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AN ETHNOGRAPHIC ANALYSIS OF ZERO-INCOME HOUSEHOLDS IN THE SURVEY OF INCOME AND PROGRAM PARTICIPATION

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EXECUTIVE SUMMARY

Analyses of nationally representative survey data consistently reveal the existence of "zero-income" households--households that claim to receive no income during a specified period. Zero-income

1. *Job Loss or Layoff*
   Temporary or permanent unemployment, reported by 67 zero-income households, is the most common cause of zero income. In all cases we observe a period of positive personal earnings, followed by a reported job loss or layoff, followed by a period of zero income. Most of these households regain positive income by resuming work or receiving unemployment compensation or other welfare benefits. These are true zero-income households in that they are truly without income for a period of one or more months, and few appear to have access to other resources.

2. *Habitual Unemployment*
   These 16 households report chronic unemployment and do not appear to have access to other resources. Few regain positive income during the survey period. These households are truly the poorest of the poor.

3. *Loss of Cash Benefits*
   These six households report zero income following a loss of unemployment or welfare benefits. Few regain positive income, and like those who report a job loss or chronic unemployment, most do not have access to other resources.

4. *Household Dissolution*
   These 21 households report zero income following a divorce, death, or other type of household separation. Nearly all households in this category regain positive income within a few months, and we suspect that most are not truly impoverished because they either have access to other resources (such as the case of adult children who form their own households) or are entitled to alimony, child care, or deceased spouse payments which may take a few months to go into effect.

5. *Enrollment in School*
   These four households report zero income while enrolled in school. Despite their relatively long zero-income spells and low labor force participation rates, it is likely that these households have outside sources of support not reported to SIPP, such as help from family members, or tuition assistance and fellowship income.

Improbable Zero-Income Households

No change in household circumstances precedes the zero-income period for these households, and in some cases other reported characteristics contradict the household's claim of zero income. We suspect that all three types of zero-income households that comprise this group are financially viable households.

6. *Self-Employment*
   These 21 households report zero income while self-employed and working long hours. Nearly all report a period of substantial positive income from self-employment prior to and following their loss of income, suggesting that these households are paid on a contract or invoice basis. They may work continuously, but are only paid when contract milestones are met or products delivered. It is clear that while these are technically zero-income households, practically they can be considered quite financially viable.

7. *Employment Without Pay*
   We observe a pattern of constant employment but sporadic payment in these six households, suggesting a contract-style form of payment similar to that observed in the self-employed households. Again, we suspect that these are actually financially viable households.

8. *Assets Spend-Down*
   These two households claim to receive no income after spending down substantial asset balances. Due to the asset balances reported, we suspect that these households may be financially viable.

A comparison of the characteristics of zero-income, poor (household income below poverty threshold), and low-income (household income between 100 and 300 percent of poverty threshold) households shows that, based on their labor force status, household composition, and educational attainment, zero-income households may have better long-term financial prospects, on average, than poor households. A similar comparison of the characteristics of IQCS zero-income and poor households shows similar differences between the two groups. These findings provide further evidence that the zero-income state may not be merely the lowest level of the poverty spectrum, but rather a unique and most likely nonpermanent financial state experienced by a particular type of household.

Financially viable zero-income households present complications for FSP participation research. Despite the indication that many of the zero-income households examined in our ethnographic analysis are not truly needy based on traditional FSP eligibility simulation procedures, many appear to be eligible for the Food Stamp Program during their zero-income spell. Technically, these households have zero income, and their reported asset balances are low. Homes and income-generating assets, which provide clues in an ethnographic study as to a household's financial viability, are excluded from food stamp eligibility determinations. It may be that many of these zero-income households would never consider applying for food stamps. This may explain why the food stamp participation rates of zero-income households have historically been substantially lower than those of households with very low but positive incomes.

I. INTRODUCTION

Analyses of nationally representative survey data, such as those gathered in the Current Population Survey (CPS) or the Survey of Income and Program Participation (SIPP), consistently reveal the existence of households that claim to have received no income during or for a specified period. One percent of the households surveyed in the March 1991 CPS reported receiving no earnings or other income in the prior year, and a fifth of the households in the 1990 SIPP panel reported at least 1 month without income during the 32 months observed. Past research has shown that these seemingly unlikely "zero-income households" are not merely an artifact of the data but rather a real phenomenon (United States Bureau of the Census 1974, Herriot and Spiers 1974, Obererheu and Ono 1975). Nevertheless, very little is known about the people who claim to live without income or the circumstances associated with zero-income periods.

Zero-income households are of particular interest to the United States Department of Agriculture (USDA) Food and Consumer Service (FCS), which administrates the Food Stamp Program (FSP). As the largest food assistance program in the country, the FSP served nearly 27 million people and distributed $23 billion in benefits during fiscal year 1995. The government makes food stamps available nationwide to financially needy households without imposing nonfinancial categorical criteria, such as whether households contain children or elderly people. In terms of federal nutrition policy, examining trends in FSP participation rates--the proportion of those eligible for food stamps who actually apply for and receive food stamps--provides an indication of the Program's success at reaching the target population.

Past research on FSP participation has consistently revealed a paradox: the participation rate for eligible households that report zero income in a given month is unexpectedly low; in fact, the participation rate of zero-income households has been significantly lower than that of households with very low but positive income (Trippe and Doyle 1992a and 1992b). This seemingly contradictory finding is difficult to explain in terms of behavior. A household's tendency to participate would be expected to increase as

income declines, and families with no income would be expected to be the most likely to participate in the FSP. This study analyzes the circumstances and characteristics of zero-income households to identify why their FSP participation behavior is anomalous. Here, zero-income households are defined as households that report not having received any income in a given month from any source--salaries, wages, and tips; unemployment compensation or Social Security; pensions; cash welfare benefits (but not in-kind benefits); or monies from property income, interest, dividends, or gifts.

In a previous study, Mathematica Policy Research, Inc. (MPR) tested a number of hypotheses regarding the cause of the low FSP participation rates of zero-income households (Heiser 1992b). MPR had speculated that zero-income food stamp units (FSUs) might be (1) single people supported by other members of the Census Bureau-defined household who are not considered to be part of the FSU, (2) people surviving solely on asset holdings, or (3) people with positive earnings offset by negative self-employment or family business loss or asset income. However, because the analysis was based on cross-sectional rather than longitudinal data, the study yielded little insight and did not support these hypotheses.

The study documented in this report provides a more thorough understanding of the zero-income phenomenon. We use longitudinal rather than cross-sectional data to explore these and other hypotheses of the cause of zero-income periods, employing ethnographic research methods to profile households with no income. The objectives of and approach to this research are presented in Sections A and B below. Chapter II summarizes the findings of previous studies of the zero-income phenomenon. Chapter III presents information about the SIPP data used in this study, and Chapter IV describes our methodology and sample. Our findings from the ethnographic analysis are presented in Chapter V. Chapter VI presents the aggregate demographic and socioeconomic characteristics of the larger body of households that experienced zero income at any point during the 32-month observation period and compares these characteristics with those of low-but-positive-income households. Finally, an analysis of the zero-income households included in the FSP Integrated Quality Control System (IQCS) is included in Chapter VII.

A. RESEARCH OBJECTIVES

The primary objective of this study is to develop a comprehensive profile of zero-income and negative-income households.[1] Five research questions of particular interest are:

1. What are the demographic, economic, and social characteristics of households that report zero or negative income?
2. What circumstances are associated with the onset of a zero- or negative-income period?
3. How long do such households tend to report no income?
4. How do they cope?
5. What are the reasons for the previously-observed low FSP participation rates of zero-income households?

