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Evaluation

Current Perspectives on Food Stamp Program Participation

Food Stamp Program Participation Rates: January 1992

Current Perspectives on Food Stamp Program Participation

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January 1992

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EXECUTIVE SUMMARY

This report presents the January 1992 Food Stamp Program (FSP) participation rates. It is part of a series of reports providing consistent estimates of FSP participation rates using Survey of Income and Program Participation (SIPP) data for eligibles and FSP administrative data for participants.

The participation rate measures the proportion of those eligible for food stamps who actually apply for and receive food stamps. In addition to providing a measure of how well the program is reaching its intended population, the participation rate can provide information on which groups of the eligible population participate at higher or lower rates than other groups. Furthermore, a comparison of rates over time can identify trends in participation rates.

In January 1992, the FSP provided benefits to 74 percent, or 24 million, of the 33 million persons eligible for benefits, as shown in the table below. FSP participants received \$1.6 billion or 82 percent of the total potential food stamp benefits, and lived in 9.6 million households or 69 percent of total eligible households.

JANUARY 1992 FSP PARTICIPATION RATES			
	Participants (thousands)	Eligibles (thousands)	Participation Rate
Persons	24,291	32,931	74 %
Households	9,631	13,983	69
Benefits	\$1,615,320	\$1,981,717	82

JANUARY 1992 PARTICIPATION RATES BY DEMOGRAPHIC AND INCOME SUBGROUPS

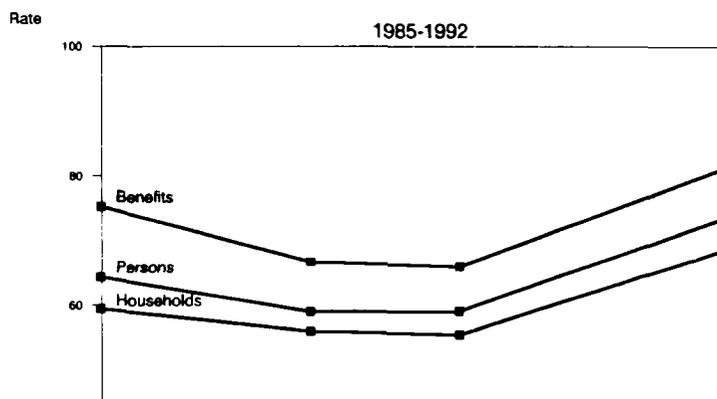
Some groups of eligibles participated at a higher or lower rate than others and received a greater or smaller proportion of potential food stamp benefits. Highlights of the January 1992 participation rates across subgroups include the following:

- **Almost all Eligible Children Participated.** The FSP served almost every eligible child under age 5 (95 percent) and most children under age 18 (86 percent).
- **One in Three Eligible Elderly Persons Participated.** Only one-third (33 percent) of eligible elderly persons participated in the FSP. The majority of nonparticipating eligible elderly lived alone.
- **Single-parent Households Participated More Than Other Types of Households.** If children lived with a single adult, their households were more likely to participate (100 percent) than if they lived with two or more adults (78 percent).

- **African Americans Participated at Higher Rates than Other Racial/Ethnic Groups.** Eligible households headed by African Americans were more likely to participate (92 percent) than households headed by Hispanics (61 percent) or white non-Hispanics (59 percent).
- **The Lower the Income, the Higher the Participation Rate.** The FSP participation rate for households with monthly incomes below the poverty line was 86 percent, compared with 21 percent for households with incomes above the poverty line. As income increases, households were less likely to participate.
- **The Higher the Benefit, The Higher the Participation Rate.** The participation rate for those eligible for \$150 or less was 55 percent, compared with 89 percent for those eligible for over \$150. The average benefit for eligible households was \$142 in January 1992.
- **Households With Aid to Families with Dependent Children (AFDC) Were More Likely to Participate than those With Earnings or Unemployment Compensation.** When adjusted for known levels of underreporting AFDC program participation in SIPP, the participation rate for households with AFDC was 88 percent. Only 41 percent of households with earnings and 48 percent of households with unemployment compensation participated.

TRENDS IN FSP PARTICIPATION RATES

Between January 1989 and January 1992, the FSP participation rate for eligible persons increased from 59 percent to 74 percent, an increase of 15 points. The rate increased in 1992 because of a surge in new participants (32 percent) and a modest increase in new eligibles (6 percent). FSP participation rates reached the highest point in January 1992 since the beginning of the series in August 1985, as shown in the following figure. Between August 1985 and January 1988, the individual participation rate declined slightly, from 64 percent to 59 percent, and then remained constant between 1988 and 1989 at 59 percent. The rate then rose to 74 percent in January 1992.



The surge in participants between January 1989 and January 1992 was driven largely by a higher participation rate among those already eligible rather than an increase in eligibles. Applying the January 1992 participation rate to the January 1989 number of eligibles increases the number of participants by 4.6 million persons, or 77 percent of the total increase in participants between 1989 and 1992. Thus, assuming no other behavioral changes among eligibles, the change in the participation rate alone may have accounted for 77 percent of the increase in participants. The remaining increase was due to an increase in eligibles combined with higher participation among the additional eligibles.

CHANGES IN FSP PARTICIPATION RATES BETWEEN 1989 AND 1992 FOR SUBGROUPS

Participation rates for some subgroups of the population increased by more or less than those for other subgroups between January 1989 and January 1992. Highlights of the changes in participation rates for subgroups during this time period include:

- **The Participation Rate for Children Increased More Than for Elderly.** The participation rate increased by 18 points for all children and increased more for children under age 5 (21 points) than for children age 5 to 17 (15 points). The participation rate for elderly persons increased by only five points.
- **The Participation Rate Increased More For Single-Parent Households Than For Multi-Adult Households.** The participation rate for single-adult households with children increased by 24 points compared with a 17-point increase for multi-adult households with children.
- **The Participation Rate Increased More for Households with Earners than for Households with AFDC or other Public Assistance.** The participation rate for households with earners increased by 16 points compared with no change in the rate for households with AFDC and a six-point increase for households with SSI.
- **The Participation Rate Increased More For Households in Poverty Than Other Households.** The participation rate increased by 14 points for households in poverty, compared with a six-point increase for households not in poverty.

CHARACTERISTICS OF ELIGIBLE NONPARTICIPANTS

Although 24 million persons participated in the FSP in January 1992, 8.6 million (26 percent of all eligible persons) did not participate. In January 1992, eligibles with the largest percentage of nonparticipants included: 1) elderly persons, 2) households headed by a white non-Hispanic, 3) households with the highest incomes and thus the lowest food stamp benefits, and 4) households with earnings.

I. INTRODUCTION

The Food Stamp Program (FSP) is the largest food assistance program in the country, serving 27 million persons and distributing \$22 billion in benefits in fiscal year 1993. No other public assistance program reaches more poor individuals over the course of a year. Because the FSP does not limit eligibility to persons meeting certain categorical restrictions, such as the disabled, elderly, or families with children, food stamp benefits reach a much wider universe of persons than other programs and provide assistance to some who may "fall through the cracks" of other programs.

Since food stamp benefits are available to any low-income persons who meet the eligibility criteria, policy-makers want to know how well the program is reaching its intended population. The participation rate measures the proportion of those eligible for food stamps who actually apply for and receive food stamps. In addition to providing a measure of how well the program is reaching the total eligible population, the participation rate can provide information on how well the program is reaching certain subgroups of the eligible population, such as children, the elderly, or the working poor.

This report provides estimates of FSP participation rates for January 1992. It is part of a series of reports providing consistent estimates of FSP participation rates using Survey of Income and Program Participation (SIPP) data for eligibles and FSP administrative data for participants.¹ Past reports in the series have provided participation rates for 1985, 1988, and 1989. This 1992 participation rate report addresses three questions:

1. What proportion of the eligible population did the FSP serve in January 1992? Did some groups of eligibles participate at higher rates than others?
2. How did the January 1992 participation rates compare to the January 1989 and earlier rates in the series?
3. Which groups of the eligible population participated least in the FSP?

¹See the front inside cover for a list of other reports in the series.

A. ESTIMATING PARTICIPATION RATES

Conceptually, determining participation rates is very simple: the number of participants is divided by the number of eligibles. Deriving the number of eligibles is less straightforward, however, because the number must be approximated using household survey data and a simulation designed to replicate the eligibility process.

1. Participants

We know how many persons and households participated in the FSP, as well as their benefits and characteristics, because food stamp offices collect and track this information. The number of participants and total food stamp benefits issued in January 1992 is based on a census of benefit issuance, called the Food Stamp Program Statistical Summary of Operations data, hereafter called Program Operations data. The Program Operations data contain the total caseload and dollar value of benefits issued, but do not provide information on the characteristics of FSP participants. The characteristics of the participants reported here are based on a sample of food stamp case records for January and February 1992 from the FSP Integrated Quality Control System, hereafter called IQCS data. We used the IQCS data to distribute the total number of participants and their benefits across various demographic and economic characteristics.

2. Eligibles

We do not know explicitly how many persons and households were eligible for food stamps or what the potential benefits were. No record is made of eligible persons unless they apply for food stamps. Therefore, we replicated the eligibility process using household survey data that represent the U.S. population to estimate how many were eligible for food stamps.

We used SIPP data and a microsimulation model to simulate FSP eligibility and potential benefits. We simulated eligibility for all households that were in the SIPP universe in January 1992 based on Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel. Much of the effort required in estimating the number of eligibles was spent in preparing a SIPP file that contained all the information needed to closely replicate the FSP eligibility criteria.

Once the necessary data were merged, the model applied the FSP eligibility criteria in effect in January 1992 to each household on the file to determine, on a case-by-case basis, whether the household was eligible for food stamps. For households that were eligible, the model determined the value of the food stamp benefit for which it qualified. Appendix A contains a detailed description of the methodology used to estimate eligibles.

3. Participation Rates

The participation rate is the number of participants (based on January 1992 Program Operations caseload data) divided by the number of eligibles in January 1992 (based on a simulation of eligibles using SIPP household survey data).

We estimated three different measures of participation rates:

- **Person Participation Rate:** This is the ratio of the number of persons participating compared to the number of persons eligible for food stamps. The person rate is particularly useful when discussing participation rates by the characteristics of the target population, such as age or sex. For example, the person rate was used to compare the participation rate for elderly persons to the rate of children.
- **Household Participation Rate:** This is the ratio of the number of food stamp units, or households, compared with the number of households eligible for the program. Because the FSP determines eligibility and benefits based on household income and assets, the household is considered the decision-making unit. The household rate was particularly useful when discussing participation rates by income, source of income, or potential benefit amount. The household rate was also important when comparing rates by household composition, such as single parents versus multiple adult households.
- **Benefit Participation Rate:** This is the ratio of the benefits paid to program participants compared to the total potential benefits payable if all program eligibles participated. A comparison of the benefit rate to the household and person rates can show if the benefits paid are evenly distributed across households and whether mostly high-benefit or low-benefit households participate. The participation rate results confirmed that high-benefit households were more likely to participate than low-benefit households, indicating that the neediest households participated at the highest rates.

B. ORGANIZATION OF THIS REPORT

This report presents and examines January 1992 FSP participation rates and contains the following information:

- Chapter II presents the January 1992 participation rates and identifies which groups of the eligible population participated at higher (or lower) rates than other groups in 1992.
- Chapter III examines trends in participation rates, focusing on the major increase in rates between 1989 and 1992. It analyzes whether the increase in participation was driven largely by an increase in eligibles or higher participation rates among those already eligible, and examines changes in rates for subgroups.
- Chapter IV discusses which groups of eligibles were least likely to participate in the FSP.
- Appendix A describes the methodology and data used to estimate participation rates and describes the creation of the SIPP analysis file.
- Appendix B shows the percent change in the number of participants and eligibles between January 1989 and January 1992. This information is referenced several times in Chapter III.
- Appendix C lists the unweighted sample sizes for the IQCS and SIPP data used in the analysis.

Tables for each chapter are located at the end of that chapter.

II. JANUARY 1992 FSP PARTICIPATION RATES

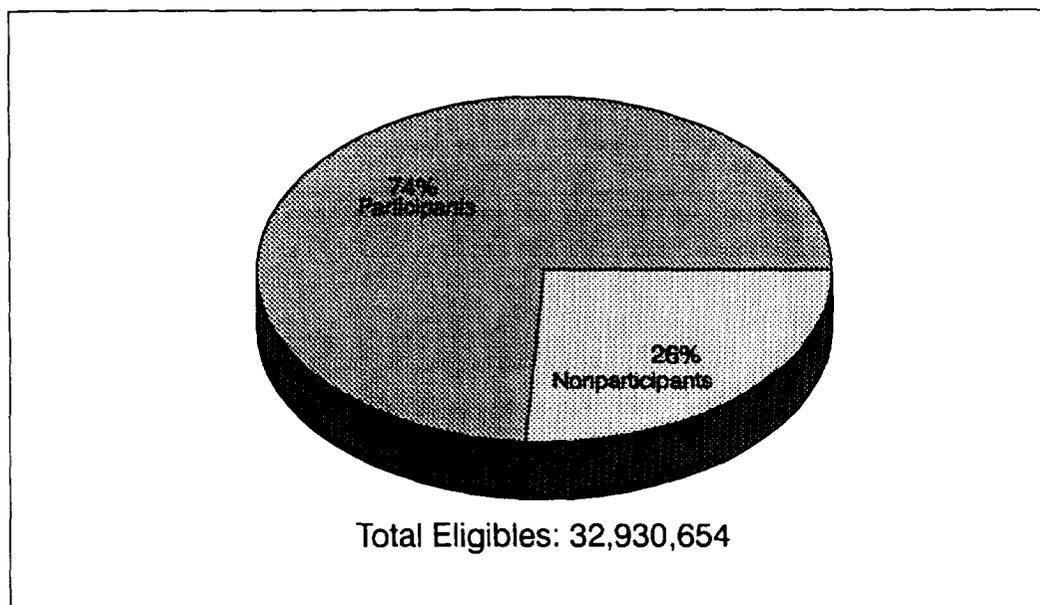
In January 1992, 74 percent of all eligible persons and 69 percent of all eligible households participated in the FSP. The program distributed 82 percent of total potential benefits. This chapter presents the January 1992 FSP participation rates and highlights the differences in participation rates across selected demographic and income subgroups of the eligible population. In summary, the differences across subgroups include the following:

- Most eligible children participated in the FSP while only about a third of elderly persons participated. Children living with a single parent were more likely to participate than children living with multiple adults.
- Eligible households headed by African Americans were more likely to participate than households headed by other racial/ethnic groups.
- The poorest households and those eligible for the highest benefits participated at the highest rates.
- Eligible households with AFDC or other public assistance were much more likely to participate than households with earnings or unemployment compensation.

A. AGGREGATE FSP PARTICIPATION RATES

In January 1992, 33 million persons were eligible for the FSP and 24 million persons, or 74 percent, participated, as shown in Figure II.1 and Table II.1. About 69 percent, or 9.6 million households, participated during this month, and FSP participants received 82 percent or \$1.6 billion of the total potential food stamp benefits. Given the total U.S. population of 252 million, 13 out of every 100 persons were eligible for food stamps, and 10 out of every 100 persons received food stamp benefits in January 1992.

