

Research Data Centre (FDZ) of the German Federal Employment Agency (BA) at the Institute for Employment Research (IAB)

# FDZ-Methodenreport

Methodological aspects of labour market data

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Creating cross-sectional data and biographical variables with the Sample of Integrated Labour Market Biographies 1975-2014

**Programming examples for Stata** 

Johanna Eberle, Alexandra Schmucker



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Johanna Eberle (Institute for Employment Research)
Alexandra Schmucker (Institute for Employment Research)

Die FDZ-Methodenreporte befassen sich mit den methodischen Aspekten der Daten des FDZ und helfen somit Nutzerinnen und Nutzern bei der Analyse der Daten. Nutzerinnen und Nutzer können hierzu in dieser Reihe zitationsfähig publizieren und stellen sich der öffentlichen Diskussion.

FDZ-Methodenreporte (FDZ method reports) deal with methodical aspects of FDZ data and help users in the analysis of these data. In addition, users can publish their results in a citable manner and present them for public discussion.

### **Contents**

Abstr	ract	3
Zusa	mmenfassung	3
1	Introduction	4
2	Outline of the Stata do-files	5
3	Generated biographical variables	6
3.1	First day in employment (ein_erw)	6
3.2	Number of days in employment (tage_erw)	6
3.3	First day in establishment (ein_bet)	7
3.4	Number of days in establishment (tage_bet)	7
3.5	First day in job (ein_job)	8
3.6	Numbers of days in job (tage_job)	9
3.7	Number of benefit receipts (anz_lst)	9
3.8	Number of days of benefit receipts (tage_lst)	10
4	Generated variables for parallel statuses at the reference date	11
4.1	Type of second job (nb)	11
4.2	Secondary employment in the same establishment as main occupation (nb_betr)	11
4.3	Parallel observation: LeH (leh)	12
4.4	Parallel observation: (X)ASU (asu)	12
4.5	Parallel observation: LHG (lhg)	12
4.6	Parallel observation: MTH (mth)	13
4.7	Total income, all sources (gtentgelt)	13
4.8	Cutoff date of the cross section (stichtag)	13
Refe	rences	15
Appe	endix	16

### **Abstract**

This FDZ-Methodenreport (including Stata code examples) outlines an approach to construct cross-sectional data at freely selectable reference dates using the Sample of Integrated Labour Market Biographies (version 1975-2014). In addition, the generation of biographical variables is described.

### Zusammenfassung

Der vorliegende FDZ-Methodenreport (einschließlich der Programmierbeispiele für Stata) beschreibt die Erstellung von Querschnittdaten zu frei wählbaren Stichtagen und die Generierung von biografischen Merkmalen auf Basis der Stichprobe der Integrierten Arbeitsmarktbiografien (Version 1975-2014).

**Keywords:** Sample of Integrated Labour Market Biographies (SIAB), data preparation, cross-sectional data, data management

### Note:

This FDZ-Methodenreport and the attached programs are updates of the FDZ-Methodenreport 04/2013 (Eberle et al. 2013) which was written for use with SIAB version 1975-2010 (vom Berge et al. 2013). This update describes the programs suitable for SIAB version 1975-2014 (Antoni et al. 2016).

### 1 Introduction

In this report, which includes example programs for Stata, we demonstrate an approach to prepare the Sample of Integrated Labour Market Biographies (SIAB). The paper provides examples of data reorganization techniques that simplify the data structure. The main purpose is to facilitate the use of the SIAB dataset, especially for researchers who do not have a lot of experience in analyzing spell data. This FDZ-Methodenreport and the attached programs are updates of the FDZ-Methodenreport 04/2013 (Eberle et al. 2013) which was written for use with SIAB version 1975-2010 (vom Berge et al. 2013). This update describes the programs suitable for SIAB version 1975-2014 (Antoni et al. 2016). The new programs also include several improvements with regard to data parsimony, definition of parallel statuses, labels and display formats.