These questions have important policy implications. If households without income are indeed less likely to receive food stamps than other low-income households, it is important to understand why. It is also valuable to understand what precipitates periods of no income, how long such periods last, and what events are associated with regaining positive income.

B. RESEARCH APPROACH

To observe the dynamic attributes of the zero-income population that have not been revealed by previous cross-sectional analyses of SIPP or CPS data, we base our analysis on data from the 1990 SIPP longitudinal file. We have elected to use an unconventional method of analysis. Rather than simply tabulating the aggregate characteristics of the zero-income population, we base our profile of zero-income households on an ethnographic analysis in which we examine the changing circumstances and attributes of each zero-income household at the individual level for each month of the 32-month observation period. We use ethnographic and case study research methods to identify the events and characteristics that are

[1]We include households with negative income in our target population of households without income.

associated with the advent and duration of zero-income spells and to subsequently categorize zero-income households according to the apparent cause of their lack of income.

Our analyses are descriptive in nature and are supported by comprehensive tables that present the aggregate demographic and socioeconomic characteristics of the zero-income population both as a whole and divided into the distinct categories of zero-income households that we have identified. Our analysis discusses the circumstances that appear to precipitate and perpetuate spells of zero income for households within each category. We also summarize patterns of food stamp receipt among zero-income households and examine their FSP participation rates.

II. PAST RESEARCH ON ZERO-INCOME HOUSEHOLDS

Past research on zero-income households is limited. The studies that have been conducted are based solely on cross-sectional data and have provided little insight into the true circumstances affecting households that report periods of no income. This chapter presents the findings of prior research related to the zero-income phenomenon. The first section summarizes the research conducted by MPR that documents the perplexingly low FSP participation rates of zero-income households and presents possible causes of the zero-income phenomenon. Section B presents the findings from related studies of households that reported very low family incomes in the 1972 and 1974 CPS.

A. LOW FSP PARTICIPATION RATES OF ZERO-INCOME HOUSEHOLDS

In both descriptive and multivariate analyses of food stamp participation, MPR has found that people living in eligible zero-income food stamp units participate in the FSP at a surprisingly low rate (Allin and Martini 1991, Czajka 1981, Trippe and Sykes 1994, Trippe and Doyle 1992a and 1992b, Martini 1992). Using CPS, SIPP, and Income Survey Development Program (ISDP) data, MPR has repeatedly found that the FSP participation rates of zero-income households are lower than those of households with very low but positive incomes (see Tables II.1 and II.2). For example, using 1988 SIPP data, Trippe and Doyle (1992a) found that 70 percent of eligible zero-income households participated in the FSP, compared to 79 percent of eligible households with incomes between 1 and 50 percent of the poverty level (Table II.2). Although analyses of 1989, 1992, and 1994 SIPP data show that this gap in participation rates has closed over time, data from the CPS continue to show zero-income households participating in the FSP at a relatively low rate.[1]

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[1]The unrealistically high SIPP-based participation rates in 1992 and 1994 are caused primarily by underreporting and other sampling problems in the SIPP--problems that are particularly acute among low-income households. Stavrianos (1996) reported that households with zero income may

TABLE II.1

FSP PARTICIPATION RATES OF ZERO-INCOME HOUSEHOLDS AND HOUSEHOLDS WITH VERY LOW BUT POSITIVE INCOME, 1976-1993
(Individual Participation Rates)

Year	1976	1978	1980	1982	1984	1986	1988	1990	1991	1992	1993
Household Type											
Zero-Income	10	26	41	33	28	27	26	37	42	51	40
Very Low but Positive Income (1-50% of poverty)	47	53	62	79	78	73	69	79	87	83	88
Percentage Point Difference	-37	-27	-21	-46	-50	-46	-43	-42	-45	-32	-48

SOURCE: Tabulations of Current Population Survey (CPS)- based "Trends" file, 1976-1993.

TABLE II.2

FSP PARTICIPATION RATES OF ZERO-INCOME HOUSEHOLDS AND HOUSEHOLDS WITH VERY LOW BUT POSITIVE INCOME, 1985-1992
(Household Participation Rates)

Year	1985	1988	1989	1992	1994
Household Type					
Zero-Income	69	70	82	105	143
Very Low but Positive Income (1-50% of poverty)	93	79	87	102	100
Percentage Point Difference	-24	-9	-5	+3	+43

SOURCE: Tabulations from Survey of Income and Program Participation (SIPP)-based FOSTERS model, August 1985, January 1988, January 1989, January 1992, and January 1994.

NOTE: Participation rates exceeding 100 percent are due to reporting and measurement errors in SIPP. For further information see Appendix A of Stavrianos (1996).

be undersampled in SIPP, which would understate the number of zero-income eligibles, upwardly biasing the SIPP-based participation rate among zero-income households.

In fact, 1993 CPS data indicate a participation rate for zero-income FSUs of just 40 percent, compared to 88 percent for FSUs with incomes between 1 and 50 percent of the poverty level (Trippe 1995) (Table II.1).[2]

Several hypotheses have been investigated to explain these puzzling low FSP participation rates for zero-income households. One possible explanation is that some zero-income households do not actually live without income; rather, the true amounts of their income are misreported to survey interviewers. Although this theory is supported by several studies (see Section B in this chapter), the findings do not refute the proposition that nonparticipating zero-income households do exist (Heriot and Spiers 1975, Oberheu and Ono 1975).

Another hypothesis for the unexpectedly low FSP participation rate of zero-income households is that many zero-income households are not truly eligible for food stamps (Martini 1992). Martini also argues that income-ineligible households may erroneously report income amounts of zero to survey interviewers. Even if the proportion of these households is very small, the absolute number of households would be large enough to outweigh the small number of households that truly do not have income. Martini was not completely satisfied with this explanation, however. He found that even when the effects of other variables are removed, zero-income households still participate in the FSP at a rate that is significantly below the rate of households with higher income levels.

Convinced that some zero-income households do exist, yet unable to explain how these households are able to manage without income or assistance from food stamps, FCS requested an in-depth analysis of these households based on 1988 SIPP data. Heiser investigated the hypothesis that

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[2]MPR has found that the CPS consistently underestimates participation rates. In general, SIPP-based FSP participation rates are considered to be more accurate than those based on the CPS. Compared to the CPS, SIPP collects more of the information needed to estimate FSP eligibility and thus the methodology for simulating eligibility more closely replicates the actual FSP determination process. While the SIPP database is preferred for estimating point-in-time snapshots of participation rates since 1984, CPS provides consistent data over two decades, and is thus a better indication of trends in rates over time.

nonparticipating zero-income households rely on other households for support but found no evidence of outside financial resources for these households (Heiser 1992). It was also hypothesized that people who report zero income may live in a different FSU but the same Census Bureau-defined household as people with positive income, and thus actually reside in a positive-income household. The data reveal that this is the case for only 9 percent of zero-income persons, so this theory is not sufficient to fully explain the zero-income phenomenon. Heiser also suggested that people in zero-income households have substantial assets that may be used for support but found that zero-income households actually have fewer countable and noncountable assets, on average, than other income-eligible food stamp units. It was also speculated that people in zero-income households have positive earnings that are offset by negative asset income, such as a loss from a rental property. None of the eligible zero-income households were found to have such negative asset income (Heiser 1992).