FIGURE II.1
FSP PARTICIPATION RATE
January 1992



SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error.
January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

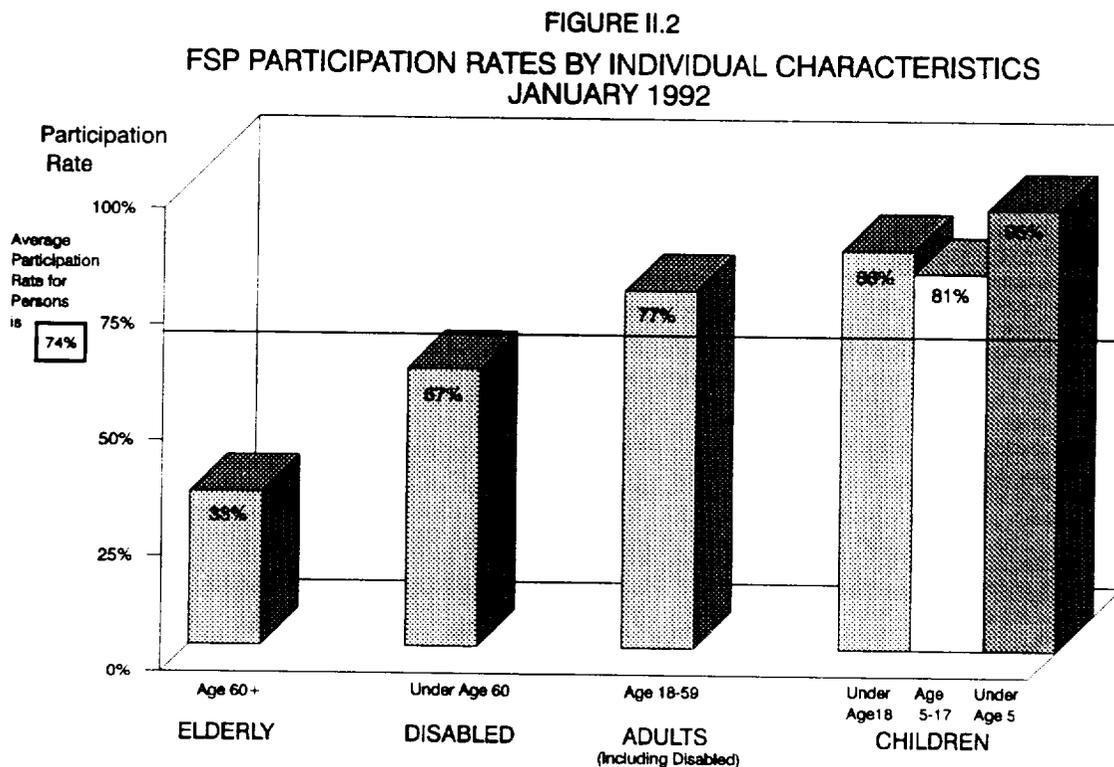
In January 1992, as in previous years, the benefit rate was higher than the person rate, which in turn was higher than the household rate. The higher benefit rate implies that the decision to participate was influenced by the potential benefit. Households eligible for the highest benefits were more likely to participate than those eligible for the lowest benefits. Similarly, the higher person rate implies that large households were more likely to participate than small households.

B. FSP PARTICIPATION RATES BY DEMOGRAPHIC SUBGROUPS

Although overall participation rates in January 1992 were 74 percent for eligible persons, 69 percent for eligible households, and the program distributed 82 percent of all potential benefits, all eligible persons and households did not participate at the same rate. Some groups participated at a much higher (or lower) rate than others and received a greater (or smaller) proportion of total food stamp benefits. In this section we discuss how participation rates varied by age, race, and sex of the eligible population.

1. Children Participated at the Highest Rates, Elderly Participated at the Lowest Rates

Figure II.2 shows that the younger a person was, the more likely that person would participate in the FSP. In January 1992, the FSP served almost every eligible preschool child (95 percent), most children (86 percent), three-quarters of nonelderly adults (77 percent), and only one-third (33 percent) of elderly persons. Children and nonelderly adults participated at a higher rate than the average of 74 percent, but elderly and disabled persons participated at a much lower rate.



SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

Other research supports the finding that elderly persons participate at much-lower-than-average rates. For example, participation rates using Current Population Survey data found that in August 1992, elderly persons participated at less than half the rate of total persons (Trippe 1994). Multivariate analyses conducted by Martini

(1992) found that the predicted participation rate for households that contained elderly persons was about two-thirds the rate of total households after controlling for other factors.¹

2. Men and Women Participated At the Same Rate

Men and women participated at almost the same rate (74 percent and 73 percent, respectively), as shown in Table II.2.

3. African Americans Participated At Higher Rates than Other Racial/Ethnic Groups

Figure II.3 shows that eligible households headed by African Americans were more likely to participate in the FSP (92 percent) than households headed by Hispanics (61 percent) or white non-Hispanics (59 percent). Martini (1992) found a similar gap between households headed by African Americans and whites in his univariate analysis of participation rates. However, when Martini held other household characteristics constant in his multivariate analysis, he found a much smaller gap between predicted participation rates of households headed by African Americans and whites (only 5 percentage points). Furthermore, for female-headed households with children, Martini found almost no difference (less than one percentage point) in the predicted participation rates of households headed by African Americans and whites. This small gap suggests that most of the difference in participation rates of African Americans and whites found in the univariate analysis is due to factors that are correlated with race, rather than to race per se.

C. FSP PARTICIPATION RATES BY HOUSEHOLD COMPOSITION AND SIZE

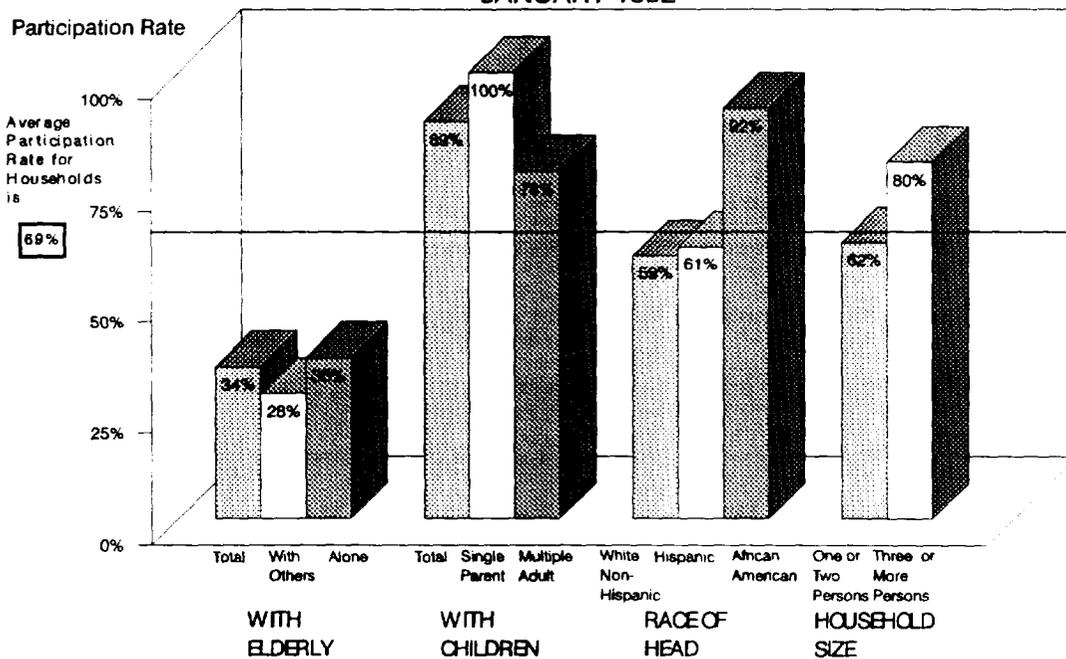
Participation rates also varied by household composition and size, as discussed below.

¹Martini (1992) used the August 1985 SIPP to perform a multivariate analysis of the relationship between household characteristics and FSP participation. Martini compared "predicted" participation rates based on the multivariate analysis with "observed" participation rates based on the ratio of participants to eligibles (univariate analysis). The household characteristics (explanatory variables) for Martini's multivariate analysis were age, race/ethnicity, and education of the reference person, household size, presence of children, income relative to poverty, receipt of public assistance, and presence of assets and earnings.

1. Single-Parent Households Were More Likely to Participate than Other Households With Children

Most eligible households with children (89 percent) participated in the FSP. However, if children lived with only one adult, their households were more likely to participate (100 percent) than if they lived with two or more adults (78 percent), as shown in Figure II.3 and Table II.3. This higher participation rate for single-adult households is likely due to the fact that single-adult households tended to have lower incomes, were more likely to receive AFDC, and were less likely to have earnings than multiple-adult households. Average gross income for eligible single-adult households was \$854 compared with \$1,066 for multiple-adult households with children. Sixty-two percent of eligible single-parent households received AFDC compared with 21 percent of multiple-adult households, and only 26 percent of eligible single-parent households had earnings, compared with 68 percent of multiple-adult households. Participation rates by income amounts and sources are discussed in Section D.

**FIGURE II.3
FSP PARTICIPATION RATES BY HOUSEHOLD CHARACTERISTICS
JANUARY 1992**



SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

2. Large Households Were More Likely to Participate Than Small Households

Large households (with 3 or more persons) participated at a higher rate (80 percent) than small households (62 percent), as shown in Figure II.3. These large households were more likely to contain children and less likely to contain elderly persons than were small households.

There is variation in the general pattern of higher participation rates for large households. As shown in Table II.4, participation rates peaked (at 87 percent) for households that contained three persons, then declined as household size increased. Therefore, households with four or more persons were less likely to participate than households with three persons, but were more likely to participate than households with only one person. The probable reason for this is that three-person households were more likely to contain single parents (who participate at very high rates) than were larger households. About 69 percent of eligible three-person households contained a single parent compared with only 38 percent of eligible households with four or more persons.

D. PARTICIPATION RATES BY INCOME AMOUNTS AND SOURCES

Participation rates also varied by income relative to the poverty level and income source. Households with the lowest incomes and those receiving AFDC or other public assistance income were most likely to participate in the FSP.

1. Those Most in Need Participated at the Highest Rates

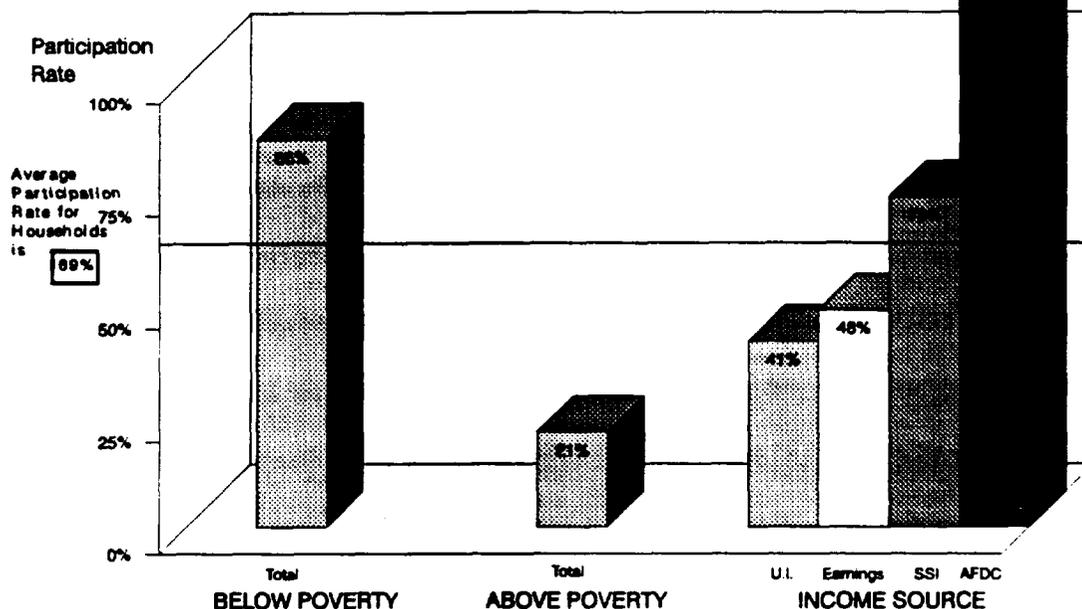
Figure II.4 shows that eligible households with the lowest incomes were more likely to participate than households with the highest incomes. In January 1992, the participation rate for households whose gross incomes were lower than the poverty level was 86 percent; the participation rate for households whose gross incomes were greater than the poverty level was 21 percent.²

For households in poverty, those with the lowest incomes were most likely to participate, as shown in Table II.5. In January 1992, the participation rate for households with zero income or income less than 50 percent of

²Households in poverty are defined as households with gross incomes less than the federal poverty level by household size.

the poverty level slightly exceeded 100 percent.³ As income increased to 51 to 100 percent of the poverty level, the participation rate fell to 76 percent.

FIGURE II.4
FSP PARTICIPATION RATES BY INCOME CHARACTERISTICS
JANUARY 1992



SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

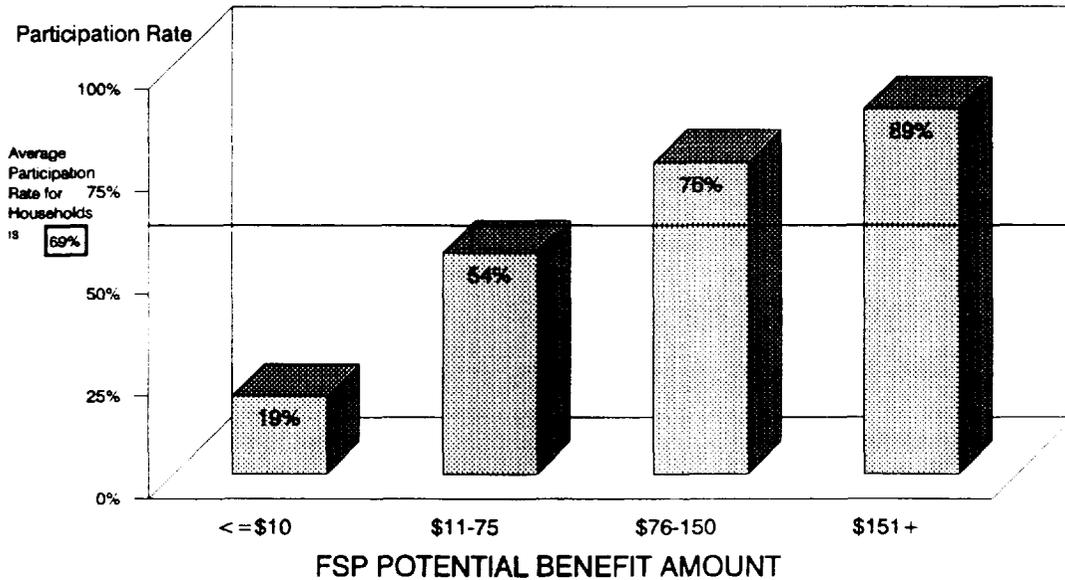
NOTE: Participation rates exceeding 100 percent are due to reporting and measurement errors in SIPP (see Appendix A).

Table II.6 shows that participation rates for *persons* by their household income relative to the poverty level were very similar to rates for *households* by their income relative to the poverty level. This implies that within income categories, household size had little influence on the decision to participate. This small difference in rates is probably because household size does not vary as much for households with similar incomes as it does for total households.

³The unrealistically high participation rates for eligible households with incomes under 50 percent of the poverty level is likely due to underreporting and other sampling problems of the lowest income households (particularly those with AFDC), as discussed in Appendix A.

only 19 percent. Participation rates increased as potential benefits rose, reaching 89 percent for households eligible for more than \$150.

FIGURE II.5
FSP PARTICIPATION RATES BY POTENTIAL BENEFIT AMOUNT
JANUARY 1992



SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

As shown in Table II.8, participation rates also rose with benefits as a percentage of the maximum benefit amount. The only exception to this pattern is a decline in the rate for households entitled to the maximum benefit (the maximum benefit for a three-person household in January 1992 was \$292). Those entitled to the maximum benefit are those with zero net income. Those with zero gross income participated at very high rates, as would be expected (see Table II.5). However, it appears that those entitled to the maximum benefit were not those with zero gross income, but were households with positive gross income and high expenses that reduced their net income to zero. Over 73 percent of the households eligible for the maximum benefit in January 1992 had positive gross income but expenses high enough to lower their net income to zero.