The main goal of the data preparation shown here is to create cross-sectional data sets at freely selectable reference dates. Also, we simplify the SIAB data structure by keeping only one 'main' observation per person and date. (In the original SIAB data, in contrast, there may be concurrent information for a given period.) We mitigate the drawback of this procedure – the loss of information – by generating biographical variables such as the number of days in employment or the date of entry into the current job. In addition, we show how to create variables that preserve information on parallel periods before deleting them from the data set.

The Stata do-files provided are examples which can be adjusted to specific user needs<sup>1</sup>. The files have been developed using the SIAB 7514. Since individual micro data provided by the FDZ are standardized, the files can be used for other FDZ data products as well with minor modifications, e. g., the IAB-SOEP Migration Sample linked to administrative data of the IAB (Trübswetter and Fendel 2016).

The steps presented in the following sections merely simplify the data. We do not consider any techniques to improve data quality or to impute missing values. For this we refer the reader to existing volumes in the series FDZ-Methodenreporte that discuss, for instance, an imputation of wages above the contribution limit (Gartner 2005), or the improvement of the education variable (Fitzenberger et al. 2005, Drews 2006).

<sup>1</sup> There are, for instance, numerous definitions of unemployment which affect the calculation of unemployment durations (Kruppe et al. 2007).

FDZ-Methodenreport 06/2017\_EN

### 2 Outline of the Stata do-files

Starting with a longitudinal data set, the accompanying Stata do-files generate several biographical variables and create cross-sectional data sets at freely selectable points in time. They are structured as follows.

master.do: This do-file defines Stata macros for directories, file names, and reference

dates. Users will have to customize the macros accordingly. It calls the do-files that create the biographical variables and cross-sectional data.

Temporary data sets are deleted at the end of the program run.

01\_SIAB\_bio.do: This do-file uses the longitudinal data to create the biographical variables

(see chapter 3) from the longitudinal data. Durations are calculated based on the end date of each observation. A temporary data set is saved at the end of the routine which comprises all information from the input data plus

the biographical variables.

02\_SIAB\_quer.do: This program first creates variables indicating labor market statuses rec-

orded at the same time as the identified main observation for each reference date (cf. chapter 4). Note that this do-file uses the data set which was created by 01\_SIAB\_bio.do. Second, all observations except the main observations are deleted so that there is only one observation per person and reference date. Next, the duration variables calculated in 01\_SIAB\_bio.do are cut off at the selected reference date. Finally, a data set is saved for each of the selected reference dates. If required, it would then be possible to construct a panel data set by linking the separate files

by person ID (persnr) and reference date (stichtag).

Disclaimer: The attached Stata do-files have been tested with SIAB 7514 v1 using Stata 14. Before using them with data products other than SIAB 7514, users should consult the respective FDZ data documentation to make sure that this is appropriate. This is especially important when dealing with "non-7514" data, that is, data not covering the years 1975-2014, because the meaning of underlying variables might differ.

The data version, as well as the data documentation can be obtained from the respective FDZ-Datenreport. The FDZ does not guarantee that the specifications chosen in the provided codes can be applied to all research interests. We strongly advise users to check if the specifications can be transferred to their research project before adopting the routines.

Users who are unfamiliar with processing longitudinal data of the IAB may consult the FDZ-Methodenreport 6/2007 (Drews et al. 2007, only available in German). For a general introduction to data analysis with Stata we recommend Kohler and Kreuter (2016 and 2012).

# 3 Generated biographical variables

# 3.1 First day in employment (ein\_erw)

Variable label	First day in employment
Variable name	ein_erw
Category	Generated biographical variables
Origin	Generated from BeH
Data type	Date
Hierarchy	None
Detailed description	This variable specifies the start date of the first employment subject to social security or the first marginal employment. Training periods are disregarded (employment statuses 102, 121, 122, 141, 144). Second jobs during periods of vocational training are considered though. Persons who pass a training period but do not have any employment covered by the social security system are assigned a missing value throughout. Episodes prior to the first employment subject to social security or marginal employment are also set to missing.  The start date of first employment (ein_erw) might occur a long time after the first day in establishment (ein_bet) and the first day in job (ein_job) because in the latter cases training periods are included.
Notes on quality	For West Germany the variable is left censored on 1.1.1975. For East Germany the censoring is not that unambiguous. Entries are definitely censored on 1.1.1990, but entries on 1.1.1991 and 1.1.1992 may also be affected because many employment notifications for 1990 and 1991 are missing.