B. COMPARISON STUDIES OF INCOME UNDERREPORTING IN THE CPS

Previous research on households that report very low or zero income in the CPS has found that significant underreporting of income does occur on surveys. The alarmingly high number of households that reported extremely low annual household income (under $500) on the March 1972 CPS sparked a number of innovative studies of this phenomenon. To test the accuracy of the income data provided by CPS respondents, the Census Bureau matched individual-level data provided by the Internal Revenue Service (IRS) and the Social Security Administration (SSA) to the self-reported information provided by the 862 families and unrelated individuals that reported annual incomes of less than $500 in the March 1972 CPS (U.S. Bureau of the Census 1974). Analysts compared their reports to the data held by the IRS and SSA and examined the actual CPS questionnaires for these respondents. Out of the 862 cases of very low income, only 19 were determined to be recording or coding errors. For about a third of the cases, there was not enough information to determine the

reasons for low income reports. It was postulated that this group reported part-year income or that the respondents lived on resources not recorded by CPS. For the remainder of the cases examined, low reported income by families and individuals was determined to be a result of losses from business expenses, recent marital status changes, students being supported by families, special living or financial arrangements, foster children being counted as unrelated individuals, and biases associated with the imputing of missing data.

A follow-up administrative data matching study conducted by Herriot and Spiers (1975) found numerous errors in the reporting of wages and salaries and concluded that of those households that reported zero income in the CPS, only about half actually have no income. Their study also concluded that part of the net underreporting of income by CPS respondents was due to apparent misinterpretation of the CPS income questions. In particular, several types of income were overlooked by CPS respondents. A comparison of CPS household income data with information provided by the same households on their IRS tax returns revealed that a quarter of households with interest or dividend income did not report this income on the CPS. The comparison also showed that income from self-employment was significantly less likely to be reported than income from wages or salaries.

A similar exact match study conducted by Oberheu and Ono (1974) on the 1973 CPS also identified misinterpretation of the income questions as a partial explanation for households with very low or no reported income. Comparisons between CPS responses and welfare agency administrative records found that 14 percent of the surveyed households with children who received public assistance income did not report it on the CPS. Few subsequent studies that match micro-level data from the SIPP to those provided to the SSA or IRS have been conducted because such matches are time consuming, difficult to implement, and subject to stringent confidentiality restrictions (Vaughan 1989).

In conclusion, previous studies of self-reported income suggest that problems in the reporting of income, in part due to misunderstanding of the survey income questions, result in an exaggerated number of observed zero-income households. Although we will not be able to isolate this phenomenon in this study because we will not be matching the SIPP data to administrative records, these findings should caution our conclusions as to the causes of the zero-income phenomenon. The findings do not refute the existence of zero-income households, however, and their tendency to participate in the FSP at low rates remains unexplained. Several hypotheses regarding this finding have been offered, but these have not been supported by the cross-sectional data examined.

III. THE SURVEY OF INCOME AND PROGRAM PARTICIPATION (SIPP)

Our ethnographic analysis of zero-income households is based on data from the 1990 panel of SIPP. SIPP data are particularly appropriate for this study because the survey collects detailed information on earnings and other sources of income for all household members over age 14 for each of the 32 months in the survey period. This monthly income detail, together with SIPP's rich sociodemographic data, most

database. We do not use the information gathered in the topical modules because those are not updated on a monthly basis, an activity critical to this type of analysis.

The 1990 panel of SIPP covers the period from October 1989 to August 1992. It was chosen because it has a large sample size relative to other panels. Over the life of the panel, information about 69,432 people was collected for one or more months. The sample represents the noninstitutionalized population of the United States in January 1990.[1]

B. SIPP CONTENT

This section describes the SIPP variables most critical to an analysis of the zero-income phenomenon.

1. Income Data

Measures of monthly income are essential to the study of zero-income households. Each round of SIPP collects individual income data for the preceding four months. Total household income is based on the sum of earnings and other income received by each household member age 15 or older. Types of income recorded in SIPP and thus used in our study include earnings from wages and salary, self-employment, and farm employment, as well as monies received from property income, social security, pensions, unemployment insurance, interest, dividends, and gifts. Welfare payments received in the form of cash, such as Aid to Families with Dependent Children (AFDC), General Assistance (GA), and Supplemental Security Income (SSI), are also counted as income; however, in-kind welfare benefits such as those received through the FSP, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), low-rent housing, and free and reduced-price school meals are excluded from income totals. SIPP income measurements reflect the income that was received before deductions, taxes, union dues, or Medicare premiums.

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[1]Members of the military living on base or abroad are also excluded from the target population.

A household that does not receive income from any of these sources in a given month is considered to be a zero-income household. Although we refer to these households throughout the report as "zero-income households" or "households that experience zero income," we should caution that these are households that *report* that they did not receive income from any of the sources collected in SIPP. As discussed in Chapter II, Section B, findings from previous studies suggest that income may be underreported for some of these households.

We also include households with negative income in our analysis of zero-income households, but we examine them separately. Negative income occurs when positive- or zero-income amounts are offset by negative asset or self-employment income, such as payments made to maintain a rental property.

2. Labor Force Data

Information on monthly labor force activity is pertinent to an analysis of causes of zero income. Labor force data are collected in each wave, for the preceding four months. SIPP includes information about the employment and length of time at each job for sample members age 15 or older. An individual is considered to hold a job if wages or salaries, commission, or in-kind earnings are received in exchange for regular work. Self-employment, farm employment, and employment at a family business are included. In addition, SIPP collects information on the average number of weekly hours an individual works throughout the month. If a sample member misses work, has been laid off, or spends time looking for a job, this is also recorded.

3. Household Composition

SIPP also includes detailed information on household composition, updated at each interview for the preceding four months. A household is defined as a group of people who occupy a common dwelling unit. Each household in the survey has an assigned reference person, and each household member's relationship to that person is given, enabling us, in most circumstances, to discern complex family and household

relationships and their change over time. When an individual leaves a household (for example when a divorcing husband or a grown child leaves the family unit), SIPP continues to follow all original sample members, as well as people who reside with sample members in new households. This feature of SIPP enables us to track the dynamic nature of household relationships over time and observe how household formation and dissolution contribute to the zero-income phenomenon.

4. Other Social and Demographic Characteristics

Other characteristics of individuals and households that may help us determine the cause of the zero-income phenomenon are also included in SIPP and updated in each wave for the preceding four months. Examples of other relevant variables that we include in our profile of zero-income households are age, marital status, education level, and welfare status.

C. LIMITATIONS OF THE SIPP DATA

This section describes some limitations of the SIPP data as they are used in this analysis.

1. Unit of Analysis

The unit of analysis in this study is the Census Bureau-defined household that can be observed on the SIPP file. It should be noted that this unit of observation will occasionally differ from the food stamp unit (FSU), which is used by USDA to determine FSP eligibility. For the great majority of cases, the two units are identical. However, approximately 4 percent of Census households include an individual or subfamily that prepares food separately from the rest of the household and thus would apply separately for food stamp benefits. In these cases, the food stamp units differ in size and composition from the larger Census household of which they are a part. This has little impact on the methodology used to develop our analysis file, except that for these cases, we examine food stamp eligibility and receipt for the entire household rather than for the more appropriate FSU.

2. Seam Effect

As described in Section A, SIPP interviews take place every four months, at which time respondents are asked to report their income, program participation, and other household information for each of the preceding four months. Because the SIPP data are collected in this manner, they may display a "seam" effect, in which a disproportionately large number of changes (e.g., transitions in employment or program participation or changes in income amounts) are reported between months that span two interviews (e.g., the last month covered by Wave 1 and the first month covered by Wave 2) and a correspondingly small number are reported between months that are covered by a single interview. SIPP seam effects are often notable. For example, in the first year of the 1984 SIPP panel, four times as many Social Security participants reported exiting the program between months that spanned interviews as between months within the reference period of a single interview (Citro and Kalton 1993). We expect that the seam effect will corrupt our estimates of observed zero-income spell lengths, resulting in clumpings of reported zero-income spell lengths at 4, 8, and 12 months.