2. Benefit Levels Did Not Influence Participation Decision for Most Individual Subgroups

The overall benefit participation rate is almost 13 points higher than the household participation rate, implying that the potential benefit amount influenced a household's participation decision. Households eligible for the highest benefits were most likely to participate.

However, for many subgroups of the population, the potential benefit amount seemed to have had little influence on the likelihood of participation as indicated by the similar benefit and household rates for these groups. For instance, the benefit participation rates shown in Table II.9 are within two percentage points of the household participation rates shown in Table II.3 for households with elderly, children, single parents, multiple adults with children, and those headed by a Hispanic. Similarly, the benefit participation rates for households with incomes below and above the poverty level shown in Table II.10 are within four percentage points of the household participation rates for corresponding income groups in Table II.5.

Martini (1992) suggests that much of the variation in participation rates by benefit level found in observed rates is due to a household-size effect and to characteristics of the individual groups rather than to the benefit amount. Overall, Martini found a positive but small correlation between benefit level and FSP participation rates.

TABLE II.1

FSP PARTICIPATION RATES FOR PERSONS, HOUSEHOLDS, AND BENEFITS
JANUARY 1992

	Participants	Eligibles	Participation Rate
Persons (1,000s)	24,291	32,931	73.8 %
Households (1,000s)	9,631	13,983	68.9
Benefits (1,000s)	\$1,615,320	\$1,981,717	81.5
Average Household Size	2.5	2.4	NA
Average per-Capita Benefit	\$66.5	\$60.2	NA

SOURCES: Food Stamp Program Statistical Summary of Operations (Food Stamp Program Operations data) for January 1992, adjusted for issuance error.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

TABLE II.2
 INDIVIDUAL PARTICIPATION RATES BY SELECTED
 DEMOGRAPHIC CHARACTERISTICS FOR PERSONS
 JANUARY 1992

	Number of Participating Persons (in Thousands)	Number of Eligible Persons (in Thousands)	Person Participation Rate
Elderly Age 60 or Older	1,707	5,137	33.2 %
Living alone	1,129	3,113	36.3
Living with others	578	2,023	28.6
Disabled under Age 60	951	1,419	67.0
Living alone	446	380	117.5
Living with others	504	1,039	48.5
Children under Age 18	12,357	14,455	85.5
Preschool (under Age 5)	4,695	4,954	94.8
School-age (Age 5 to 17)	7,662	9,500	80.6
Adults Ages 18 to 59	10,214	13,340	76.6
Living alone (not disabled)	1,527	1,358	112.4
Gender			
Male	10,014	13,475	74.3
Female	14,276	19,456	73.4
Total	24,291	32,931	73.8

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

NOTE: Participation rates exceeding 100 percent are due to reporting and measurement errors in SIPP (see Appendix A).

TABLE II.3

FSP PARTICIPATION RATES FOR HOUSEHOLDS BY SELECTED
DEMOGRAPHIC CHARACTERISTICS
JANUARY 1992

	Number of Participating Households (in Thousands)	Number of Eligible Households (in Thousands)	Household Participation Rate
Household Contains:			
Elderly Age 60 or Older	1,533	4,579	33.5 %
Disabled under Age 60	910	1,351	67.4
Children under Age 18	5,872	6,580	89.2
Children Ages 5 to 17	4,070	4,988	81.6
Single Parent with Children ^a	3,997	3,997	100.0
Single Female Adult	3,833	3,789	101.2
Single Male Adult	164	208	78.8
Two or More Adults with Children ^b	1,874	2,417	77.5
White non-Hispanic Head	4,570	7,803	58.6
African American Head	3,334	3,612	92.3
Hispanic Head	1,300	2,117	61.4
Total ^c	9,631	13,983	68.9

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

^aHouseholds containing a single parent with children are defined as households with only one nonelderly adult (age 18 to 59) and children.

^bIncludes both households in which the gender of the household head is unknown and female-headed households that contain two or more adults.

^cCategories do not sum to total because households may exhibit more than one of the characteristics listed.

NOTE: Participation rates exceeding 100 percent are due to reporting and measurement errors in SIPP (see Appendix A).

TABLE II.4
 FSP PARTICIPATION RATES BY HOUSEHOLD SIZE
 JANUARY 1992

Household Size (number of persons)	Number of Participating Households (in Thousands)	Number of Eligible Households (in Thousands)	Household Participation Rate
1	3,215	5,973	53.8 %
2	2,275	2,857	79.5
3	1,853	2,133	86.9
4	1,207	1,476	81.8
5	646	842	76.7
6+	435	702	62.0
Total	9,631	13,983	68.9

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

TABLE II.5

FSP PARTICIPATION RATES FOR HOUSEHOLDS BY
GROSS INCOME RELATIVE TO POVERTY
JANUARY 1992

Income as a Percentage of Poverty	Number of Participating Households (in Thousands)	Number of Eligible Households (in Thousands)	Household Participation Rate
Total ≤ 100	8,870	10,288	86.2 %
0	924	880	104.9
1-50	3,091	3,029	102.0
51-100	4,856	6,379	76.1
Total > 100	761	3,695	20.6
Total	9,631	13,983	68.9

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

NOTE: Participation rates exceeding 100 percent are due to reporting and measurement errors in SIPP (see Appendix A).

TABLE II.6

FSP PARTICIPATION RATES FOR PERSONS BY
GROSS INCOME RELATIVE TO POVERTY
JANUARY 1992

Income as a Percentage of Poverty	Number of Participating Individuals (in Thousands)	Number of Eligible Individuals (in Thousands)	Individual Participation Rate
Total ≤ 100	22,328	25,154	88.8 %
0	1,573	1,578	99.7
1-50	9,129	9,095	100.4
51-100	11,626	14,481	80.3
Total > 100	1,963	7,777	25.2
Total	24,291	32,931	73.8

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

NOTE: Participation rates exceeding 100 percent are due to reporting and measurement errors in SIPP (see Appendix A).

TABLE II.7

HOUSEHOLD PARTICIPATION RATES BY SELECTED SOURCES OF INCOME
JANUARY 1992

Source of Income	Number of Participating Households (in Thousands)	Number of Eligible Households (in Thousands)	Household Participation Rate
Earned Income	1,910	3,959	48.2 %
SSI	1,755	2,393	73.4
Elderly in the unit	876	1,372	63.8
No elderly in the unit	879	1,020	86.2
Public Assistance ^a	4,574	3,783	120.9
AFDC	3,754	3,129	120.0
Other welfare	885	744	118.8
Unemployment Compensation	267	648	41.2
Total	9,631	13,983	68.9

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

NOTE: Participation rates exceeding 100 percent are due to reporting and measurement errors in SIPP (see Appendix A).

^aPublic assistance refers to Aid to Families with Dependent Children (AFDC), General Assistance (GA), and local means-tested programs, such as Emergency Assistance.

TABLE II.8

FSP PARTICIPATION RATES FOR HOUSEHOLDS BY MONTHLY BENEFITS
JANUARY 1992

Monthly Benefit Level ^a	Number of Participating Households (in Thousands)	Number of Eligible Households (in Thousands)	Household Participation Rate
Benefit Amount			
\$10 or less	353	1,828	19.3 %
\$11 - 75	1,606	2,973	54.0
\$76 - 150	2,942	3,856	76.3
\$151 or more	4,729	5,326	88.8
Total	9,631	13,983	68.9
Benefit as a Percentage of Maximum			
1-25%	1,092	3,254	33.6 %
26-50	1,667	2,482	67.2
51-75	2,159	2,668	80.9
76-99	2,518	2,316	108.7
100	2,194	3,263	67.2
Total	9,631	13,983	68.9

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

NOTE: Participation rates exceeding 100 percent are due to reporting and measurement errors in SIPP (see Appendix A).

^aThe maximum allotment varies by household size. The maximum allotment for a family of 3 in January 1992 was \$292.

TABLE II.9
 BENEFIT RATES BY DEMOGRAPHIC
 CHARACTERISTICS OF THE HOUSEHOLD
 JANUARY 1992

	Benefits Paid to Participating Households (in Millions)	Potential Benefits for Eligible Households (in Millions)	Benefit Rate
Household Contains:			
Elderly Age 60 or Older	\$99.3	\$286.8	34.6 %
Disabled under Age 60	102.9	138.6	74.2
Children under Age 18	1,314.2	1,478.1	88.9
Children Ages 5 to 17	983.8	1,180.9	83.3
Single Parent with Children	855.6	864.6	99.0
Single Female Adult	822.3	826.3	99.5
Single Male Adult	33.3	38.3	86.9
Two or More Adults with Children ^a	458.6	588.8	77.9
White non-Hispanic Head	737.4	949.3	77.7
African American	596.0	570.2	104.5
Hispanic Head	222.7	377.4	59.0
Total	1,615.3	1,981.7	81.5

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

NOTE: Participation rates exceeding 100 percent are due to reporting and measurement errors in SIPP (see Appendix A).

^aIncludes both households in which the gender of the household head is unknown and female-headed households that contain two or more adults.

TABLE II.10

FSP BENEFIT RATES BY GROSS INCOME
RELATIVE TO POVERTY
JANUARY 1992

Income as a Percentage of Poverty	Benefits Paid to Participating Households (in Millions)	Potential Benefits for Eligible Households (in Millions)	Benefit Rate
Total ≤ 100	\$1,563.8	\$1,769.5	88.4 %
0	159.5	159.0	100.3
1-50	764.6	791.7	96.6
51-100	639.6	818.8	78.1
Total > 100	51.6	212.2	24.3
Total	1,615.3	1,981.7	81.5

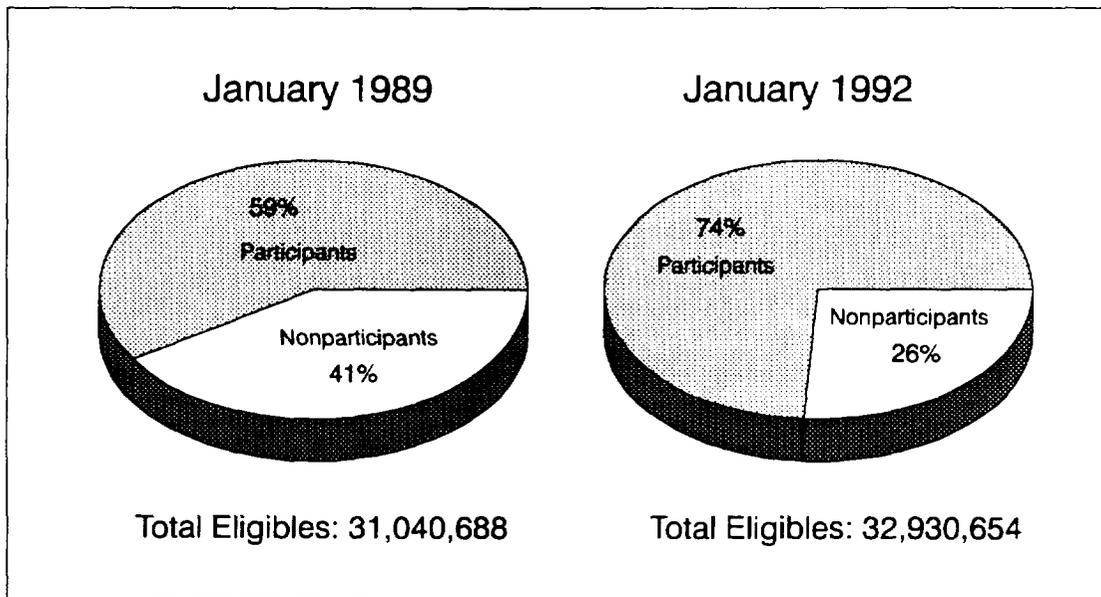
SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

III. TRENDS IN FSP PARTICIPATION RATES

The FSP participation rate increased dramatically between January 1989 and January 1992. In January 1992, 74 percent of all eligible persons participated, compared with 59 percent of those eligible in January 1989, as shown in Figure III.1. The rates increased in 1992 because of a surge in new participants and a modest increase in new eligibles. This surge in new participants was likely due to hardships imposed by the economic recession of the early 1990s, outreach efforts and increased accessibility to the FSP, and other factors such as the legalization of large numbers of illegal immigrants.¹

FIGURE III.1
FSP PARTICIPATION RATES



SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP

¹Likely causes of the substantial increase in FSP participants since 1989 are discussed in McConnell (1991), Martini and Allin (1993), and Trippe (1994).

This chapter compares the January 1992 participation rates to January 1989 and previous rates, and examines whether the increase in participation was driven largely by a higher participation rate among those already eligible or by an increase in eligibles. It also identifies which subgroups of the eligible population had the largest and smallest increases in participation rates between 1989 and 1992. Highlights of the change in participation rates for subgroups between January 1989 and 1992 include:

- Participation rates for children, especially for children under age 5, increased more than for elderly persons. Rates increased more for single-parent households than for multi-adult households with children.
- Participation rates for households headed by African Americans rose more than those of other racial/ethnic groups.
- Participation rates for the neediest households (households with the lowest incomes and eligible for the highest benefits) rose more than rates for less needy households.
- Participation rates for households with earners rose more than average, and rates for households with AFDC, SSI, or unemployment rose less than average or declined.

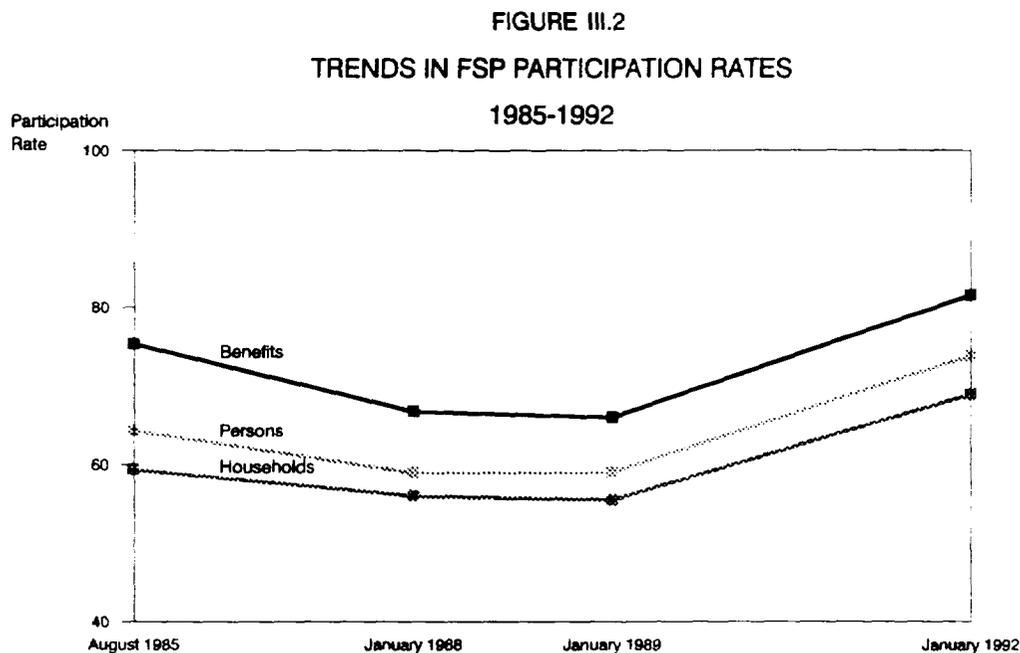
A. TRENDS IN AGGREGATE PARTICIPATION RATES

Participation rates rose in January 1992 because of the dramatic rise in participants compared with eligibles. Between January 1989 and January 1992, the number of participants increased by 32 percent, or 6 million persons, while the number of eligibles rose by only 6 percent, or 2 million persons, as shown in Table III.1.

