most research use more than one

More sophisticated SES models

Make SES a "latent" variable, predicted by education, income, and occupation:

Measurement

Data requirements

Education – intrinsic interest and as SES component

Income: Family income from all sources, individual earnings (some details about sources improves measurement and analysis)

Occupation

    Ask about title, principal duties, industry (insist on detail)

    Skilled coders reduce qualitative data to 3-digit codes

    Attach measures (SEI, occupational income, credentials, complexity, autonomy, ….)

Weath: Tricky but adds info not elsewhere available, esp., for retirees

Data requirements for young dependents

Mother's <u>and</u> father's education & occupation, plus family income

Family structure

    Adults present in the young person's household and young person's relation to them

    Access to and/or frequency of contact with other close relatives (parents & grandparents)

Neighborhood SES/SEP

Neighborhood effects

Once disputed, now mostly recognized

Proportional to exposure

Dimensions (no real consensus here)

  Poverty, crime, educational performance, vacancy/turnover, density

  Air quality, weather, proximity to hazards

  Hospitals, clinics, food

Disclosure: too much detail identifies respondents as residents; too little thwarts analysis — restricted access