# 3.2 Number of days in employment (tage\_erw)

Variable label	Number of days in employment
Variable name	tage_erw
Category	Generated biographical variables
Origin	Generated from BeH
Data type	Date
Hierarchy	None
Detailed description	This variable sums up the number of days a person has been employed up to the end date of the current observation. For the cross-sections, the duration is cut off at the respective reference date. Training periods (employment statuses 102, 121, 122, 141, 144) are excluded. If an individual was in training throughout, the variable has a value of 0.

Notes on quality	For West Germany the variable is left censored on 1.1.1975. For East Germany the censoring is not that unambiguous. Entries are definitely censored on 1.1.1990, but entries on 1.1.1991 and 1.1.1992 may also be affected because many employment notifications for 1990 and 1991
	are missing.

# 3.3 First day in establishment (ein\_bet)

Variable label	First day in establishment
Variable name	ein_bet
Category	Generated biographical variables
Origin	Generated from BeH
Datatype	Date
Hierarchy	none
Detailed description	This variable indicates the start date of the first employment in the current establishment. This might also be a training period. An interruption of the employment in the establishment does not change the start date, i. e. it is constant for each combination of person number and establishment number. In the case of a missing or invalid establishment number, the variable contains a missing value.  The start date of first employment (ein_erw) can occur a long time after the first day in establishment (ein_bet) and the first day in job (ein_job) because in the latter cases training periods are included.
Notes on quality	For West Germany the variable is left censored on 1.1.1975. For East Germany the censoring is not that unambiguous. Entries are definitely censored on 1.1.1990, but entries on 1.1.1991 and 1.1.1992 may also be affected because many employment notifications for 1990 and 1991 are missing.

# 3.4 Number of days in establishment (tage\_bet)

Variable label	Number of days in establishment
Variable name	tage_bet
Category	Generated biographical variables
Origin	Generated from BeH
Datatype	numerical
Hierarchy	none

Detailed description	The variable indicates the number of days a person has been working in the establishment until the end date of the episode. For the cross-sections, the duration is cut off at the respective reference date. Training periods in the establishment are included. Employment gaps are not included, but all periods of employment in the respective establishment are added up.
	If the number of days in the establishment was alternatively calculated as the interval between the first day in the establishment (ein_bet) and the end date of the episode (or the cutoff date), the values obtained might be larger than tage_bet because tage_bet does not include employment interruptions.
Notes on quality	For West Germany the variable is left censored on 1.1.1975. For East Germany the censoring is not that unambiguous. Entries are definitely censored on 1.1.1990, but entries on 1.1.1991 and 1.1.1992 may also be affected because many employment notifications for 1990 and 1991 are missing.

# 3.5 First day in job (ein\_job)

Variable label	First day in job
Variable name	ein_job
	·
Category	Generated biographical variables
Origin	Generated from BeH
Datatype	numerical
Hierarchy	none
Detailed description	This variable indicates the start date of the first employment notification in the current job.
	Training periods (employment statuses 102, 121, 122, 141, 144) in the same establishment are classified as separate jobs, even if they follow directly or are followed directly by a job in the same establishment.  An employment in the same establishment after a gap is considered a new job if
	- the reason for notification of the previous employment record indicates the termination of this job (reasons for notification 30, 34, 40, 49) and the gap is longer than 92 days or
	<ul> <li>the reason for notification of the previous employment record does not indicate the termination of this job, but the gap is longer than 366 days.</li> </ul>
	The first day in new job (ein_job) cannot be earlier than the first day in establishment (ein_bet). It can however be earlier than the first day in employment (ein_erw), because the latter does not include training periods.