3. Income Underreporting

SIPP, like most households surveys, clearly is subject to net underreporting of income (National Research Council 1993, National Research Council 1995). It is not possible to quantify the extent of this underreporting because we have no true measure against which to compare survey results. However, we do know that SIPP obtains somewhat lower reports of earnings than the March CPS (by about 2 percent) (National Research Council 1995). It is expected that underreporting of income in SIPP is particularly acute among self-employed persons, students, persons who receive income from "under-the-table" sources, and persons participating in government transfer programs (National Research Council 1993, National Research Council 1995). While this limitation of SIPP will affect our analysis in that some reports of zero-income will be false, we anticipate that the use of ethnographic methods to more thoroughly explore household circumstances will allow us to determine, in some cases, which households underreport income.

4. Limited Information on Sources of Outside Support

Data on outside sources of financial support is particularly limited in SIPP. Questions regarding receipt of cash from friends, family, etc., are not directly asked to SIPP respondents. Rather, respondents are asked to report all income by source, including gifts of cash from relatives and friends and "casual" income. It is expected that many recipients do not include intra-household transfers when responding to the SIPP income inquiries. There are several reasons for this. Recipients may not think of financial support from family and friends as true income. In addition, some respondents may be wary of reporting such income to SIPP interviewers that they did not report to their FSP eligibility workers. While this is a known limitation of the data, it should be noted that studies show that the SIPP survey collects more thorough data on intra-household transfers and casual income than the Current Population Survey (Coder and Scoon-Rogers 1996).

IV. STUDY METHODOLOGY

This chapter outlines the methodology that we use to identify and analyze the circumstances affecting zero-income households. There are three components of the analysis: (1) an ethnographic study, which represents the core of our research; (2) an aggregate-level analysis, which provides context for the findings from the ethnographic study; and (3) a comparison of SIPP zero-income data with those collected through the FSP administrative Integrated Quality Control System (IQCS). Each of the three components is described below, followed by a discussion of how we treat truncated zero-income spells.

A. ETHNOGRAPHIC ANALYSIS

The ethnographic analysis is the heart of our zero-income study; it is the component designed to provide insight into the circumstances affecting zero-income households that have not been revealed through prior, more traditional studies. This section describes the methodology used to select our sample and construct a profile of zero-income households. We elected to use ethnographic techniques to develop a profile of these households and to identify the events or conditions that precipitate periods of zero income; we examined zero-income household data at the individual case level, observing the reported characteristics of each of these households for the full 32-month survey period. Although such techniques are not common, they are also not unprecedented for studying similar phenomena. As described in Chapter II, Section B, a 1974 Census Bureau study reexamined the questionnaires of respondents who reported very low income on the March 1972 CPS, thereby employing similar ethnographic techniques to better understand the circumstances of these people.

1. Sample Selection

Our sample is composed of the households that reported no income in January 1991. We selected January 1991 as our observation month because it falls close to the middle of the two-and-one-half-year

survey period and thus allows us sufficient data points on either end to observe what may have precipitated the zero-income spell, as well as what may have caused the spell to end. A secondary reason for selecting January 1991 is that it is the common month of Wave 4 of the 1990 SIPP panel, in which detailed information on asset holdings was collected.

Our analysis of the SIPP data found 152 households without income in our observation month of January 1991 (see Table IV.1). Due to FCS's concern about the sample size, we investigated the impact of expanding our observation period from a single specified month to any month in an entire wave. This would increase the sample of zero-income households from 152 to 261. However, after careful consideration, we elected to maintain our original study design in which we examine only households with zero income in one specified month (although we do include a section comparing these households to all households that ever report zero-income in the 1990 SIPP). Our original design is conceptually straightforward, and the study population clearly reflects the cross-section of zero-income households in the U.S. population in January 1991. An expanded observation period would not represent a true cross-section of the U.S. population at any point in time. Our findings would therefore be difficult to interpret and not generalizable. Other factors that contributed to our decision to maintain a single-month observation period were the expense (given the ethnographic analytic framework, it would be significantly more labor intensive to examine an additional 109 households), the lack of detailed asset data for months other than those covered by Wave 4, the potential for time-period-cohort confounding when grouping households together that experience zero income in different months, and the increased likelihood of our being unable to observe either the beginning or ending of a zero-income spell (spell censoring) with an expanded observation period.

TABLE IV.1

ETHNOGRAPHIC STUDY SAMPLE

Sample	Number	Percent
Households Observed in SIPP in January 1991	20,738	100.0
Households Without Income in January 1991	152	0.7
Zero Income	143	94.1
Negative Income	9	5.9

SOURCE: Tabulations of 1990 SIPP data.

Our analysis found a number of households in January 1991 that have monthly income amounts that are positive but very close to zero--some as low as a few dollars. We discussed whether to include these households in our analysis but decided to restrict our sample to true zero-income households. Although very low-income households, especially those with just a few dollars of income per month, are likely to share many of the same circumstances and characteristics as zero-income households, to include near-zero-income households in our sample would necessitate establishing an arbitrary income threshold. A threshold of zero may be most compelling for policy makers and preserves the simplicity of the study design. We do include negative-income households in our target population of households without income. However, anticipating differences between the two types of households, we analyzed the negative-income households separately from zero-income households and made comparisons between the two groups.

The resulting sample for the ethnographic study consists of 152 households--143 with zero income and 9 with negative income (Table IV.1). All have at least one month of zero income; each of these households reported a total household income of zero or less than zero in January 1991, and most reported zero income in one or more adjacent months as well.

2. Ethnographic Analysis

Our ethnographic analysis of zero-income households is based on a case study approach in which we manually follow the characteristics and events that are reported by a household over time and make informed judgements as to the larger circumstances affecting the household, based on this case-level information.

a. Household Portraits

The first stage of the ethnographic analysis entailed formatting the SIPP data generated for each household in a manner conducive to manageable ethnographic analysis. To do so we created a 32-month single-page statistical "portrait" of each household in our sample. Each portrait resembles a calendar on

which the demographic and socioeconomic characteristics of the household are tracked for the full two-and-a-half-year survey period. In addition to this household portrait, we also produced individual portraits for each household member. The household portrait contains information on all variables that we examine at the household level: household size and composition, total household income, home ownership status, and household program participation status.[1] Individual portraits display individual-level attributes and conditions, including the demographic characteristics, relationship to the household head, employment status, personal income by income source, educational status, and individual program participation status of each household member. The longitudinal calendar format for the portraits makes it easy to track changes over time and to observe transitions that may be associated with the onset, duration, or end of a zero-income spell. The portraits include information on the receipt of in-kind public assistance benefits, which may provide clues as to how zero-income households survive during periods without cash income. Appendix A includes an example of a household portrait, followed by individual portraits for each household member.

b. Classifying Households by Zero-Income Trigger Events

We used the information displayed on these longitudinal portraits to identify the characteristics common to zero-income households and the "trigger" events or conditions associated with the onset of zero-income spells. The trigger events and conditions around which we designed our analysis are listed in Table IV.2. These include changes in employment or disability status, household composition, school enrollment, geographic location, and asset balances. To the extent feasible, we also investigated whether the apparent trigger events or conditions were the results of data anomalies rather than actual changes.