The increase in participants between 1989 and 1992 was driven largely by a higher participation rate among those already eligible rather than an increase in eligibles. Applying the January 1992 participation rate to the January 1989 number of eligibles increases the number of participants by 4.6 million persons, or 77 percent of the total increase in participants between 1989 and 1992. Thus, assuming no other behavioral changes among eligibles, the change in the participation rate alone may have accounted for 77 percent of the increase in participants. The remaining increase was due to an increase in eligibles combined with higher participation among additional eligibles.

1. Comparison of Participation Rates From 1985 to 1992

FSP participation rates in January 1992 were at their highest point since the beginning of the series in 1985 (shown in Figure III.2). Between August 1985 and January 1988, the individual participation rate declined slightly, from 64 percent to 59 percent, and then remained constant between 1988 and 1989 at 59 percent. The rate then rose to 74 percent in January 1992.



SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP

The decline in the rates between 1985 and 1988 largely was due to legislative changes authorized under the 1985 Food Security Act, which expanded the number of persons eligible to receive food stamps. This change is discussed in Trippe and Doyle (1990). Since most of the newly eligible persons did not participate in the FSP in 1988, the rate declined. There was very little change in the rates between 1988 and 1989 because participants and eligibles grew in the same increments.

2. Similar Trends in Rates Found In CPS-based Study

The recent rise in participation rates and other trends in the rates were also identified in a recent study on trends in participation rates using CPS-based estimates of eligibles, shown in Table III.2. The CPS-based estimates show a 4-point drop in the individual participation rate between 1984 and 1986, no change in the rate (less than 1 percent) between 1986 and 1988, and an 11-point rise in the rate between 1988 and 1992.

Although the two studies use two different data sources and cover a slightly different time period, the change in rates over time is remarkably similar. The SIPP-based rates shown in Table III.1 are considered more accurate than the CPS-based rates because the SIPP data contain more of the information needed to estimate food stamp eligibility and the methodology more closely replicates the actual eligibility determination process. But the CPS-based study supports the substantial increase in participation rates since 1988.

B. CHANGES IN PARTICIPATION RATES BY DEMOGRAPHIC CHARACTERISTICS AND HOUSEHOLD COMPOSITION

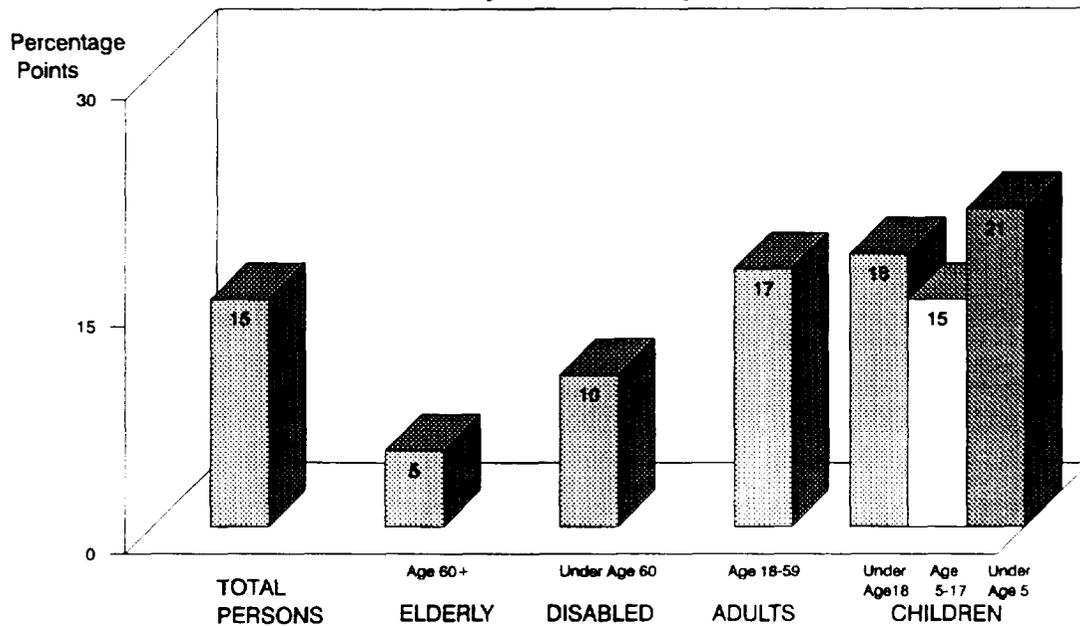
Most subgroups of the population had large increases in participation rates between January 1989 and January 1992, similar to the 15-point increase for total persons and 13-point increase for total households. However, participation rates for some groups increased by more (or less) than for total eligibles, as discussed below.

1. Participation Rates Increased the Most For Children And The Least For Elderly

Between January 1989 and January 1992, participation rates increased by 18 points for children, rising more for preschool children (21 points) than for school-age children (15 points), as shown in Figure III.3 and Table III.3.

On the other hand, participation rates for elderly persons increased by only 5 points. The much lower rise in participation rates for elderly persons than for children may reflect that the income of elderly persons tends to be relatively constant in real terms. Participation rates for adults also increased substantially (by 17 points), and participation rates for single (nondisabled and nonelderly) adults increased by a dramatic 28 points, as shown in Table III.3.

FIGURE III.3
CHANGE IN FSP PARTICIPATION RATES BY INDIVIDUAL CHARACTERISTICS
January 1989 - January 1992



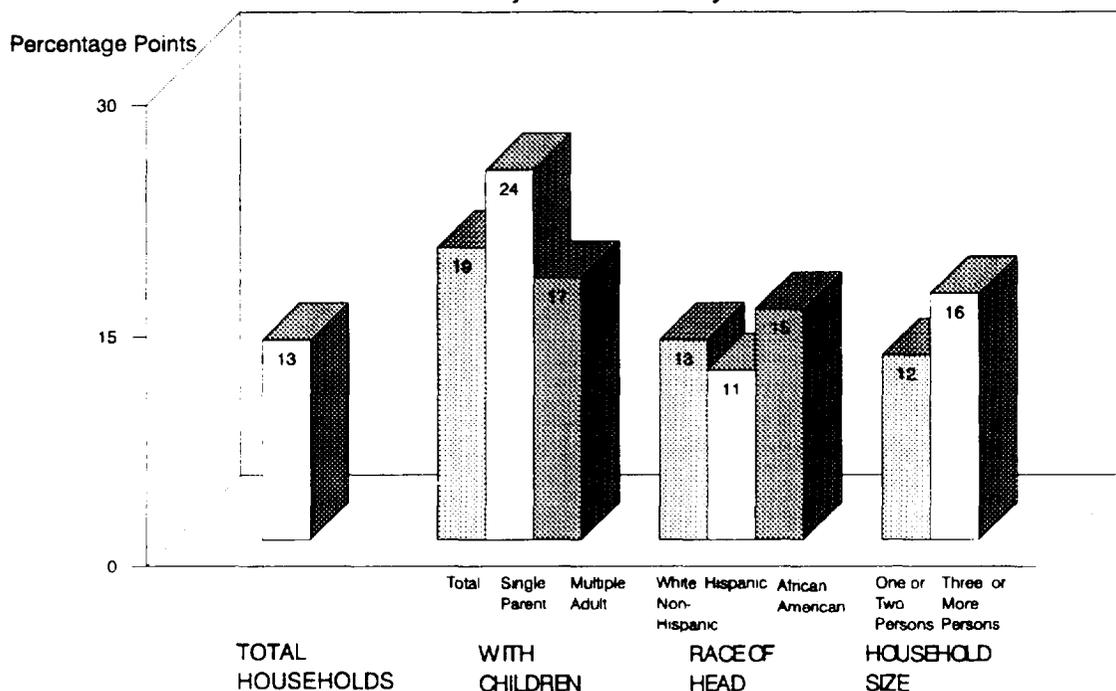
SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

2. Participation Rates for Households Headed by Single Parents and African Americans Rose More Than Rates of Other Groups

Between January 1989 and January 1992, participation rates for single-parent households with children rose more (24 points) than participation rates of multi-adult households with children (17 points), as shown in Figure III.4 and Table III.4. However, participation rates for both single-parent and multi-adult households with children rose more than rates of total households (15 points).

Participation rates for households headed by African Americans increased slightly more than rates for other racial/ethnic groups between January 1989 and January 1992, by 15 points compared with 13 points for whites and 11 points for Hispanics. Although households headed by Hispanics had the lowest increase in participation rates, Hispanic households had a larger-than-average increase in the number of participants (46 percent) and eligibles (20 percent), as shown in Appendix B. This large increase in Hispanic participants without a substantial increase in the participation rate may reflect an increase in Hispanic immigrants.

FIGURE III.4
CHANGE IN FSP PARTICIPATION RATES BY HOUSEHOLD COMPOSITION
 January 1989 - January 1992



SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

3. Participation Rates for Large Households Increased More Than Rates For Small Households

Participation rates for households with three or more persons increased more than rates for households with one or two persons. Rates for large households increased by 16 points, compared with 12 points for small households, as shown in Figure III.4. The major reason for the lower increase in rates for small households is that small households are more likely to contain elderly persons.

C. CHANGES IN PARTICIPATION RATES BY INCOME AMOUNTS AND SOURCES, AND POTENTIAL BENEFIT AMOUNTS

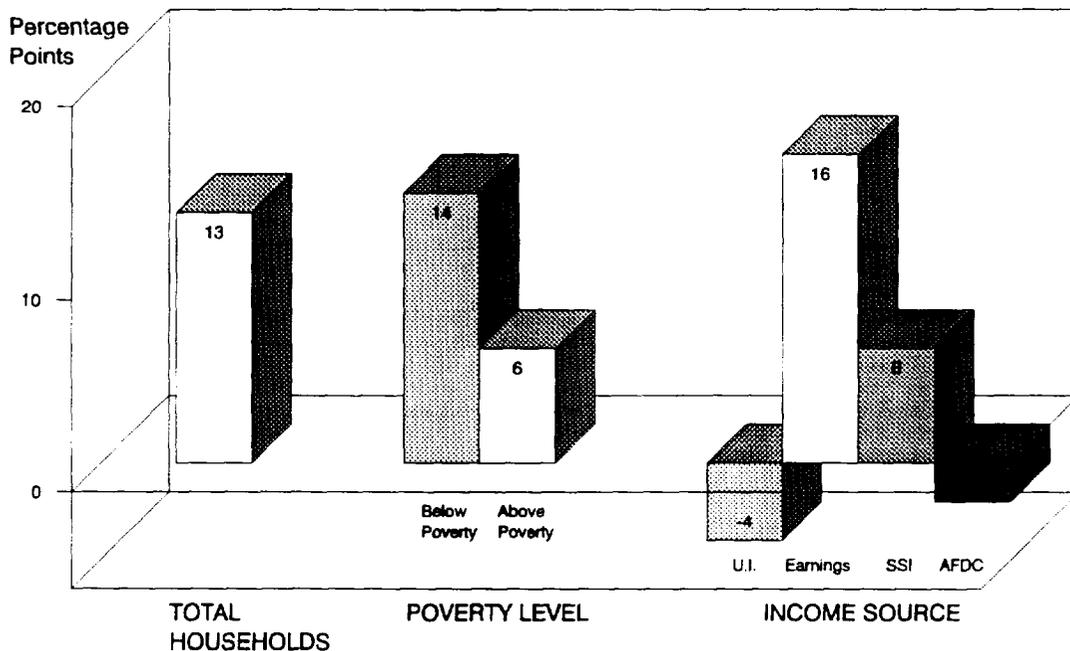
Changes in participation rates between January 1989 and January 1992 also varied by household income amounts and sources and their potential benefit amount.

1. Participation Rates Increased the Most For Those in Greatest Need

Participation rates increased the most for those with the lowest incomes and the highest potential benefits, which are households with the greatest need. Participation rates increased by 14 points for households in poverty, compared with 6 points for households not in poverty, as shown in Figure III.5.

For households in poverty, participation rates for households with zero gross income grew the most, by 23 points, as shown in Table III.5. As household gross income rose, the growth in the participation rate declined. Rates for households with gross income less than 50 percent of poverty grew by 16 points, and rates for households with income between 50 and 100 percent of poverty grew by 11 points.

FIGURE III.5
CHANGE IN FSP PARTICIPATION RATES BY INCOME CHARACTERISTICS
January 1989 - January 1992



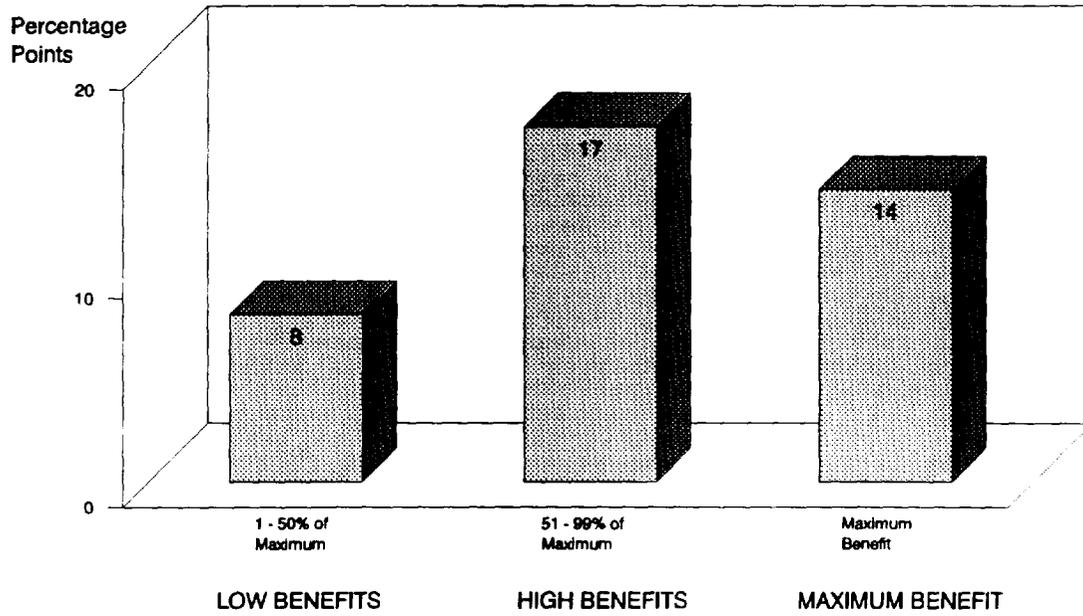
SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

2. Participation Rates Increased More for Households with Earnings Than For Households With Other Sources of Income

The participation rate for households with earnings increased by 16 points between January 1989 and January 1992, as shown in Figure III.5. The participation rate increase for households with earnings was due to a 7 percent *decline* in the number of eligible households with earnings compared with a 38 percent *increase* in the number of participating households with earnings, as shown in Appendix B.

While the participation rate for households with earnings increased by 16 points, the participation rate for households receiving unemployment compensation declined by 4 points. The decline in the participation rate for households receiving unemployment compensation is due to an 89 percent increase in eligible households with

FIGURE III.6
CHANGE IN FSP PARTICIPATION RATES BY POTENTIAL BENEFIT AMOUNT
January 1989 - January 1992



SOURCE: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992. January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

TABLE III.1
COMPARISON OF FSP PARTICIPATION RATES OVER TIME
1985-1992

	Thousands				Percent Change (1989 to 1992)
	August 1985	January 1988	January 1989	January 1992	
- Thousands -					
Eligibles					
Persons	28,884	30,973	31,041	32,931	6.1 %
Households	11,604	12,292	12,689	13,983	10.2 %
Benefits	\$1,072,262	1,334,779	1,405,636	1,981,717	41.0 %
Participants					
Persons	18,560	18,286	18,344	24,291	32.4 %
Households	6,894	6,882	7,037	9,631	36.9 %
Benefits	\$807,265	890,158	927,391	1,615,320	74.2 %
- Percent -					Difference (1989 to 1992)
Participation Rates					
Persons	64.3	59.0	59.1	73.8	14.7 points
Households	59.4	56.0	55.5	68.9	13.4 points
Benefits	75.3	66.7	66.0	81.5	15.5 points

SOURCE: Participant numbers are from the Food Stamp Program Operations data, adjusted for issuance errors.

