



THE AMERICAN ECONOMIC ASSOCIATION

[Committee on Economic Statistics](#) and [Committee on Government Relations](#)

The Extraordinary Value of the Panel Study of Income Dynamics (PSID)

The PSID is a premier data asset of extraordinary value for research on American families that has long benefited from the support of the National Science Foundation (NSF). In 1968, the PSID [first interviewed](#) 5,000 families, covering a total of 18,000 individuals. Over the 50+ years since then, the PSID has followed these original families plus their offspring who split off and formed their own households, collecting data on their jobs, earnings, health, schooling, homeownership, household composition, health, spending, saving, wealth accumulation, retirement income, and a variety of other factors. Via continual methodological innovations intended to make it easy for people to participate in the survey, the PSID has been able to maintain re-interview response rates [above 95%](#), which is remarkable in an era of [fast declining](#) survey participation rates. Over 85,000 people have participated in the PSID, with some in the data from birth to death.

A staggering volume of [research](#) has been made possible by this uniquely rich, dynamic, representative picture of changes in American households' economic and social situations, including over 5,600 peer-reviewed journal articles, 1,400 doctoral dissertations, and 808 book chapters. Topics examined that have provided critical insights into policy and other factors that help improve living standards and life outcomes for American households include:

- Benefits of the [Earned Income Tax Credit](#) and other policies that boost [household income](#) for children's [educational attainment](#) and their [employment](#), [earnings](#), and [health](#) as adults
- Roles of [parental wealth and income](#) in children's [college attendance](#), [financing](#), and [debt burden](#)
- Shifts over time in patterns of [income mobility across generations](#)
- Effects of [childhood health](#) on adult labor-market outcomes
- Factors associated with [the timing of having children](#), including [time-](#) and [financial](#) stressors

Since its early years, the PSID has been made possible by financial support from the NSF, with supplemental support from the National Institutes of Health. Recognizing its extraordinary value for rigorous, quantitative research into the social and economic dynamics of American households, the NSF included the PSID in its "[Nifty Fifty](#)" and "[Sensational Sixty](#)" lists of signature accomplishments published on its 50th and 60th anniversaries. The PSID is a completely unique, invaluable data asset on the ever-changing U.S. population, from which we can expect continued high returns on NSF and NIH investments in the years ahead.