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[1]The household portrait includes information on household - or family unit-level assistance programs such as the FSP, energy assistance, and rent subsidies, whereas government programs targeted to individuals, such as AFDC, WIC, and Supplemental Security Income (SSI) are shown on the individual-level portraits.

TABLE IV.2

EXPECTED TRIGGER EVENTS AND CONDITIONS

Trigger Event or Condition	Explanation
Change in:	
Employment Status	Job loss; illness, disability or maternity leave; retirement
Household Composition	Household dissolution, including loss of household member(s) who is (are) main source of income; births; deaths
School Enrollment Status	Entering or leaving school
Geographic Location	Household or individual moving
Sources of Outside Support	Termination of inter-household transfers (excluding in-kind benefits and reliance on commodities)
Asset Balances	Spending down savings account
Data Anomalies or Errors	Underreported income
	Missed interview(s)

Table IV.3 presents the list of trigger events used in this study. It is based on the data and thus differs somewhat from our expected set of trigger events. We identified a primary trigger event for each household and then grouped the households according to this apparent cause of their reported zero income, as determined through the ethnographic analyses. Naturally there were some cases in which multiple trigger events could be identified. In these cases we classified the households according to the apparent *primary* cause of their period without income, as determined through our ethnographic analysis, using our best judgement.[2] In other cases, especially those in which the zero-income spell began prior to the start of the survey period, a trigger event was not easily identifiable. In these cases we made our best estimate of the cause. Table IV.3 summarizes our definitions of the trigger events and the rules we used to classify the households.

c. Identifying "True" Zero-Income Households and "Improbable" Zero-Income Households

After classifying households by the trigger event that appeared to most directly precipitate the zero-income spell, we classified the trigger event groups themselves into two groups--"true" zero-income households and "improbable" zero-income households--based on how likely we believed their report of zero income to be. In our judgement, true zero-income households are those for whom the claim of zero income is probably valid; we can observe a clear event or condition preceding or accompanying the zero-income period and there are no reported characteristics which give pause to their report of zero income. In some cases the period without income may be merely a cash flow problem, and the zero income spell is not likely to be long term or severely detrimental, but definitionally, the household truly receives no

[2]In some cases, the transition to zero-income was mitigated by a temporary "stop gap" source of income, such as receipt of unemployment insurance following a job loss. In such instances, we would assign the primary cause of the zero income period to be "Job Loss". Despite the fact that the transition to zero-income was immediately preceded by termination of unemployment insurance, the cause of zero-income would not be classified as "Loss of Cash Benefits".

TABLE IV.3

DEFINITION OF TRIGGER EVENTS AND CONDITIONS
USED IN THE MICRO-LEVEL STUDY

Trigger Event or Condition	Definition	Rules for Classification: Before Zero-Income Spell	Rules for Classification: During Zero-Income Spell
TRUE ZERO-INCOME HOUSEHOLDS			
Job Loss, Layoff, or Missed Work	Zero-income spell caused by change in employment status of wage earner due to job loss, temporary layoff, missed work, or retirement.	Period of positive income must be observed. Employed at least 1 week (ESR=1-5). Not self-employed (SE=0).	Unemployed or out of labor force (ESR = 6, 7, 8).
Habitual Unemployment	Zero-income cause uncertain; primary earner continuously unemployed. Start of zero-income spell not observed.	Not observed.	Unemployed or out of labor force (ESR = 6, 7, 8--usually 8).
Household Dissolution	Zero-income spell caused by household dissolution due to death, divorce, adult child leaving home, or unrelated roommates terminating living arrangement.	Period of positive income must be observed.	Household splits. Must not be accompanied by job loss.
School Enrollment	Zero-income spell caused by change in student enrollment status (entering school).	Period of positive income must be observed. Employed at least 1 week (ESR=1-5).	Enrolled in school (ENROLL=1). Unemployed or out of labor force (ESR = 6, 7, 8).
Loss of Cash Benefits	Zero-income spell caused by loss of cash welfare benefits.	Period of positive income must be observed. Only income is from cash benefits (AFDC, SSI, General Assistance). Unemployed or out of labor force (ESR = 6, 7, 8).	Cash benefit income = 0. Unemployed or out of labor force (ESR = 6, 7, 8).

TABLE IV.3 (*continued*)

Trigger Event or Condition	Definition	Rules for Classification: Before Zero-Income Spell	Rules for Classification: During Zero-Income Spell
IMPROBABLE ZERO-INCOME HOUSEHOLDS			
Employment Without Pay	Zero-income cause uncertain; at least one household member employed at full- or part-time job, but no salary or wages reported.	Not self-employed (SE=0)	Employed at least 1 week (ESR=1-5) but salaries and wages=0. Not self-employed (SE=0).
Self-Employment	Zero-income spell related to self-employment of primary earner.	Period of positive income must be observed.[a] Self-employed (SE=1) and working (ESR=1-5). Income from self-employment.	Self-employed (SE=1) but no longer earning income.
Spend-Down of Asset Balances	Zero-income spell caused by loss of asset income as income-generating assets are depleted to the point of no longer generating income.	Period of positive income must be observed. Only income from income-generating assets (savings, stocks, CDs). Unemployed or out of labor force (ESR = 6, 7, 8).	Asset income = 0. Unemployed or out of labor force (ESR = 6, 7, 8).
Negative Income	Household reports net negative income.	May or may not be observed.	Household income less than 0.

SE = Self-employment status (1 = self-employed).
ESR = Employment status recode, recoded for the month from reported answers (1 = with a job entire month, worked all weeks; 2 = with a job entire month, missed one or more weeks, no time on layoff; 3 = with a job entire month, missed one or more weeks, spent time on layoff; 4 = with job one or more weeks, no time spent looking or on layoff; 5 = with job one or more weeks, spent one or more weeks looking or on layoff; 6 = no job during month, spent entire month looking or on layoff; 7 = no job during month, spent one or more weeks looking or on layoff; 8 = no job during month, no time spent looking or on layoff).

[a]There are no self-employed households in our sample for which a period of positive income is not observed.

income for that period. These categories include: (1) Job Loss or Layoff, (2) Habitual Unemployment, (3) Loss of Cash Benefits, (4) Households Dissolution, and (5) Enrollment in School.

Trigger event categories for which the cause of the zero-income spell is less apparent include: (1) Self-Employment, (2) Employment Without Pay, and (3) Assets Spend-Down Households. Our ethnographic analysis provided evidence that these households may be financially viable households for whom a report of zero income exaggerates their financial difficulties; in many cases, other reported characteristics contradict the household's claim of zero income.

d. Descriptive Analysis

The ethnographic analysis in which we apply these definitions and rules is summarized in Chapter V. It is descriptive in nature and includes anecdotal as well as summary information to support our conclusions as to the identity of zero-income households. Comprehensive tables and charts summarize the characteristics of zero-income households and zero-income spells.

Our analysis presented in Chapter V seeks to answer the research questions posed in Chapter I, and thus includes a general profile of the sociodemographic and economic characteristics of zero-income households, potential explanations for their lack of income, an analysis of the frequency and duration of zero-income spells, potential explanations for how these households survive, and an analysis of FSP participation among this group.