Estimates for eligibles are from the FOSTERS model, using data from the Survey of Income and Program Participation (SIPP).

TABLE III.2

FSP PARTICIPATION RATES
 BASED ON THE MARCH CPS AND FOOD STAMP PROGRAM OPERATIONS DATA
 1984-1992

	Aug. 1984	Aug. 1986	Aug. 1988	Aug. 1990	Aug. 1992	Difference (1988 to 1992)
- Percent -						
Individuals	53.0	48.8	49.3	55.4	60.5	11.2 points
Households	52.4	47.3	47.9	55.7	62.4	14.5 points
Benefits	62.4	57.4	56.8	64.1	71.9	15.1 points

SOURCE: Participant numbers came from the Food Stamp Program Statistical Summary of Operations, adjusted for issuance errors.

Estimates for eligibles came from simulations using data from the March Current Population Survey.

TABLE III.3
 INDIVIDUAL PARTICIPATION RATES
 BY SELECTED CHARACTERISTICS FOR PERSONS
 1985-1992

	August 1985	January 1988	January 1989	January 1992	Difference (1989 to 1992)
Elderly Age 60 or Older	36.6 %	33.5 %	28.5 %	33.2 %	4.7 points
Living alone	41.3	38.4	31.5	36.3	4.8
Living with others	30.4	26.7	24.0	28.6	4.6
Disabled Under Age 60	47.4	55.3	57.3	67.0	9.7
Living alone	52.4	68.6	89.9	117.5	27.6
Living with others	44.8	49.4	44.4	48.5	4.1
Children under Age 18	73.5	69.5	68.0	85.5	17.5
Preschool (Under Age 5)	75.3	74.8	73.4	94.8	21.4
School age (Age 5-17)	72.7	67.1	65.6	80.6	15.0
Adults Ages 18 to 59	65.0	65.9	59.5	76.6	17.1
Living alone (not disabled)	NA	67.5	84.1	112.4	28.3
Gender					
Male	NA	58.1	57.3	74.3	17.0
Female	NA	59.6	60.4	73.4	13.0
Total	64.3	59.0	59.1	73.8	14.7

SOURCES: 1992 rates are from Table II.3 of this report, 1985 rates are from Doyle (1990), 1988 rates are from Trippe and Doyle (1992), and 1989 rates are from Trippe and Doyle (1992).

TABLE III.4

HOUSEHOLD PARTICIPATION RATES BY SELECTED
DEMOGRAPHIC CHARACTERISTICS:
1985-1992

Demographic Characteristics	August 1985	January 1988	January 1989	January 1992	Difference (1989 to 1992)
Household Contains:					
Elderly age 60 or Older	37.3 %	35.0 %	29.0 %	33.5 %	4.5 points
Disabled under age 60	46.7	55.2	57.4	67.4	10.0
Children under age 18	73.9	71.3	70.1	89.2	19.1
Children ages 5 to 17	74.7	68.3	68.2	81.6	13.4
Single person	49.8	45.0	44.7	53.8	9.1
Single Parent with children ^a	73.1	74.9	76.4	100.0	23.6
Single female adult	94.2	74.8	77.5	101.2	24.2
Single male adult	62.7	45.9	56.7	78.8	22.1
Two or more adults with children ^b	75.3	66.8	60.5	77.5	17.0
White non-Hispanic head	48.9	46.9	45.9	58.6	12.7
African American head	77.1	76.0	76.9	92.3	15.4
Hispanic head	54.8	54.2	50.5	61.4	10.9
Total	59.4	56.0	55.5	68.9	13.4

SOURCES: 1992 rates are from Table II.3 of this report, 1985 rates are from Doyle (1990), 1988 rates are from Trippe and Doyle (1992), and 1989 rates are from Trippe and Doyle (1992).

^aIn January 1992, the SIPP-based definition of households containing a single parent with children was changed slightly in order to be consistent with the QC-based definition which is households with only one nonelderly adult (age 18 to 59) and children. The change increased the participation rate over what it would have been in 1992, resulting in a 24 point increase in the 1992 rate over the 1989 rate, rather than an 18 point increase.

^bThis category includes both households in which the gender of the household head is unknown and female-headed households that contain two or more adults.

TABLE III.5

HOUSEHOLD PARTICIPATION RATES
BY INCOME AND BENEFIT CHARACTERISTICS:
1985 - 1992

Economic Characteristic	August 1985	January 1988	January 1989	January 1992	Difference (1989 to 1992)
Monthly Benefit Level as a Percentage of Maximum Allotment					
1-25%	30.0 %	29.9 %	31.9 %	33.6 %	1.7 points
26-50%	58.3	61.5	51.1	67.2	16.1
51-75%	86.0	68.7	72.8	80.9	8.1
76-99%	89.1	91.0	83.4	108.7	25.3
100%	64.3	50.5	52.8	67.2	14.4
Income as a Percentage of Poverty					
Total \leq 100%	74.6	70.2	72.2	86.2	14.0
0	69.0	70.0	82.2	104.9	22.7
1-50	92.7	78.5	86.5	102.0	15.5
51-100	67.2	66.5	64.8	76.1	11.3
Total > 100	14.8	16.8	14.2	20.6	6.4
Source of Income					
Earned income	36.8	33.9	32.3	48.2	15.9
SSI:	65.7	75.0	67.0	73.4	6.4
Elderly in the unit	66.6	70.3	58.4	63.8	5.4
No elderly in the unit	64.1	82.6	82.6	86.2	3.6
Public assistance:	115.5	110.5	121.0	120.9	-0.1
AFDC	118.5	112.5	121.7	120.0	-1.7
Other welfare	97.4	98.9	105.7	118.8	13.1
Unemployment compensation	75.6	46.4	45.6	41.2	-4.4
Total	59.4	56.0	55.5	68.9	13.4

SOURCES: 1992 rates are from Tables II.5, II.7, and II.8 of this report. 1985 rates are from Doyle (1990), 1988 rates are from Trippe and Doyle (1992), and 1992 rates are from Trippe and Doyle (1992).

IV. CHARACTERISTICS OF ELIGIBLE NONPARTICIPATING HOUSEHOLDS IN JANUARY 1992

Although 24 million persons participated in the FSP in January 1992, 8.6 million (26 percent of all eligible persons) did not participate. These eligible nonparticipants lived in 4.3 million households and were eligible for \$36 million in benefits. The literature on eligible nonparticipants (Allin and Beebout 1989) suggests various reasons for nonparticipation. Some may be unaware of the program. Others may presume that they are not eligible for benefits. Others may be aware of the program and their eligibility, but feel that the benefits are not worth the effort required to obtain and use them. Still others may not participate due to the stigma they associate with using food stamps.

This chapter examines the characteristics of the eligible nonparticipants in January 1992 and identifies which groups of eligibles had the largest proportion of nonparticipants. In summary, in January 1992, eligibles with the largest percentage of nonparticipants included:

- elderly persons and households headed by a white non-Hispanic,
- households with the highest gross incomes and eligible for the lowest food stamp benefits, and
- households with earnings.

A. DEMOGRAPHIC CHARACTERISTICS OF ELIGIBLE NONPARTICIPATING HOUSEHOLDS

Table IV.1 shows that 70 percent of eligible nonparticipating households contained elderly persons, 74 percent were headed by a white non-Hispanic, and 63 percent consisted of a person living alone. These groups generally had lower-than-average participation rates (34 percent for households with elderly, 57 percent for households headed by a white non-Hispanic, and 40 percent for single person households, compared with 69 percent for total households).

The proportion of nonparticipating households containing elderly persons increased substantially in 1992 over 1989 (from 56 percent to 70 percent), while the proportion of nonparticipating households containing children declined substantially (from 32 percent to 16 percent).¹

Table IV.2 shows that most nonparticipating households contained either an elderly member (two-thirds of whom lived alone) or a working member (most of whom had children) in January 1989.

B. ECONOMIC CHARACTERISTICS OF ELIGIBLE NONPARTICIPATING HOUSEHOLDS

Table IV.1 shows that more than two-thirds of total eligible nonparticipating households had gross incomes above the poverty level and almost half received earnings.

Half of the eligible nonparticipating households were eligible for the lowest benefits (1 to 25 percent of the maximum benefit) in January 1992, as shown in Table IV.2. Most of these households had income above the poverty level. However, a quarter of the eligible nonparticipating households were eligible for the maximum benefit. This is not surprising since, as discussed in Chapter II, households eligible for the maximum benefit (those with zero net income) are less likely to participate than other households eligible for large benefits. Table IV.3 shows that about 51 percent of nonparticipating households that were eligible for the maximum benefit contained elderly persons (most of whom lived alone), and 49 percent did not. Most of those without elderly persons did not receive earnings but contained children.

¹Although the number of nonparticipating households with elderly persons did not change much between 1989 and 1992, the number represents a much larger proportion of the total number of nonparticipating households, which declined by 1.3 million between 1989 and 1992.

TABLE IV.1

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF ELIGIBLE
NONPARTICIPATING HOUSEHOLDS: JANUARY 1992

	Population (in Thousands)	Distribution of Households
Household Size		
1	2,758	63.4 %
2	582	13.4
3	280	6.4
4	268	6.2
5	196	4.5
6+	267	6.1
Household Contains:		
Elderly	3,046	70.0
Disabled	440	10.1
Children under age 18	708	16.3
Children under age 5	103	2.4
Children ages 5 to 17	917	21.1
Single parent with children	0	0.0
Two or more adults with children	543	12.4
White non-Hispanic head	3,233	74.3
Black non-Hispanic head	278	6.4
Hispanic head	817	18.8
Income as a Percentage of Poverty		
Total ≤ 100%	1,428	32.8
Total > 100%	2,933	67.4
Household Income Includes:		
Earnings	2,049	47.1
SSI	637	14.6
Unemployment compensation	381	8.8
Total Households	4,352	100.0

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

NOTE: Eligible nonparticipants are computed as the difference between eligibles and participants.

TABLE IV.2
 DISTRIBUTION OF ELIGIBLE NONPARTICIPATING HOUSEHOLDS
 ABOVE AND BELOW POVERTY
 JANUARY 1992

	Percent Distribution of Eligible Nonparticipating Households		
	Below Poverty	Above Poverty	Total
Benefit Level as a Percentage of Maximum Allotment			
1-25%	7.8 %	41.9 %	49.7 %
26-50	2.3	16.4	18.7
51-99	2.2	4.8	7.1
100	20.2	4.3	24.6
Composition			
Elderly Present	32.9	37.1	70.0
Living alone	21.7	23.9	45.5
Living with others	11.3	13.2	24.5
Nonelderly Households with Earnings	16.6	23.3	39.8
With children	10.5	15.2	25.7
Without children	6.1	8.1	14.1
Total	32.6	67.4	100.0
Eligible Nonparticipating			
Persons (in thousands)	2,826	5,814	8,640
Households (in thousands)	1,418	2,933	4,352
Benefits (in millions)	\$206	\$161	\$366

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

NOTE: Eligible nonparticipants are computed as the difference between eligibles and participants. Column entries may not sum to 100 percent due to reporting and measurement errors in SIPP.

TABLE IV.3

DISTRIBUTION OF ELIGIBLE NONPARTICIPATING
HOUSEHOLDS BELOW POVERTY THAT ARE ELIGIBLE FOR
THE MAXIMUM FOOD STAMP BENEFIT
JANUARY 1992

	Eligible Nonparticipating Households Below Poverty that are Eligible for Maximum FSP Benefit	
	Population (in Thousands)	Distribution of Households
Composition		
Elderly Present	415	50.6 %
Living alone	275	33.6
Living with others	139	17.0
Nonelderly Households with Earnings	122	15.0
With children	105	12.8
Without children	18	2.1
Nonelderly Households without Earnings	282	34.4
With children	238	29.1
Without children	43	5.3
Income as a Percentage of Poverty		
0	(43)	-5.3
1-50	518	63.2
51-100	344	42.1
Total Households	819	100.0

SOURCES: January 1992 Food Stamp Program Operations data adjusted for issuance error. Special tabulations from IQCS data for January and February 1992.

January 1992 FOSTERS model, Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

NOTE: Eligible nonparticipants are computed as the difference between eligibles and participants. Negative entries are due to reporting and measurement errors in SIPP.

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APPENDIX A
METHODOLOGY AND DATA SOURCES USED TO
ESTIMATE FSP PARTICIPATION RATES
IN JANUARY 1992

This appendix describes the methodology used to construct the January 1992 FSP participation rates. First, it describes the FSP administrative data and the methodology used to estimate the number of participants. Then, it describes the creation of the SIPP-based eligibility file used by the FOSTERS model, and describes the FSP eligibility simulation. It also presents an assessment of the simulation. Most of the discussion in this appendix is from the report "Creation of the January 1992 FOSTERS Microsimulation Model and Database" (Sykes 1994).

A. USING ADMINISTRATIVE DATA TO ESTIMATE THE NUMBER OF PARTICIPANTS

Because FSP participation is underreported in the SIPP data (as in all national household surveys), participation rates in this report use the actual number of FSP participants based on FSP Program Operations data for the numerator of the ratio.¹ Program Operations data contain information on the number of persons and households that were issued FSP benefits and the total dollar value of the coupons issued for January 1992.

The Program Operations data on the number of food stamp participants and the value of their benefits in January 1992 were adjusted to exclude Guam and the Virgin Islands, which SIPP does not include. The Program Operations information was then further adjusted to account for benefits issued to ineligible households and in error. The FSP caseload in January 1992 was adjusted downward by 3 percent and FSP benefits were adjusted downward by 5.7 percent to adjust for these errors. The adjusted number of FSP participants in January 1992 was 9.6 million units and 24.3 million persons. Total benefits paid to these participants was \$1.6 billion.

Because we wanted to estimate participation rates for different subgroups of the FSP population--such as for elderly, children, single parents, or workers--we needed information on the distribution of the FSP caseload across demographic and income characteristics. The Program Operations data contain only the total caseload count and total dollar value of benefits issued, and thus do not provide this information. Therefore, we used a sample of food stamp case records from the FSP IQCS to calculate the distribution of persons, households, and benefits across demographic and income characteristics. The IQCS data contain one record for each participating

¹FSP participation was underreported in SIPP by 22 percent in January 1992. Only 7.5 million units reported participating in the FSP in SIPP in January 1992, compared to 9.6 million units that were actually issued benefits based on Program Operations data.

unit in a given month, as selected randomly from the national caseload. For this analysis, we combined the January and February 1992 IQCS samples to increase the sample size.

B. USING SIPP DATA TO ESTIMATE THE NUMBER OF ELIGIBLES

Estimates of food stamp eligibles and potential benefits in January 1992 were based on SIPP data and a microsimulation model, called FOSTERS. Much of the effort in estimating the number of eligibles was in preparing a SIPP file that contained all the information needed to closely replicate the FSP eligibility criteria. A series of 30 programs was used to gather information from various SIPP data products to simulate FSP eligibility. Once the necessary data were merged, the FOSTERS model applied the FSP eligibility criteria in effect in January 1992 to each household on the file to determine, on a case-by-case basis, whether the household was eligible for food stamps. For households that were eligible, the model determined the value of the food stamp benefit for which it qualified. Below, we discuss the creation of the SIPP data file and the simulation of FSP eligibles.

1. What is SIPP?

SIPP provides monthly information on household composition, income, and participation in various government programs, as well as periodic information on asset holdings and households expenses. Since the determination of FSP eligibility is based on this information, SIPP is an ideal starting point for simulating eligibility.

