based on a comparison with sources such as Gross Domestic Product (GDP) and the Social Security Administration, and relates to specific sources of income, such as interest income and assistance income, which are more significant portions of the incomes of households at the upper and lower ends of the spectrum. AHS estimates of wage and salary income are quite comparable to these aggregate sources. It is unclear how these discrepancies affect the percentages of interest here.

A more relevant issue is a comparison of AHS sample data with special tabulations of 1990 Census data, which has more accurate income data, since it explicitly asks amounts of income by source for each individual. Moreover, decennial Census data on median family income are the basic source of HUD's official estimates of area median income that define "median income" for this rule.⁵⁷

In special Comprehensive Housing Affordability Strategy (CHAS) tabulations, 1990 Census data on household income were compared to official HUD estimates of area median income for each location in the country. These CHAS tabulations should be more accurate than the AHS in two ways because the Census income data are better, and because the CHAS income data were compared to accurate median family income data for each metro area or nonmetro county in the country.

Comparison between the 1989 ÅHS income distribution (which, taken in fall of 1989, is the closest in time to the April 1, 1990 Census) and the CHAS tabulations shows that two income distributions are remarkably similar for renters:

Income cutoff	Percent of total below cutoff	
	CHAS	AHS
50% of median 80% of median 95% of median	38.7% 59.0% 68.0%	38.5% 59.0% 67.5%

For owners, shares appear to differ by about 2 percentage points throughout the very low- to moderate-income range.⁵⁸:

Income cutoff	Percent of total below cutoff	
	CHAS	AHS
50% of median 80% of median 95% of median	15.5% 29.7% 37.8%	17.6% 32.2% 40.1%

This suggests that reducing the 1989 AHS estimates for owners by no more than 2 percentage points would appropriately adjust for income underreporting.

Improvements to the 1993 Survey. Income underreporting in the AHS was reduced after changes were made in the questionnaire for the 1993 Survey. Formerly, the AHS reported dividend and interest income for a household only if it exceeded \$400. Now the Survey reports all dividend and interest income, regardless of the amount, and various sources of interest are specified. In addition to unemployment and worker's compensation and "any other income," Survey respondents were explicitly asked about "other disability payments," and "veterans' payments." As a result, the percentage of respondents reporting income in this category rose from 9.6 percent in 1991 to 13.8 percent in 1993. In general, the percentage of AHS households reporting income other than wages or salaries rose sharply, from 63 percent in 1991 to 79 percent in 1993.

income below \$35,000 in 1990 and 17.5% had income in the \$35,000–\$49,999 category.

⁵⁷Note that in setting the median family income for an MSA, HUD compares the Census estimate to the AHS estimate. The Census estimate is used, unless it falls outside the confidence interval for the AHS estimate, in which case the AHS estimate is used. Currently, the Census estimate is used for all MSAs.

⁵⁸ These estimates of income are adjusted for family size, and therefore should not be taken as direct estimates of shares of owners qualifying as "low or moderate income" under GSE income definitions. The comparison should however provide a valid estimate of the effect of income underreporting on the AHS estimates of low or moderate income made without family size adjustments.