B. AGGREGATE-LEVEL ANALYSIS

Although the primary focus of this report is the ethnographic analysis, we provide a context for those findings by examining the aggregate-level characteristics of all households that *ever* experienced zero

zero income with those of households that reported zero income during our January 1991 observation period. We tabulate the total number of households that report zero income in each month of the survey, examine the sociodemographic and economic characteristics of these households, and determine the mean length and pattern of their zero-income spells. We also compare the attributes of this larger sample of zero-income households with those of other households that reported low but positive income on SIPP to discern whether the characteristics of zero-income households are significantly different from those of other low-income households. We drew our sample from the entire 1990 SIPP panel, selecting households that reported at least 1 month with zero or negative income during any of the eight survey interviews. Our analysis found 6,328 households (29 percent of the SIPP sample) that met this criterion (see Table IV.4). Of these households, 6,280 reported a period of zero income and 48 households reported a period of negative income.

Our findings from this stage of the analysis, which are presented in Chapter VI, are based on aggregate tabulations rather than an ethnographic examination of the households. The analyses are descriptive in nature.

C. IQCS DATA COMPARISONS

To provide further context for our findings from the ethnographic analysis, we also present the characteristics of households[3] sampled in the FCS administrative Integrated Quality Control System (IQCS) database that report zero income. We compare the characteristics of these food stamp units to those of the zero-income households in our SIPP-based ethnographic study. We make three sets of comparisons: (1) between the IQCS zero-income households and the IQCS households from the same time period that have low but positive incomes (defined in this study as positive incomes beneath the poverty

[3]The unit of analysis for the IQCS data file is actually the food stamp unit rather than the Census Bureau-defined household. However, for simplicity, we use the terms interchangeably in this report.

TABLE IV.4

AGGREGATE-LEVEL STUDY SAMPLE

Sample	Number	Percent
All SIPP Households	21,900	100.0
Households Without Income in Any Month of the 32-Month Survey Period	6,328	28.8
Zero-Income	6,280	99.2
Negative-Income	48	0.8

SOURCE: Tabulations of 1990 SIPP data.

line); (2) between the IQCS zero-income households and the SIPP zero-income households; and (3) between the IQCS zero-income households and the SIPP zero-income households that report FSP participation during their zero-income spell. The first comparison is designed to further reveal differences between zero-income households and those with positive but limited income, thereby helping us to better understand the zero-income phenomenon. The second comparison provides additional context to our ethnographic analysis and highlights significant differences between the two groups that may further inform our understanding of why households report zero income in SIPP. The third comparison serves the same purpose as the first, but limits the analysis to zero-income households that participate in the FSP. Our findings from the ethnographic study indicate that not all SIPP-reported zero-income households are truly needy (see discussion in Chapter V). The third comparison controls for this distinction, focusing only on households with a unequivocal financial need, as demonstrated by their FSP participation. These findings are presented in Chapter VII.

1. IQCS Data

The IQCS is an ongoing review of food stamp unit circumstances designed to measure the accuracy with which eligibility and benefit amount determinations are made. The system is based on a national sample of participating units stratified by the 50 States. Annual State samples range from 300 to 2,400 reviews depending on the size of the monthly participating caseload. The database used for this study is an extract of the Fiscal Year 1991 IQCS file created annually to conduct FSP participation research and to model FSP policy questions.

2. Sample

Our IQCS sample consists of the 452 food stamp units from the January 1991 IQCS sample that report zero income in that month. January 1991 was chosen so the data would correspond with those that comprise the ethnographic analysis. Our sample of low-but-positive-income households includes the 4,397

food stamp units in the January 1991 IQCS sample with positive incomes below the poverty threshold. The sub-sample of our SIPP ethnographic sample that reported FSP participation during their zero-income spell numbers 36, or 23.7 percent of the ethnographic sample.

3. Differences between the SIPP and IQCS Data

It is important when making comparisons between the SIPP and IQCS zero-income households to keep in mind the differences between the two files. SIPP data on FSP participation, income, and other demographic and socioeconomic characteristics are self-reported. The information is told to the SIPP interviewer and accepted unless contradictory information is provided. Recall bias and intentional misreports may skew the data. IQCS data, however, are acquired through the FSP eligibility determination process. Receipt of food stamps is certain, and reported income (as well as many other household characteristics) is verified by eligibility workers to the best of their ability. Verifiable data items on the IQCS data file are likely to be more accurate than the analogous data items collected by SIPP. While it is not possible within the resources available to this study to test or control for these potential biases, it is important that they be considered when comparing data from the two files.

D. TREATMENT OF TRUNCATED ZERO-INCOME SPELLS

We measure the length of the zero-income spells of each household in the sample for the ethnographic analysis. Using the full longitudinal data, we identify the months in which each household's zero-income spell began and ended. Because the great majority of zero-income spells are short, and because we have chosen a reference month near the middle of the 32-month panel, most zero-income spells examined are completely contained within the 32-month survey period. However, 20 percent of the zero-income spells in our sample are truncated; that is, they began prior to the commencement of the panel or had not ended by the last month of the panel and thus are not fully contained within the survey observation period. Households that reported continuous zero income from the initial survey month to the reference

month are left-censored; it is not possible to determine when their zero-income spells began. Likewise, households that reported zero income beginning on or before the reference month and continuing until the final month of the survey have right-censored spells. We cannot discern whether they would continue to experience zero income in the following month(s), and if so, when the zero-income spell would end. Households that reported zero income in every month of the survey have fully censored zero-income spells; both the starting and ending dates are unknown. These truncated zero-income spells have the potential to bias our estimates of zero-income spell length because data on these spells are incomplete. However, we correct for this censoring when computing median spell length by using Kaplan-Meier survival techniques.[4] This method uses the monthly data to estimate the probability that a zero-income period will terminate in each successive month. The distribution of spell lengths is derived from the estimated probabilities, which allows us to compute the median length of time with zero income for all households.

[4]We will calculate the median zero-income spell duration rather than the mean duration for two reasons. First, a mean can be significantly affected by a few extreme values in the data, whereas a median will be less affected by outlying data points. Thus, when analyzing a highly skewed distribution (which is likely to be obtained with this duration data), the median is often a more useful measure than the mean. Second, the median is also a more appropriate measure of central tendency than the mean when survival analysis techniques are employed to analyze duration data that include right-censored spells, because the median is less affected by the exact specification of the model for imputing values to the censored cases.

V. FINDINGS FROM THE ETHNOGRAPHIC ANALYSIS

The objective of this study is to provide detailed profiles of households that report periods of no income in a national sample survey such as the SIPP. Are reports of zero income real or are they primarily an artifact of the data collection, editing, and imputation process? If reported zero-income households don't really live without income, then why do they report that they do, and how should these households be treated in future SIPP data analyses? Conversely, if we find that zero-income households truly live without income, then what are the causes of the zero-income periods, and how do these households cope? This chapter presents our findings from the ethnographic investigation. The analyses presented are descriptive in nature and are supplemented by the accompanying tables.

As shown in Table V.1, our findings were mixed. Of the 143 households that reported zero income in January 1991, 114 (80 percent) appear to have an authentic reason for doing so; for each of these 114 households, our ethnographic analysis identified a specific event or condition that precipitates or corroborates the no-income claim. For purposes of simplicity, we refer to these cases as "true" zero-income households. For the remaining 29 zero-income households, the cause of the zero-income episode is less apparent; no change in household circumstances precedes the zero-income period, and in some cases other reported characteristics may contradict the household's claim of zero income. We refer to these 29 households as "improbable" zero-income households. An additional 9 households reported a net negative household income in January 1991. Because their circumstances appear to be different from those of zero-income households, we analyze them separately.