SIPP is a nationally representative longitudinal survey providing detailed monthly information on household composition, income, labor force activity, and participation in various government programs, such as Medicaid, AFDC, SSI, and the FSP. The interviewed population is based on a multistage stratified sample of the noninstitutionalized resident population of the United States. This includes persons living in households, as well as those persons living in group quarters such as college dormitories and rooming houses. Inmates of institutions, such as homes for the aged, and persons living abroad are not included. Persons residing in military barracks, although part of the noninstitutionalized population, are also excluded. Other armed forces personnel are included, as long as they are living in a housing unit on or off base (U.S. Department of Commerce 1993).

units are allowed in the FSP, but we did not previously model them for two reasons. First, earlier research concluded that it would be too difficult to accurately assess which families and individuals in a household could legitimately apply as separate food stamp units if no food stamps were reported (Landa 1987). Second, we found that reported multiple food stamp units in SIPP were more an artifact of double reporting (the husband and wife reported the same information) and of the Census Bureau's imputation routines than actual cases (Doyle and Dalrymple 1987). We continue to be guided by the first reason for those households not reporting food stamps. However, newer data show that almost all of the reported multiple food stamp units in SIPP seem plausible and only one-quarter were imputed by the Census Bureau. The net result of our change is that 1.6 percent of the food stamp households report multiple food stamps. This increased the total number of eligible food stamp units by 273,000 units, or by 2 percent, based on a simulation conducted using the FOSTERS 1992 model.

b. Simulating FSP Eligibility and Potential Benefits

The FOSTERS model replicates the FSP eligibility criteria in effect in January 1992.⁴ In a sense, the model acted as an FSP caseworker. On a case by case basis, it determined whether the food stamp unit was eligible for food stamps, a function of both available cash income and assets. If the unit was income and asset eligible, the model then determined the value of the food stamp benefit for which the unit was eligible. This section summarizes the FSP eligibility rules as simulated in the model, and Table A.4 summarizes the values of the January 1992 FSP eligibility rules.

Determining Asset Eligibility. The food stamp unit could have no more than \$2,000 in countable assets. If the food stamp unit contained an elderly person, the limit increased to \$3,000. If the food stamp unit contained only persons on public assistance (SSI, AFDC, or GA), the unit was automatically identified as asset eligible regardless of the amount of its countable assets. Presumably, units that contained only persons on public

⁴A number of regulations were officially changed by the FSP in February 1992 and, therefore, were not implemented in our model.

assistance were already be asset eligible for the FSP, since those programs have more restrictive asset guidelines than does the FSP.

Countable assets included financial and vehicular assets. Most financial and nonfinancial assets were considered countable. For example, countable financial assets included money in savings accounts, money markets, certificates of deposit, interest-earning checking accounts, stock and mutual funds, and money in interest retirement accounts and KEOGH accounts (less an early withdrawal penalty fee). In contrast, selected pieces of property such as the principal home, adjacent land, and most household goods were not included.

In most instances, assets were counted at their equity value (i.e., value minus debt). One principal exception was the treatment of vehicular assets. First, vehicles used for producing income or transporting disabled individuals were not counted. Second, vehicles required for work-related travel are valued at the current *Blue Book* listing less \$4,500. Since we cannot tell from SIPP which vehicles were used for work-related travel, we assumed that at most one vehicle per unit was used for this purpose, and we assumed it would be the newest one. Therefore, we counted as an asset the value in excess of \$4,500 of the newest vehicle not used to produce income or transport disabled persons. Any remaining vehicles owned by members of the unit had the larger of either the vehicle's value in excess of \$4,500 or the equity value counted as an asset.

Determining Income Eligibility. To be income eligible, the unit's gross income could not exceed 130 percent of the federal poverty guideline, and the unit's net income (gross income less certain deductions) could not exceed 100 percent of the federal poverty guideline.⁵ There were two exceptions to these rules. First, if the unit contained an elderly or disabled person, it was exempt from the gross income screen. Second, if the unit contained only persons on public assistance (SSI, AFDC, or GA), the unit was automatically income eligible regardless of the amount of its income. Assistance programs have more restrictive eligibility guidelines than the FSP, so presumably they would already be income eligible.

⁵The poverty guidelines are based on the official monthly poverty guidelines published by the U.S. Department of Health and Human Services, which are adjusted each year to account for inflation. These guidelines and other FSP parameters are generally the same for the 48 contiguous states and the District of Columbia and vary slightly for Alaska and Hawaii and the territories.

Almost every year the Census Bureau selects a new sample, or panel, of approximately 20,000 households, and follows them for approximately two and a half years. Panels are staggered so that one panel overlaps another. In this way, two panels can be combined, thereby doubling the sample size for a given calendar month.

The topical modules administered in Waves 4 and 7, also known as the eligibility modules, focus on issues pertinent to the determination of FSP eligibility. In particular, these modules include questions on vehicle ownership, asset holdings, dependent care expenses, medical expenses, and shelter expenses. As shown in Table A.1, the 1990 Panel Wave 7 and the 1991 Panel Wave 4 overlap in January 1992. The combined panels represent a total of 33,731 interviewed households.

By focusing on January 1992, there were two shortcomings. First, the topical module questions are asked with respect to the household composition in the interview month and not for each of the retrospective four months. So, some persons who were present in January but not in the interview month did not have any information on vehicles, assets, or expenses. We overcame this omission by imputing the information using a statistical matching technique. Second, questions on reasons for receiving government transfers, which are needed to determine food stamp disability status, are administered when the person initially enters the SIPP universe, not every month. We overcame this problem by augmenting our data with disability data taken from

Operations data reported 9.6 million. This reflects an underreporting of 22 percent, which is much higher than the 14 and 12 percent underreported in January 1988 and January 1989, respectively. So this FOSTERS model relied more heavily on selecting eligible nonreporters to participate than ever before.

2. Creating the SIPP-based Model Database

The core questionnaire of SIPP provided most of the information needed to model FSP eligibility. The topical module questionnaire and the initial Wave 1 questionnaire provided the rest. Since the Census Bureau distributes this information as separate data products, we had to combine the files before using the data in the FOSTERS model. This process involved a series of 30 programs.

Since each wave contains four months worth of data, we began our process by selecting all households that were present in January 1992 from Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel. From that we extracted all of the data necessary for our simulation: household composition, earned and unearned income, asset income, and participation in the various government programs. This data formed the bulk of the data elements for our simulation; only six critical data elements remained to be gathered:

1. **Determination of Disability Status:** The first important element not readily available from the core questionnaire was the determination of who is disabled. The FSP considers persons under age 60 to be disabled if they received SSI or if they received certain types of other unearned income due to a disability. Households containing disabled persons are then subject to different FSP eligibility rules. This usually makes the household eligible for more benefits than it would have been if it did not contain a disabled person.
2. **Append Financial Asset Balances:** The next important element we gathered is the amount of financial assets owned by each person. This information is critical in determining FSP eligibility. The topical modules of Waves 4 and 7 asked each working-age person (age 15 or older) how much money he or she held in various financial accounts (e.g., savings accounts, money markets, stocks, bonds, etc.). We extracted this information and merged it to the appropriate person in our January 1992 database. Some persons in the topical module may report owning assets with someone else in the household. In those cases, SIPP reports the information once and identifies the co-owner. We used this information and equally distributed the asset holdings among the joint owners.
3. **Append Medical Expenses:** Another question asked of working-age persons is how much they spend out-of-pocket on medical bills. Since these expenses are included in the FSP eligibility criteria, we extracted and appended them to the appropriate persons in our January 1992 universe.
4. **Append Shelter and Dependent Care Expenses:** Unlike questions about medical expenses and financial assets, which were asked of each working-age person, questions about shelter and dependent

care were presented in the topical module questionnaire only to the household reference person. Since the FSP eligibility guidelines use these expenses, we extracted and merged them to the appropriate households in January 1992.

5. **Append Nonfinancial Assets (Vehicle Ownership):** Similar to the shelter and dependent care expenses, data on vehicle ownership are collected in the topical module questionnaire only from the household reference person. The reference person reports who owns which vehicle, whether the vehicle is used for work or to transport disabled persons, and how much is owed on the vehicle. Since FSP eligibility relies on this data, we extracted and merged them to the appropriate owner in our January 1992 universe.
6. **Impute Missing Shelter and Dependent Care Expenses and Missing Vehicular Assets:** In households where shelter and dependent care expenses were not available, we imputed these expenses using a statistical matching technique known as the hot-deck imputation method. We also used this technique to impute vehicle data to those working-age persons not present in the interview month.

More detailed information on the creation of the model database is in Sykes (1994).

3. Simulating FSP Eligibility

Once the data necessary for determining FSP eligibility were gathered, we can use these data to determine which households require government assistance to meet their food consumption needs. This section discusses how the FOSTERS model made this determination, presents the estimated number of eligibles for January 1992, and includes various statistics on the characteristics about this special population.³

a. Identifying Household Members Who Belong in the Food Stamp Unit

Since the FSP eligibility rules apply only to persons in the food stamp unit, deciding who belongs in the unit is of utmost importance. In general, individuals who live in a residential unit and customarily purchase and prepare food together constitute a household (or food stamp unit) as defined by the FSP. Special provisions allow elderly and other persons who, because of substantial disability, cannot prepare and purchase food to apply as a separate unit as long as the total monthly income of the other members of the households does not exceed 165 percent of the federal poverty guidelines. Some groups of individuals are not permitted to apply separately even

³The discussion that follows is an overview of how we modeled the regulations that govern FSP eligibility and benefits. We omit from this discussion aspects of the FSP that were not modeled. The complete regulations appear in the *Code of Federal Regulations* (FCR, parts 270-273).

if they have different food purchasing and preparation arrangements. These include married couples, parents and their minor children, childless nonelderly individuals living with their nonelderly parents, and childless nonelderly individuals living with their childless nonelderly siblings.

FSP rules also often cause certain individuals to be excluded from the food stamp unit even if they customarily share food arrangements with other household members. For example, the FSP excludes all SSI recipients living in California from the food stamp unit because California's SSI program includes a special monetary supplement that is paid in lieu of food stamps. The FSP also excludes persons enrolled half time or more in postsecondary education programs unless they work 20 or more hours a week, receive AFDC, or are a parent of a young child. The FSP also excludes persons in group quarters if they meet certain criteria.

Like most surveys, the SIPP is not entirely suitable for determining the food stamp unit, since the survey does not capture food purchasing and preparation information. However, we can infer which persons would probably be in the food stamp unit based on other information in SIPP. Our inference was based on the following rules of thumb:

- If the household reported receipt of food stamps, those persons reporting being covered by food stamps were in the food stamp unit. Everyone else was excluded. Multiple food stamp units in a household were allowed only if they were reported in SIPP as such.
- If the household did not receive food stamps but reported receipt of some other form of public assistance (SSI, AFDC, means-tested veteran's benefits, or other welfare like GA), those persons reporting being covered by that program, in addition to their spouse and children under age 18, were included in the unit. This assumed that this group of people had been exposed to the welfare system and would continue to represent themselves as one unit, even though they may have purchased and prepared food with other persons in the household.
- If the household did not report food stamps or public assistance, everyone in the household was included in the food stamp unit.
- SSI persons living in California, postsecondary students meeting certain criteria, and all persons in group quarters were excluded.

These rules of thumb were formulated in earlier research and have evolved over time (Doyle and Post 1988, Doyle et al. 1987). In this analysis, we made one change to these rules that was not caused by a legislative mandate: We allowed multiple food stamp units in households reporting such an event. Multiple food stamp

Gross income was all cash income, including all earned cash income and most sources of unearned income, such as AFDC, SSI, GA, and Social Security. Earned income tax credits, energy assistance, education assistance, and the income of high school students are examples of the kinds of income not included.

Net income was gross income less the following five deductions:

- Standard deduction of \$122 (continental U.S.), \$209 (Alaska), or \$173 (Hawaii).
- Earnings deduction equaling 20 percent of earnings, in recognition of taxes and work-related expenses.
- Dependent care expense deduction of no more than \$160 per dependent.
- Medical expense deduction equaling the unit's total medical expenses in excess of \$35, as long as these expenses were incurred by elderly or disabled persons.
- Excess shelter deduction equaling the unit's shelter expense in excess of 50 percent of the unit's income after the previous four deductions are taken. For those units without an elderly or disabled person, this deduction is subject to a cap of \$194 (continental U.S.), \$337 (Alaska), or \$276 (Hawaii). The shelter expense includes the unit's reported utility expenses or the standard utility allowance, whichever is larger. These utility allowances vary by state and are listed in Tables A.5 and A.6.

Determining Food Stamp Benefit Amount. If the unit was income and asset eligible, it must also have been eligible for a food stamp benefit to be officially considered eligible for the FSP. The food stamp benefit equals the maximum food stamp benefit less 30 percent of the unit's net income. The maximum benefit was 103 percent of the Thrifty Food Plan (TFP), which represents the United States Department of Agriculture's lowest-cost food plan. Since eligibility is based on federal poverty guidelines and not the TFP, there are circumstances where the unit may be eligible for zero benefits. In this case, units containing one or two persons were guaranteed a minimum \$10 benefit. Larger units were not guaranteed a minimum benefit, so these units may have qualified for zero benefits. When this happened, we considered these units to be technically ineligible for food stamps, since they could not possibly participate in the FSP.

c. Examining Simulation Results

As shown in Table A.7, there were 94.9 million potentially eligible food stamp units in January 1992. We excluded from this count all households in which no one was allowed to participate in the FSP (e.g., households in California containing only SSI recipients, households containing only postsecondary students that met the set of criteria described earlier, and group quarters). We included in this count the multiple food stamp units as reported in SIPP.

This table also shows that 80 percent of the potentially eligible units had too much income and were therefore ineligible for the FSP. Another 5 percent had income that was low enough to be eligible, but their assets were too high; therefore, they too were ineligible. A small fraction were units containing three or more persons with an income low enough to be classified as income eligible but high enough to be eligible for zero benefits. These too were ineligible for the FSP. Only the remaining 15 percent (14 million) were eligible for the FSP.

Table A.8 shows this information in a slightly different way. This table distributes the outcome of the income and asset tests by the units' gross income relative to poverty. It shows that almost 75 percent of the eligible units (10.3 million) lived in poverty. Almost 95 percent of the eligible units had income below 130 percent of poverty. The table also shows that 18 percent of the units in poverty (income eligible) were ineligible for the FSP because of their asset holdings.

Table A.9 shows the 14 million eligible units distributed by unit size and gross income relative to poverty. As can be seen from this table, 33 million persons were eligible. If all of these eligibles participated, the FNS would need to pay \$2 billion in food stamps.

As expected, the results of this simulation are both similar to and different from the results of prior FOSTERS models. For example, we expected the number of eligibles in January 1992 to be larger than the number estimated for January 1989 because the 1990-1991 recession should have made more persons poor and more likely eligible for the FSP. As Table A.10 demonstrates, the percentage of potentially eligible units who were eligible for food stamps increased from 13.7 percent to 14.7 percent. Most of the 1.4 million increase (92 percent) came from households living at or near the poverty line. This table also shows that the percentage of

units eligible for zero benefit, ineligible due to assets, and ineligible due to income remained relatively constant over the years.

This table also makes it quite apparent that not all reporters were eligible. In 1992, 11 percent of the units reporting food stamps were seemingly ineligible. For these cases, there was an apparent inconsistency between reported income, assets, and receiving food stamps. Moreover, not all of the households reporting AFDC were eligible for the FSP. In fact 7.5 percent were ineligible. Besides an apparent reporting inconsistency, these cases may have also included AFDC households in which the broader food stamp unit included persons with sufficient income or assets to render the household ineligible for food stamps. The same holds true for SSI and GA, with 23.5 and 21.4 percent, respectively, ineligible for the FSP.