Notes on quality	For West Germany the variable is left censored on 1.1.1975. For East
	Germany the censoring is not that unambiguous. Entries are definitely
	censored on 1.1.1990, but entries on 1.1.1991 and 1.1.1992 may also
	be affected because many employment notifications for 1990 and 1991
	are missing.

# 3.6 Numbers of days in job (tage\_job)

Variable label	Numbers of days in job
Variable name	tage_job
Category	Generated biographical variables
Origin	Generated from BeH
Datatype	numerical
Hierarchy	none
Detailed description	The variable indicates the number of days a person has been working in the current job until the end date of the episode. For the cross-sections, the duration is cut off at the respective reference date.  Training periods (employment statuses 102, 121, 122, 141, 144) in the same establishment are treated as separate jobs, even if they follow directly or are followed directly by a job in the same establishment.  An employment in the same establishment after a gap is considered a new job if  - the reason for notification of the previous employment record indicates the termination of that job (reasons for notification 30, 34, 40, 49) and the gap is longer than 92 days or  - the reason for notification of the previous employment does not indicate the end of the last job, but the gap is longer than 366 days. If the number of days in the current job was alternatively calculated with the first day in job variable (ein_job), the values obtained might be larger than tage_job because tage_job does not include employment interruptions.
Notes on quality	For West Germany the variable is left censored on 1.1.1975. For East Germany the censoring is not that unambiguous. Entries are definitely censored on 1.1.1990, but entries on 1.1.1991 and 1.1.1992 may also be affected because many employment notifications for 1990 and 1991 are missing.

# 3.7 Number of benefit receipts (anz\_lst)

Variable label	Number of benefit receipts
Variable name	anz_lst
Category	Generated biographical variables
Origin	Generated from LEH/LHG

Datatype	numerical
Hierarchy	none
Detailed description	The variable gives the number of episodes a person has been in benefit receipt up to the end date of the current observation.
	The variable includes both Social Code II and Social Code III benefits. Hence, the meaning of the variable changes in 2005 with the inclusion of Social Code II benefits.
	The variable is not incremented if a benefit receipt spell is interrupted by a period of less than 10 days or if the type of benefit changes.
Notes on quality	For West Germany the variable is left censored on 1.1.1975. For East Germany the censoring is not that unambiguous. Entries are definitely censored on 1.1.1990, but entries on 1.1.1991 and 1.1.1992 may also be affected because many employment notifications for 1990 and 1991 are missing.

# 3.8 Number of days of benefit receipts (tage\_lst)

Variable label	Number of days of benefit receipt
Variable name	tage_lst
Category	Generated biographical variables
Origin	Generated from LEH/LHG
Datatype	numerical
Hierarchy	none
Detailed description	The variable gives the number of days a person has been in benefit receipt up to the end date of the current observation. For the cross-sections, the duration is cut off at the respective reference date.  The variable includes both Social Code II and Social Code III benefits are treated the same. Hence, the meaning of the variable changes in 2005 with the inclusion of Social Code II benefits.  It is possible that a person is employed (employment subject to social security or marginal part-time employment) and receives benefits at the same time. In this case, tage_Ist still counts the benefit receipts spells.
Notes on quality	For West Germany the variable is left censored on 1.1.1975. For East Germany the censoring is not that unambiguous. Entries are definitely censored on 1.1.1990, but entries on 1.1.1991 and 1.1.1992 may also be affected because many employment notifications for 1990 and 1991 are missing.