The remainder of this chapter summarizes these findings. Section A describes the characteristics of the true zero-income households. We describe the overall characteristics of this group; the specific trigger events we identified; and the characteristics of subgroups, classified by trigger event. In this section we also examine several of the research questions identified in Chapter I. Section B describes the

TABLE V.1

ZERO-INCOME HOUSEHOLDS BY TRIGGER EVENT OR CONDITION

Zero-Income Trigger Event or Trigger Condition	Number	Percentage of All Zero-Income Households	Percentage of True Zero-Income Households
"True" Zero-Income Households	**114**	**79.7**	**100.0**
Job Loss or Layoff	67	46.9	58.8
Household Dissolution	21	14.7	14.0
Habitual Unemployment	16	11.2	18.4
Enrollment in School	4	2.8	3.5
Loss of Cash Benefits	6	4.2	5.2
Improbable Zero-Income Households	**29**	**20.3**	--
Employment Without Pay	6	4.2	--
Spend Down Assets	2	1.4	--
Self-Employment	21	14.7	--
Total Zero-Income Households	**143**	**100.0**	--
Negative-Income Households	**9**	**5.9**	--
Total	**152**	**100.0**	**100.0**

characteristics of the 29 households for which we have not identified a clear trigger event. We highlight any contradictory information reported and suggest methods for identifying and handling these households in future analyses. Section C presents the characteristics of households that report a period of net negative income and describes the trigger events and conditions that typically precede or accompany such an episode. Tables V.2 through V.8 show the characteristics of the 152 zero- and negative-income households in our sample. The tables present the characteristics of the households as a whole and broken down into true zero-income households, improbable zero-income households, and negative-income households, as well as by the specific cause of zero income.

A. TRUE ZERO-INCOME HOUSEHOLDS

We were able to identify a trigger event or condition for 80 percent of the households that reported zero income in January 1991 (Table V.1). For each of these households, one of the following patterns was observed:

1. *Clear Trigger Event.* A period of positive income is followed by a *trigger event* which is followed by a period of zero income.

2. *Clear Trigger Condition.* A period of zero income is concurrent with a *trigger condition.* No period of positive income is observed.

In the first model we are able to observe a period of positive income followed by the occurrence of a clear zero-income trigger event--an observable change in the characteristics or circumstances of a household, such as a change in employment status, that directly precedes a zero-income period. In most cases the onset of a zero-income episode typically follows the trigger event within a month, although in some cases the effect is delayed. The trigger events we identified are (1) job loss, layoff, or missed work; (2) household dissolution; and (3) loss of welfare benefits.

TABLE V.2

HOUSEHOLD COMPOSITION: ALL ZERO-INCOME HOUSEHOLDS
(Percentages)

Zero-Income Category	Total	True Zero-Income Households						Improbable Zero-Income Households				Negative Income Households
		Total	Job Loss or Layoff	Habitual Unemployment	Household Dissolution	Enrollment in School	Loss of Cash Benefits	Total	Employment Without Pay	Spend-Down Assets	Self-Employment	
Household Size (number of members)												
1	47.4	47.4	35.8	68.8	66.7	50.0	50.0	47.4	66.7	100.0	47.6	22.2
2	21.7	21.9	26.9	12.5	19.0	0.0	16.7	21.1	0.0	0.0	23.8	33.3
3	9.9	10.5	10.4	12.5	4.8	25.0	16.7	7.9	0.0	0.0	9.5	11.1
4	9.2	7.9	10.4	0.0	4.8	0.0	16.7	13.2	16.7	0.0	9.5	22.2
5	8.6	8.8	11.9	6.3	0.0	25.0	0.0	7.9	16.7	0.0	9.5	0.0
6 or more	3.3	3.5	4.5	0.0	4.8	0.0	0.0	2.6	0.0	0.0	0.0	11.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean household size	2.2	2.2	2.5	1.6	1.7	2.5	2.0	2.2	2.2	1.0	2.1	2.8
Number of Children in Household												
None	63.8	63.2	58.2	75.0	76.2	50.0	50.0	65.8	66.7	100.0	61.9	66.7
1	16.4	19.3	17.9	18.8	19.0	25.0	33.3	7.9	0.0	0.0	14.3	0.0
2	8.6	6.1	9.0	6.3	0.0	0.0	0.0	15.8	16.7	0.0	14.3	22.2
3	9.2	8.8	11.9	0.0	0.0	25.0	16.7	10.5	16.7	0.0	9.5	11.1
4	2.6	2.6	3.0	0.0	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5 or more	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean number of children per household	0.7	0.7	0.8	0.3	0.4	1.0	0.8	0.7	0.8	0.0	0.7	0.8
Age 5 and under	0.2	0.2	0.3	0.0	0.1	0.5	0.2	0.3	0.8	0.0	0.2	0.0
Age 6 - 17	0.5	0.5	0.5	0.3	0.3	0.5	0.7	0.4	0.0	0.0	0.5	0.8
Number of Elderly Household Members												
None	92.8	93.9	92.5	93.8	95.2	100.0	100.0	89.5	100.0	100.0	95.2	66.7
1	5.9	5.3	6.0	6.3	4.8	0.0	0.0	7.9	0.0	0.0	4.8	22.2
2	1.3	0.9	1.5	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0	11.1
3 or more	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean number of elderly per household	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.4
Household Type												
Households with Children	36.2	36.8	41.8	25.0	23.8	50.0	50.0	34.2	33.3	0.0	38.1	33.3
Married couple	21.7	20.2	25.4	12.5	4.8	50.0	16.7	26.3	33.3	0.0	23.8	33.3
Single parent (other adults present)	1.3	1.8	1.5	0.0	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Single parent (no other adults present)	12.5	14.0	13.4	12.5	14.3	0.0	33.3	7.9	0.0	0.0	14.3	0.0
Other	0.7	0.9	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Households without Children	63.8	63.2	58.2	75.0	76.2	50.0	50.0	65.8	66.7	100.0	61.9	66.7
Single person	47.4	47.4	35.8	68.8	66.7	50.0	50.0	47.4	66.7	100.0	47.6	22.2
Married couple	10.5	7.9	10.4	6.3	4.8	0.0	0.0	18.4	0.0	0.0	14.3	44.4
Other	5.9	7.9	11.9	0.0	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sample size	152	114	67	16	21	4	6	38	6	2	21	9

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data are for January 1991 (during zero-income spell).

Children are people under age 18.

The elderly are people age 60 and over.

TABLE V.3

DEMOGRAPHIC CHARACTERISTICS: ALL ZERO-INCOME HOUSEHOLDS
(Percentages)