In Table A.11, we compare various characteristics of the eligible population across time. This table shows the result of recent changes in the economy. For example, the percentage of units with earners was lower than that of previous years, reflecting the lingering effect of the 1990-1991 recession. The percentage of units with AFDC has risen, which is also partly a function of the lingering recession.

d. Impact of Changes in FSP Legislation

We implemented the following changes in the FOSTERS model to correspond to program changes that occurred between January 1989 and January 1992⁶:

- **Expansion of Automatic Eligibility.** Expanded the definition of pure public assistance units to include households with GA for the purpose of determining whether a household can automatically be income and asset eligible for the FSP (authorized under the Food, Conservation, and Trade Act (FACTA) of 1991).
- **Decrease in the Number of SSI Cashout States.** Removed Wisconsin from the list of states that preclude persons receiving Supplemental Security Income (SSI) from the FSP (based on a state rule change).

⁶We also updated the income eligibility screens, updated the standard deduction, and updated the maximum excess shelter deduction allowed to households with elderly or disabled persons. These eligibility parameters are updated every year to account for inflation.

These legislative changes had little impact on the estimate of FSP eligibles. We simulated the number of eligibles in January 1992 under the old law and the new law to estimate the impact of the changes on the number of FSP eligibles. As shown in Table A.12, allowing households that receive GA to be considered when determining automatic eligibility increased the number of food stamp units by about 93,000, and excluding Wisconsin from the list of cashout states increased the number of eligible units by about 16,000. The combined impact of these two changes increased total eligible units by 109,000, or 0.8 percent over what they would have been without the changes.

C. AN ASSESSMENT OF THE ELIGIBILITY SIMULATION

The procedure used to estimate the eligible population was designed to replicate the eligibility determination process for each household on the SIPP analysis file as closely as possible. In other words, we applied the program eligibility and benefit criteria outlined earlier to each household as if it had actually applied for food stamps.

The SIPP eligibility module contains most of the information necessary for determining FSP eligibility and benefits. However, some problems remain. All the simulation procedures described earlier cannot perfectly replicate the eligibility and benefit determination process mandated in the legislation, and despite the adjustments and enhancements that we made to the data. The specific discrepancies are as follows.

- **Unit definition.** Because SIPP does not measure the complete set of characteristics that are used to determine a food stamp unit (especially information on which dwelling-unit members customarily purchase and prepare food together), the simulated food stamp household was not the same as the unit determined by the food stamp caseworker. For this study, we used the reported program unit composition in Census households that reported FSP benefits to simulate the food stamp unit. Multiple food stamp units were allowed only if they are reported in SIPP. In other dwelling units with cash assistance, the food stamp household was equal to the cash assistance unit plus any spouses or related children under age 18 in the dwelling. In all other dwelling units, the simulated food stamp household was the same as the Census household. Landa (1987) and Doyle and Dalrymple (1987) discuss using SIPP to construct food stamp households.
- **Countable assets.** We used the financial, nonfinancial, and vehicular assets reported in SIPP to estimate countable assets according to program rules. However, SIPP does not explicitly provide all the measures necessary for this purpose, such as cash on hand and vehicular equity.

- **Gross income.** The measure of gross income used in this study was close to, but not precisely the same as, gross income reported to the food stamp caseworker. First, survey data on income and program participation, such as the data collected in SIPP, tend to be underreported. For example, the number of AFDC families in SIPP in January 1992 was only 73 percent of the total number of AFDC families based on AFDC administrative data. Second, the definition of income for purposes of food stamp eligibility is not precisely the same as income measured in SIPP. For example, the Food Stamp Program counts net self-employment earnings averaged over a period of up to one year, whereas SIPP measures self-employment draw. Third, as noted earlier, unit composition simulated with SIPP data differs from the caseworker's determination of the food stamp household, and, hence, aggregated income for the food stamp household may differ as well.
- **Net income.** The measure of net income for this file was not exactly the same as net income measured by the caseworker because the SIPP definitions of shelter and dependent-care expenses differ slightly from the FSP definitions. For example, utility expenses were not disaggregated by use (heating, cooling, telephone) which affects the application of the standard utility allowance.
- **Disability status.** We relied on reported disability and reported income receipt as specified under the program to determine disability. Reporting and measurement errors in SIPP may somewhat distort the number of disabled individuals identified in this manner.
- **Measurement error.** Several forms of nonsampling errors affect the eligibility simulation, including the underreporting of income and program participation noted earlier, and the misclassification of benefit and income types. Of particular concern is the existence of persons who report participation in SSI or public assistance programs at the same time that they report income or assets in excess of the eligibility limits for those programs (that is, "seemingly ineligible" participants).

Table A.13 shows the possible bias due to each of these measurement and reporting errors. The net result on estimates of the number of eligibles is uncertain. Underreporting of gross income will bias the estimates of eligible households upward, since more households will appear to have met the income limits than actually did. Also, under the automatic eligibility provision of the Food Security Act of 1985, households comprised entirely of "seemingly-ineligible" SSI or public assistance participants are treated as eligible for food stamps even though their income and assets exceed food stamp eligibility limits. To the extent that the income or asset measure of these seemingly ineligible (as opposed to the participation measure) is correct, the number of food stamp eligible households is overstated.

On the other hand, the imprecise measures of some types of expenses may bias the measurement of net income upward, thus reducing the estimate of the number of eligible households. Finally, the underrepresentation

of some groups of individuals biases the estimates of eligibles downward. As illustrated earlier, the SIPP data seem to significantly underrepresent households that receive public assistance and that have very low incomes. These households form a large portion of the eligible and participating populations. Thus, some of the participation-rate estimates for these households exceed 100 percent. Doyle (1990) analyzes the impact of selected measurement and reporting errors on measures of food stamp eligibility.

TABLE A.1
REFERENCE MONTHS AND INTERVIEW MONTHS OF
WAVE 7 OF THE 1990 PANEL
AND
WAVE 4 OF THE 1991 PANEL

Interview Month	Rotation Group	Reference Months									
		Sep 91	Oct 91	Nov 91	Dec 91	Jan 92	Feb 92	Mar 92	Apr 92	May 92	
Feb	2		X	X	X	X					
Mar	3			X	X	X	X				
Apr	4				X	X	X	X			
May	1					X	X	X	X		

SOURCE: U.S. Department of Commerce 1993.

TABLE A.2
WEIGHTED AND UNWEIGHTED SAMPLE SIZES
IN JANUARY 1992

	Unweighted	Weighted
Households		
1990 Panel	20,350	95,494,161
1991 Panel	13,381	95,858,470
Combined Panels	33,731	95,635,149
Persons		
1990 Panel	54,159	251,172,577
1991 Panel	35,308	251,269,734
Combined Panels	89,467	251,210,177

SOURCE: Tabulations on Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

TABLE A.3

REPORTED FOOD STAMP PARTICIPANTS COMPARED TO ACTUAL CASELOAD

	January 1988	January 1989	January 1992
Participating Units (Pgm Ops)	6,882,360	7,036,631	9,631,195
Reporting Units (SIPP)	5,908,670	6,175,277	7,485,424
SIPP Underreporting	14%	12%	22%

SOURCE: FSP Programs Operations Data of January 1988, 1989, and 1992 respectively.

Wave 7 of the 1986 Panel and Wave 4 of the 1987 Panel, Wave 7 of the 1987 Panel and Wave 4 of the 1988 Panel, and Wave 7 of the 1990 Panel and Wave 4 of the 1990 Panel of SIPP for January 1988, 1989, and 1992 respectively.

TABLE A.4
JANUARY 1992 FSP ELIGIBILITY PARAMETERS

Household Size	Maximum Food Stamp Benefits			Net Income Screen*			Minimum Bonus
	48 + D.C.	Alaska	Hawaii	48 + D.C.	Alaska	Hawaii	
1	\$111	\$142	\$181	\$552	\$691	\$635	\$10
2	203	261	333	740	926	851	10
3	292	374	477	929	1,161	1,068	0
4	370	475	606	1,117	1,396	1,285	0
5	440	564	720	1,305	1,631	1,501	0
6	528	677	864	1,494	1,866	1,718	0
7	584	748	955	1,682	2,101	1,935	0
8	667	855	1,091	1,870	2,336	2,151	0
+	83	107	136	189	235	217	0

	48 + D.C.	Alaska	Hawaii
Standard Deduction	\$122	\$209	\$173
Excess Shelter Deduction Cap	194	337	276
Child Care Deduction Cap	160	160	160
Medical Threshold	35	35	35
Asset Limits			
No Elderly in Unit	2,000	2,000	2,000
Elderly in Unit	3,000	3,000	3,000

SOURCE: Unpublished data from U.S. Department of Agriculture, Food and Nutrition Service.

*The gross income screen is 130 percent of the net income screen, which is the federal poverty guideline.

TABLE A.5

STANDARD UTILITY ALLOWANCE FOR STATES THAT DO NOT
VARY THE ALLOWANCE BY HOUSEHOLD SIZE
JANUARY 1992

State or MSA Name	State Code	MSA Code	SUA
Connecticut	09		260
Massachusetts	25		310
New Hampshire	33		276
New York			
New York City	36	0070	402
Albany, NY*	36	0160	311
Rochester, NY*	36	6840	288
Other, NY*	36		293
Rhode Island	44		258
Delaware	10		253
DC	11		228
Maryland	24		170
New Jersey	34		216
Pennsylvania	42		272
West Virginia	54		190
Alabama	01		182
Florida	12		166
Georgia	13		188
Kentucky	21		202
Mississippi	28		184
North Carolina	37		176
South Carolina	45		176
Tennessee	47		140
Illinois	17		217
Indiana	18		162
Michigan	26		221
Minnesota	27		245
Ohio	39		222
Wisconsin	55		208
Arkansas	05		153
Louisiana	22		210
New Mexico	35		164
Oklahoma	40		176
Texas	48		142
Colorado	08		198
Kansas	20		196
Missouri	29		184
Nebraska	31		199
Utah	49		170
Arizona	04		198
California	06		155
Hawaii	15		142
Nevada	32		188
Washington	53		172
Maine/Vermont	61		335
Iowa/ND/SD	62		271
Alaska/ID/MT/WY	63		240

SOURCE: Unpublished data from U.S. Department of Agriculture, Food and Nutrition Service.

TABLE A.6
 STANDARD UTILITY ALLOWANCE FOR STATES THAT VARY
 THE AMOUNT BY HOUSEHOLD SIZE
 JANUARY 1992

State Name	State Code	Household Size									
		1	2	3	4	5	6	7	8	9	10+
Virginia	51	163	163	163	201	201	201	201	201	201	201
Oregon	41	235	235	247	247	248	248	387	387	387	387

SOURCE: Unpublished data from U.S. Department of Agriculture, Food and Nutrition Service.

TABLE A.7
NUMBER OF POTENTIALLY ELIGIBLE FOOD STAMP UNITS
IN JANUARY 1992

	Number	
Total Households	95,635,149	
Less Excluded Households (Group Quarters, SSI Cashout Households, Postsecondary Students)	- 993,001	
Plus Multiple Food Stamp Units	+ 270,329	
Potentially Eligible Food Stamp Units	<u>94,912,477</u>	

	Number	Percent
Potentially Eligible Food Stamp Units	94,912,477	100.0
Income Ineligible	921,668	80.0
Income Eligible/Asset Ineligible	4,887,311	5.1
Eligible for \$0	130,567	0.1
Eligible for Food Stamps	13,982,931	14.7

SOURCE: Tabulations on the outcome of the January 1992 FOSTERS Model, which uses data from Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

TABLE A.8
JANUARY 1992 FOSTERS MODEL RESULTS

	GROSS INCOME RELATIVE TO POVERTY RATIO							TOTAL
	<= 0.0	>0 - 0.5	>0.5 - 1.0	>1.0 - 1.3	>1.3 - 2.0	>2.0 - 2.5	>2.5	
Pass Asset Test								
Pass Gross Income Test								
Pass Net Income Test	880,274	3,029,279	6,378,764	2,893,748	705,564	106,133	119,737	14,113,498
Fail Net Income Test				220,321	1,493,794	830,397	1,317,276	3,861,788
Fail Gross Income Test								
Pass Net Income Test					1,188,340			1,188,340
Fail Net Income Test					2,338,608	2,186,497	6,558,878	11,083,983
Fail Asset Test								
Pass Gross Income Test								
Pass Net Income Test	164,544	693,316	1,438,336	1,642,846	790,848	92,548	54,872	4,877,311
Fail Net Income Test				234,327	2,699,986	2,665,773	13,141,551	18,741,637
Fail Gross Income Test								
Pass Net Income Test					717,046			717,046
Fail Net Income Test					2,482,282	3,085,114	34,761,477	41,321,874
Total	1,044,818	3,722,595	7,817,100	4,991,242	12,416,467	8,966,462	55,953,791	94,912,477
Eligible (w/ben)	880,274	3,029,279	6,378,764	2,884,730	640,799	85,398	83,688	13,982,931
% Eligible	84.3	81.4	81.6	57.8	5.2	1.0	0.1	14.7

SOURCE: Tabulations on the outcome of the January 1992 FOSTERS Model, which uses data from Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

TABLE A.9
 JANUARY 1992 ELIGIBLE FOOD STAMP UNITS
 BY SIZE AND GROSS INCOME RELATIVE TO POVERTY

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Gross Income Relative To Poverty	Unit Size								Total Units	Percent of Total	Total Benefits
	1	2	3	4	5	6	7	8+			
<= 0	534,979	126,408	142,005	42,553	21,081	4,582	8,666	0	880,274	63.00	\$159,009,338
>0-0.50	631,787	699,778	704,420	472,119	273,623	130,338	64,371	52,842	3,029,279	21.66	791,693,716
0.51-1.00	3,053,700	1,128,865	874,011	625,702	369,598	185,043	81,891	59,954	6,378,764	45.62	818,805,540
1.01-1.30	1,311,157	618,628	357,409	325,409	163,330	75,168	19,217	14,413	2,884,730	20.63	179,328,077
1.31-2.00	364,915	204,030	45,057	7,153	14,269	5,375	0	0	640,799	4.58	27,661,537
2.01-2.50	38,367	35,168	9,135	2,729	0	0	0	0	85,398	0.61	4,046,626
> 2.50	38,427	44,430	831	0	0	0	0	0	83,688	0.60	1,172,547
								0			
TOTAL UNITS	5,973,331	2,857,307	2,132,868	1,475,666	841,901	400,505	174,144	127,209	13,982,931	100.0	1,981,717,382
% OF TOTAL	42.73	20.40	15.26	10.56	6.03	2.87	1.25	0.91			100.0%
TOTAL PERSONS	5,973,331	5,714,613	6,398,603	5,902,665	4,209,504	2,403,032	1,219,009	1,109,897	32,930,654		

SOURCE: January 1992 FOSTERS Model, which uses data from Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

TABLE A.10

ELIGIBILITY STATUS ACROSS TIME OF ALL UNITS AND
UNITS REPORTING PUBLIC ASSISTANCE

	Total	Eligible	Eligible for \$0	Income Eligible Asset Ineligible	Income Ineligible
All Units					
1988	91,001,831	13.5 %	0.1 %	5.6 %	80.8 %
1989	91,820,742	13.7	0.1	5.3	80.9
1992	94,912,477	14.7	0.2	5.1	80.0
With Food Stamps (Reporter)					
1988	5,908,670	90.0 %	1.1 %	2.6 %	6.4 %
1989	6,175,277	90.7	1.0	3.2	5.2
1992	7,485,424	88.7	0.9	2.9	7.6
With AFDC					
1988	2,771,945	87.2 %	2.8 %	1.9 %	8.2 %
1989	2,696,280	88.7	2.5	1.2	7.6
1992	3,384,472	92.5	3.1	0.9	3.6
With SSI					
1988	2,602,572	73.4 %	1.1 %	3.4 %	22.1 %
1989	2,766,639	75.6	1.1	1.5	21.8
1992	3,129,053	76.5	0.9	2.2	20.5
With GA					
1988	1,008,250	76.5 %	0.7 %	3.3 %	19.5 %
1989	912,602	70.2	1.1	2.6	15.8
1992	947,618	78.6	3.5	1.1	16.8

SOURCE:

Tabulations on the outcome of the January 1992 FOSTERS Model, which uses data from Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

TABLE A.11
COMPARISON ACROSS TIME
OF CHARACTERISTICS OF FSP ELIGIBLES

	Jan. 1988	Jan. 1989	Jan. 1992
		--Dollars --	
Average Deductions			
Earnings	\$42	\$43	\$41
Medical	8	18	25
Dependent Care	3	4	4
Shelter	83	89	98
		-- Percents --	
Percent with Deductions			
Earnings	33 %	33 %	28 %
Medical	8	14	15
Dependent Care	3	4	4
Shelter	67	67	67
		-- Percents --	
Multiple Program Participation			
None	62 %	62 %	58 %
AFDC	20	19	22
SSI	16	17	17
GA	6	6	5
		-- Percents --	
Other Characteristics			
With Earners	34 %	34 %	28 %
With Elderly	32	35	33
With Elderly or Disabled	41	43	42
With Children	48	48	47
With Children (15-17 years)	38	37	36
With Zero Net Income	21	20	22
With Minimum Benefit	15	15	13
		-- Dollars --	
Average Gross Income	\$516	\$537	\$598
Average Net Income	285	284	317

SOURCE: Tabulations on the outcome of the January 1992 FOSTERS Model, which uses data from Wave 7 of the 1990 Panel and Wave 4 of the 1991 Panel of SIPP.