### 4 Generated variables for parallel statuses at the reference date

# 4.1 Type of second job (nb)

Variable label	Type of second job
Variable name	nb
Category	Generated biographical variables
Origin	Generated from BeH
Datatype	numerical
Hierarchy	none
Detailed description	The variable indicates whether there is a secondary employment at the reference data and specifies the type of that employment. Only one secondary employment is taken into account. Information on any further parallel employment relationships are discarded. The variable distinguishes between full-time and part-time employment. Marginal part-time employment has been recorded since 1999. Any secondary employment relationships that show no valid information regarding the variables "employment status" or "full-time / part-time employment" and therefore cannot be classified as either full-time, part-time or marginal part-time employees are coded as "secondary employment not specified". The variable is missing for persons that did not have a second employment relationship.  Values and Labels:  1 full-time job 2 part-time job 3 marginal part-time job 4 not specified second job
Notes on quality	There is a considerable increase in the number of missing values in the variable "full-time / part-time employment" in 2011 due to the change in the reporting procedure. In order to reduce this problem, the working hours were imputed at the IAB for the period in question. Further information about the procedure can be found in Ludsteck/Thomsen (2016).

### 4.2 Secondary employment in the same establishment as main occupation (nb\_betr)

Variable label	Secondary employment in the same establishment as main occupation
Variable name	nb_betr
Category	Generated biographical variables
Origin	Generated from BeH
Datatype	numerical
Hierarchy	none

Detailed description	This variable indicates if the secondary employment at the reference date (see variable nb) is in the same establishment as the main occupation. If there is no valid establishment number for the primary or secondary occupation, the variable is set to missing.  Values and Labels:  0 other establishment  1 same establishment
Notes on quality	-

# 4.3 Parallel observation: LeH (leh)

Variable label	Parallel observation: LeH
Variable name	leh
Category	Generated biographical variables
Origin	Generated from LeH
Datatype	numerical
Hierarchy	none
Detailed description	This variable indicates if there is a parallel observation from the LeH at the reference date.
Notes on quality	-

# 4.4 Parallel observation: (X)ASU (asu)

Variable label	Parallel observation: (X)ASU
Variable name	asu
Category	Generated biographical variables
Origin	Generated from ASU/XASU
Datatype	numerical
Hierarchy	none
Detailed description	The variable indicates if in addition to the main observation an observation from the Job-Search History File (ASU) or the Job-Search History File by XSozial (XASU) is present at the respective reference date.
Notes on quality	-

# 4.5 Parallel observation: LHG (lhg)

Variable label	Parallel observation: LHG
Variable name	lhg
Category	Generated biographical variables
Origin	Generated from LHG

Datatype	numerical
Hierarchy	none
Detailed description	The variable indicates if there is a parallel observation from the Unemployment Benefit II Recipient History at the reference date.
Notes on quality	-

# 4.6 Parallel observation: MTH (mth)

Variable label	Parallel observation: MTH
Variable name	mth
Category	Generated biographical variables
Origin	Generated from MTH
Datatype	Numerical
Hierarchy	none
Detailed description	The variable indicates if there is a parallel observation from the Participants-in-Measures History File (MTH) at the respective reference date.
Notes on quality	-

### 4.7 Total income, all sources (gtentgelt)

Variable label	Total income, all sources
Variable name	gtentgelt
Category	Generated biographical variables
Origin	Generated from BeH/LeH
Datatype	Numerical
Hierarchy	none
Detailed description	This variable contains the sum of all income from employment notifications and benefit receipt observations at the respective reference date.
Notes on quality	-

# 4.8 Cutoff date of the cross section (stichtag)

Variable label	Cutoff date of the cross section
Variable name	stichtag
Category	Generated technical variables
Origin	Generated
Datatype	Date
Hierarchy	none

Detailed descrip-	This variable gives the date of the respective reference date for which
tion	the cross-sectional data was created.
Notes on quality	-

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# **Appendix**

Download of the Stata do-files

• <a href="http://doku.iab.de/fdz/reporte/2017/MR\_06-17\_EN\_programs.ZIP">http://doku.iab.de/fdz/reporte/2017/MR\_06-17\_EN\_programs.ZIP</a>

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### **Editorial staff**

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### Corresponding author:

Alexandra Schmucker
Institute for Employment Research (IAB)
Research Data Centre (FDZ)
Regensburger Str. 104
D-90478 Nürnberg
Email: Alexandra.Schmucker@iab.de