TABLE A.12

EFFECTS ON FSP ELIGIBLES OF TWO LEGISLATIVE CHANGES IMPLEMENTED BETWEEN
JANUARY 1989 AND JANUARY 1992

	Persons (in Thousands)	Units (in Thousands)
Total Under Old Law Wisc is a cashout state Pure PA = AFDC, SSI	32,767	13,874
1. Old Law but exclude Wisc as cashout state Impact on number of eligibles	32,773 6	13,890 16
2. Old Law but expand Pure PA definition Pure PA = AFDC, SSI, GA Impact on number of eligibles	32,925 158	13,967 93
Total Under New Law Wisc is NOT a cashout state PURE PA = AFDC, SSI, GA	32,931	13,983
Net Impact		
Number increase	164	109
Percent increase	0.5 %	0.8 %

SOURCE: Special tabulation from FOSTERS 1992 model.

APPENDIX B

**SPREADSHEET SHOWING THE PERCENTAGE CHANGE
IN PARTICIPANTS AND ELIGIBLES BETWEEN JANUARY 1989 AND JANUARY 1992**

	January 1989			January 1992			% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate			
TABLE 1									
Individuals(1,000)	18,344	31,041	59.1%	24,291	32,931	73.8%	32.4%	6.1%	14.7
Households(1,000)	7,037	12,689	55.5%	9,631	13,983	68.9%	36.9%	10.2%	13.4
Benefits(1,000)	927,391	1,405,636	66.0%	1,615,320	1,981,717	81.5%	74.2%	41.0%	15.5

TABLE 2 HOUSEHOLDS

Household Size (number of persons)	January 1989			January 1992			% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate			
1	2,298	5,144	44.7%	3,215	5,973	53.8%	39.9%	16.1%	9.1
2	1,591	2,660	59.8%	2,275	2,857	79.6%	43.0%	7.4%	19.8
3	1,336	1,901	70.3%	1,853	2,133	86.9%	38.7%	12.2%	16.6
4	937	1,361	68.8%	1,207	1,476	81.8%	28.8%	8.4%	13
5	486	834	58.2%	646	842	76.7%	32.9%	1.0%	18.5
6+	388	788	49.3%	435	702	62.0%	12.1%	-10.9%	12.7
TOTAL	7,037	12,689	55.5%	9,631	13,983	68.9%	36.9%	10.2%	13.4

	January 1989			January 1992			% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate			
TABLE 3 INDIVIDUALS									
Living Alone									
Elderly	948	3,004	31.5%	1,129	3,113	36.3%	19.1%	3.6%	4.8
Disabled	302	336	89.9%	446	380	117.5%	47.7%	13.1%	27.6
Living with Others									
Elderly	480	1,996	24.0%	578	2,023	28.6%	20.4%	1.4%	4.6
Disabled	378	852	44.4%	504	1,039	48.5%	33.3%	21.9%	4.1
Total Elderly	1,427	5,000	28.5%	1,707	5,137	33.2%	19.6%	2.7%	4.7
Total Disabled	680	1,187	57.3%	951	1,419	67.0%	39.9%	19.5%	9.7
Children Under Age 18	9,098	13,372	68.0%	12,357	14,455	85.5%	35.8%	8.1%	17.5
Preschool	3,065	4,176	73.4%	4,695	4,954	94.8%	53.2%	18.6%	21.4
School-age	6,032	9,196	65.6%	7,662	9,500	80.6%	27.0%	3.3%	15
Adults Age 18 to 59	7,539	12,668	59.5%	10,214	13,340	76.6%	35.5%	5.3%	17.1
Single Non-disabled Adults	1,028	1,222	84.1%	1,527	1,358	112.4%	48.5%	11.1%	28.3
Employment Status of Adults									
Employed	1,257	4,620	27.2%	1,768	4,307	41.0%	40.7%	-6.8%	13.8
Unemployed	2,316	1,603	144.5%	1,216	2,171	56.0%	-47.5%	35.4%	-88.5
Not in the Labor Force	3,966	6,445	61.5%	7,229	6,861	105.4%	82.3%	6.5%	43.9
Gender									
Male	7,342	12,823	57.3%	10,014	13,475	74.3%	36.4%	5.1%	17
Female	11,002	18,218	60.4%	14,276	19,456	73.4%	29.8%	6.8%	13
Education of Adults									
More than 12 years	371	1,986	18.7%	561	2,244	25.0%	51.2%	13.0%	6.3
12 years or less	7,169	10,683	67.1%	4,318	11,095	38.9%	-39.8%	3.9%	-28.2

	January 1989			January 1992			% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate			
TABLE 4 HOUSEHOLDS									
Household Contained:									
Elderly	1,291	4,451	29.0%	1,533	4,579	33.5%	18.7%	2.9%	4.5
Disabled	640	1,115	57.4%	910	1,351	67.4%	42.2%	21.2%	10
Children Under Age 18	4,216	6,010	70.1%	5,872	6,580	89.2%	39.3%	9.5%	19.1
Children Ages 5 to 17	3,165	4,644	68.2%	4,070	4,988	81.6%	28.6%	7.4%	13.4
Single Female Adult With Children	2,718	3,507	77.5%	3,833	3,789	101.2%	41.0%	8.0%	23.7
Single Male Adult With Children	109	192	56.7%	164	208	78.8%	50.5%	8.3%	22.1
Two or more Adults With Children	1,389	2,296	60.5%	1,874	2,417	77.5%	34.9%	5.3%	17
White Nonhispanic Head	3,283	7,146	45.9%	4,570	7,803	58.6%	39.2%	9.2%	12.7
Black Nonhispanic Head	2,653	3,452	76.9%	3,334	3,612	92.3%	25.7%	4.6%	15.4
Hispanic Head	890	1,763	50.5%	1,300	2,117	61.4%	46.1%	20.1%	10.9
Employed Head	925	3,557	26.0%	1,305	3,423	38.1%	41.1%	-3.8%	12.1
Unemployed Head	1,728	1,083	159.7%	927	1,556	59.6%	-46.4%	43.7%	-100.1
Not in Labor Force Head	4,305	8,050	53.5%	6,892	9,004	76.5%	60.1%	11.9%	23
Head with More than 12 Years Head with 12 Years or Less Education	310	1,846	16.8%	504	2,121	23.8%	62.6%	14.9%	7
	2,515	10,843	23.2%	3,809	11,862	32.1%	51.5%	9.4%	8.9

	January 1989			January 1992			% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate			
TABLE 5 BENEFITS (\$1,000,000s)									
Household Contained									
Elderly	66	214	30.8%	99	287	34.6%	50.5%	34.0%	3.8
Disabled	55	104	52.8%	103	139	74.2%	88.1%	33.9%	21.4
Children Under Age 18	750	1,048	71.6%	1,314	1,478	88.9%	75.2%	41.0%	17.3
Children Ages 5 to 17	596	849	70.2%	984	1,181	83.3%	65.2%	39.2%	13.1
Single Female Adult With Children	453	586	77.3%	822	826	99.5%	81.7%	41.1%	22.2
Single Male Adult With Children	18	26	67.0%	33	38	86.9%	89.2%	45.6%	19.9
Two or more Adults With Children	280	434	64.6%	459	589	77.9%	63.7%	35.8%	13.28
White Nonhispanic Head	398	668	59.5%	737	949	77.7%	85.4%	42.1%	18.2
Black Nonhispanic Head	366	443	82.6%	596	570	104.5%	63.0%	28.7%	21.9
Hispanic Head	131	245	53.4%	223	377	59.0%	70.4%	54.1%	5.6
Other				59	85	69.8%			
Employed Head	134	429	31.3%	233	524	44.5%	73.7%	22.1%	13.2
Unemployed Head	263	178	148.3%	171	286	59.9%	-35.0%	60.7%	-88.4
Not in Labor Force Head	521	799	65.2%	1,149	1,172	98.0%	120.5%	46.7%	32.8
Head with More than 12 Years	44	197	22.4%	90	301	30.0%	104.5%	52.8%	7.6
Head with 12 Years or Less Education	352	1,208	29.1%	689	1,680	41.0%	95.7%	39.1%	11.9

TABLE 6 HOUSEHOLDS

	January 1989			January 1992			% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate			
Monthly Benefit Level									
<=\$10	478	1,928	24.8%	353	1,828	19.3%	-26.2%	-5.2%	-5.5
\$11-25	345	821	42.1%	425	738	57.5%	23.2%	-10.1%	15.4
\$26-50	580	1,309	44.3%	628	1,172	53.6%	8.3%	-10.5%	9.3
\$51-75	711	1,359	52.3%	553	1,063	52.1%	-22.2%	-21.8%	-0.2
\$76-100	1,251	2,172	57.6%	803	979	82.1%	-35.8%	-54.9%	24.5
\$101-150	1,011	1,273	79.4%	2,139	2,877	74.4%	111.6%	126.0%	-5
\$151-200	1,160	1,643	70.6%	1,229	1,234	99.6%	5.9%	-24.9%	29
\$201+	1,501	2,186	68.7%	3,500	4,092	85.5%	133.2%	87.2%	16.8
<=\$10	478	1,928	24.8%	353	1,828	19.3%	-26.2%	-5.2%	-5.5
\$11-75	1,636	3,489	46.9%	1,606	2,973	54.0%	-1.8%	-14.8%	7.1
\$76-150	2,262	3,445	65.7%	2,942	3,856	76.0%	30.1%	11.9%	10.3
\$151+	2,661	3,829	69.5%	4,729	5,326	89.0%	77.7%	39.1%	19.5
Monthly Benefit Level as % of Maximum Benefit									
1%-25%	1,032	3,232	31.9%	1,092	3,254	33.6%	5.8%	0.7%	1.7
26%-50%	1,315	2,573	51.1%	1,667	2,482	67.2%	26.8%	-3.5%	16.1
51%-75%	1,835	2,520	72.8%	2,159	2,668	80.9%	17.7%	5.9%	8.1
76%-99%	1,501	1,800	83.4%	2,518	2,316	108.7%	67.8%	28.7%	25.3
100%	1,353	2,564	52.8%	2,194	3,263	67.2%	62.2%	27.3%	14.4
Low (1-75%)	4,182	8,325	50.3%	4,918	8,404	58.5%	17.6%	0.9%	8.2
High (76-100%)	2,854	4,364	65.4%	4,712	5,579	84.5%	65.1%	27.8%	19.1

	January 1989			January 1992			% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate			
TABLE 7 INDIVIDUALS									
Income as a Percentage of Poverty									
Total <= 100	17,032	23,167	73.5%	22,328	25,154	88.8%	31.1%	8.6%	15.3
0	1,084	1,230	88.1%	1,573	1,578	99.7%	45.1%	28.3%	11.6
1-50	6,618	8,219	80.5%	9,129	9,095	100.4%	37.9%	10.7%	19.9
51-100	9,331	13,718	68.0%	11,626	14,481	80.3%	24.6%	5.6%	12.3
Total > 100	1,311	7,873	16.7%	1,963	7,777	25.2%	49.7%	-1.2%	8.5
101-130	1,242	6,804	18.2%	1,895	6,460	29.3%	52.6%	-5.1%	11.1
130+	70	1,069	6.5%	68	1,317	5.1%	-2.9%	23.2%	-1.4

	January 1989			January 1992			% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate			
TABLE 8 HOUSEHOLDS									
Income as a Percentage of Poverty									
Total <= 100	6,519	9,030	72.2%	8,870	10,288	86.2%	36.1%	13.9%	14
0	532	647	82.2%	924	880	104.9%	73.7%	36.0%	22.7
1-50	2,224	2,573	86.5%	3,091	3,029	102.0%	39.0%	17.7%	15.5
51-100	3,763	5,811	64.8%	4,856	6,379	76.1%	29.0%	9.8%	11.3
Total > 100	518	3,659	14.2%	761	3,695	20.6%	46.9%	1.0%	6.4
101-130	474	2,973	16.0%	716	2,885	24.8%	51.1%	-3.0%	8.8
130+	44	686	6.4%	45	810	5.6%	2.3%	18.1%	-0.8

	January 1989			January 1992			% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate			
TABLE 9 BENEFITS									
Income as a Percentage of Poverty									
Total <= 100	903	1,251	72.2%	1,564	1,770	88.4%	73.2%	41.4%	16.2
0	88	100	88.1%	160	159	100.3%	81.9%	59.6%	12.2
1-50	439	559	78.6%	765	792	96.6%	74.2%	41.7%	18
51-100	376	593	63.5%	640	819	78.1%	69.9%	38.1%	14.6
Total > 100	24	154	15.7%	52	212	24.3%	113.2%	37.6%	8.6
101-130	23	135	17.3%	51	179	28.4%	118.5%	33.0%	11.1
130+	1	20	4.7%	1	33	2.0%	-22.2%	68.7%	-2.7

TABLE 10 HOUSEHOLDS

Source of Income	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	Number of Participating Households (1,000)	Number of Eligible Households (1,000)	Participation Rate	% Change in Participants 1989 to 1992	% Change in Eligibles 1989 to 1992	Change in Participation Rate 1989 to 1992
Earned Income	1,383	4,277	32.3%	1,910	3,959	48.2%	38.1%	-7.4%	15.9
SSI	1,401	2,093	67.0%	1,755	2,393	73.4%	25.3%	14.3%	6.4
Elderly in the Unit	789	1,351	58.4%	876	1,372	63.8%	11.0%	1.6%	5.4
No Elderly in the Unit	612	741	82.6%	879	1,020	86.2%	43.6%	37.7%	3.6
Public Assistance	3,640	3,009	121.0%	4,574	3,783	120.9%			-0.1
AFDC	2,899	2,381	121.7%	3,754	3,129	120.0%	29.5%	31.4%	-1.7
Other Welfare	791	748	105.7%	885	744	118.8%	11.9%	-0.5%	13.1
Unemployment Compensation	157	343	45.6%	267	648	41.2%	70.1%	88.9%	-4.4

APPENDIX C

**UNWEIGHTED SAMPLE SIZES FOR THE IQCS AND SIPP
DATA USED TO ESTIMATE PARTICIPATION RATES**

APPENDIX C

UNWEIGHTED SAMPLE SIZES
FOR THE IQCS CASE RECORDS

Month/Year	IQCS Case Records
July/August 1985	6,894
January/February 1988	11,012
January/February 1989	10,514
January/February 1992	9,826

UNWEIGHTED SAMPLE SIZES
FOR SIPP

Month/Year	Eligible Households	All Households
August 1985	3,559	27,600
January 1988	2,431	18,870
January 1989	2,843	22,040
January 1992	5,035	33,849