Zero-Income Category	Total	True Zero-Income Households						Improbable Zero-Income Households				Negative Income Households
		Total	Job Loss or Layoff	Habitual Unemployment	Household Dissolution	Enrollment in School	Loss of Cash Benefits	Total	Employment Without Pay	Spend-Down Assets	Self-Employment	
Age of Household Reference Person												
16 - 17	1.3	1.8	0.0	0.0	4.8	25.0	0.0	0.0	0.0	0.0	0.0	0.0
18 - 19	2.6	2.6	1.5	0.0	9.5	0.0	0.0	2.6	16.7	0.0	0.0	0.0
20 - 24	10.5	13.2	11.9	0.0	33.3	0.0	0.0	2.6	16.7	0.0	0.0	0.0
25 - 29	16.1	19.3	22.4	12.5	14.3	0.0	33.3	2.6	16.7	0.0	0.0	0.0
30 - 34	13.2	14.0	16.4	6.3	4.8	50.0	16.7	10.5	16.7	0.0	14.3	0.0
35 - 39	9.9	9.1	7.5	6.3	0.0	25.0	0.0	21.1	16.7	0.0	33.3	0.0
40 - 44	8.6	8.8	9.0	0.0	14.3	0.0	16.7	7.9	0.0	0.0	9.5	11.1
45 - 49	12.5	10.5	9.0	12.5	9.5	0.0	33.3	10.4	16.7	100.0	19.0	0.0
50 - 54	12.5	10.5	11.9	25.0	0.0	0.0	0.0	10.4	0.0	0.0	14.3	44.4
55 - 59	6.6	7.0	4.5	18.8	9.5	0.0	0.0	5.3	0.0	0.0	4.8	11.1
60 - 64	4.6	3.5	3.0	12.5	0.0	0.0	0.0	7.9	0.0	0.0	4.8	22.2
65 - 69	2.0	1.8	3.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0	11.1
70+	0.7	0.9	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean age	39.3	37.7	37.6	50.1	30.9	28.8	36.3	44.1	30.5	47.5	43.2	54.6
Median age	37	36	33	53	28	32	38	42	29	46	40	53
Race and Ethnicity of Household Reference Person												
Non-Hispanic white	59.9	54.4	49.3	68.8	57.1	75.0	50.0	78.3	83.3	100.0	66.7	88.9
Non-Hispanic black	21.1	24.6	26.4	25.0	23.8	0.0	0.0	10.5	16.7	0.0	14.3	0.0
Non-Hispanic Asian/Pacific Island American	2.6	0.9	0.0	0.0	0.0	25.0	0.0	7.9	0.0	0.0	9.5	11.1
Non-Hispanic American Indian/Native Alaskan	2.0	2.6	3.0	0.0	0.0	0.0	16.7	0.0	0.0	0.0	0.0	0.0
Hispanic	14.6	17.5	19.4	6.3	19.0	0.0	33.3	5.3	0.0	0.0	9.5	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Gender of Household Reference Person												
Male	35.5	33.3	34.3	37.5	33.3	25.0	16.7	42.1	66.7	50.0	42.9	22.2
Female	32.2	38.6	29.9	43.8	57.1	25.0	66.7	13.2	0.0	50.0	19.0	0.0
Married couple	32.2	28.1	35.8	18.8	9.5	50.0	16.7	44.7	33.3	0.0	38.1	77.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Marital Status of Household Reference Person												
Married, spouse present	32.2	28.1	35.8	18.8	9.5	50.0	16.7	44.7	33.3	0.0	38.1	77.8
Married, spouse absent	3.3	3.5	6.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0	4.8	0.0
Widowed	2.6	3.5	3.0	0.0	9.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Divorced	19.4	16.8	11.9	37.5	9.5	0.0	33.3	26.3	33.3	50.0	33.3	0.0
Separated	12.5	15.8	9.0	12.5	38.1	0.0	33.3	2.6	0.0	0.0	4.8	0.0
Never married	30.0	33.3	34.3	31.3	33.3	50.0	16.7	23.7	33.3	50.0	19.0	22.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sample size	152	114	67	16	21	4	6	38	6	2	21	9

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTE: Data are for January 1991 (during zero-income spell).

TABLE V.4

SOCIOECONOMIC CHARACTERISTICS:
ALL ZERO-INCOME HOUSEHOLDS
(Percentages)

Zero-Income Category	Total	True Zero-Income Households						Improbable Zero-Income Households				Negative Income Households
		Total	Job Loss or Layoff	Habitual Unemployment	Household Dissolution	Enrollment in School	Loss of Cash Benefits	Total	Employment Without Pay	Spend-Down Assets	Self-Employment	
Educational Attainment of Household Reference Person												
Less than high school	15.1	18.4	19.4	31.3	9.5	0.0	16.7	6.3	0.0	0.0	4.8	11.1
Some high school	28.7	31.6	29.9	43.8	33.3	25.0	16.7	7.9	0.0	0.0	4.8	22.2
High school graduate	34.2	32.5	35.8	18.8	38.1	0.0	33.3	39.5	66.7	0.0	42.9	22.2
Some college	15.1	10.5	9.0	0.0	14.3	25.0	33.3	28.9	33.3	100.0	28.6	11.1
College graduate	9.9	7.0	6.0	6.3	4.8	50.0	0.0	18.4	0.0	0.0	19.0	33.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean years of schooling	11.4	10.9	10.8	9.5	11.2	14.3	12.0	12.9	12.3	14.5	12.9	12.6
Enrollment Status of Household Reference Person												
Not enrolled in school	93.4	92.1	97.0	100.0	90.5	0.0	83.3	97.4	83.3	100.0	100.0	100.0
Enrolled in high school	3.9	4.4	3.0	0.0	9.5	25.0	0.0	2.6	16.7	0.0	0.0	0.0
Enrolled in college or trade school	2.6	3.5	0.0	0.0	0.0	75.0	16.7	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Home Ownership Status												
Own	40.1	30.7	28.9	43.8	23.8	25.0	33.3	68.4	83.3	100.0	47.6	100.0
Rent	50.7	58.8	64.2	31.3	61.9	50.0	66.7	26.3	16.7	0.0	42.9	0.0
Noncash rent	9.2	10.5	6.0	25.0	14.3	25.0	0.0	5.3	0.0	0.0	9.5	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Living Quarters												
House or apartment	92.2	94.2	95.1	62.5	95.2	100.0	83.3	76.3	66.7	50.0	71.4	100.0
Nontransient hotel or motel	3.3	2.6	3.0	6.3	0.0	0.0	0.0	5.3	0.0	0.0	9.5	0.0
Transient hotel or motel	0.7	0.9	0.0	0.0	0.0	0.0	16.7	0.0	0.0	0.0	0.0	0.0
Rooming house	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mobile home or trailer	11.8	11.4	10.4	31.3	4.8	0.0	0.0	13.2	33.3	50.0	9.5	0.0
Other	2.0	0.9	1.5	0.0	0.0	0.0	0.0	5.3	0.0	0.0	9.5	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sample size	152	114	67	16	21	4	6	38	6	2	21	9

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data are for January 1991 (during zero-income spell).

People with four or more completed years of college are assumed to be college graduates.

TABLE V.5
LABOR FORCE CHARACTERISTICS OF REFERENCE PEOPLE:
ALL ZERO-INCOME HOUSEHOLDS
(Percentages)

Zero-Income Category	Total	True Zero-Income Households							Improbable Zero-Income Households				Negative Income Households
		Total	Job Loss or Layoff	Habitual Unemployment	Household Dissolution	Enrollment in School	Loss of Cash Benefits		Total	Employment Without Pay	Spend-Down Assets	Self-Employment	
Employment Status													
Working entire month													
Full time	25.0	3.5	4.5	0.0	4.8	0.0	0.0	89.5	100.0	50.0	95.2	77.8	
Part time	21.7	3.5	4.5	0.0	4.8	0.0	0.0	76.3	66.7	0.0	85.7	77.8	
Working part of month	3.3	0.0	0.0	0.0	0.0	0.0	0.0	13.2	33.3	50.0	9.5	0.0	
Full time	2.0	2.6	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Part time	2.0	2.6	4.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Not working, looking for work	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0	0.0	
Not working, not looking for work	27.0	36.0	44.8	18.8	23.8	25.0	33.3	7.9	0.0	50.0	4.8	0.0	
Total	45.4	57.9	46.3	81.3	71.4	75.0	66.7	100.0	100.0	100.0	100.0	22.2	
	100.0	100.0	100.0	100.0	100.0	100.0	100.0					100.0	
Self-Employment Status													
Self-employed, working	17.8	0.0	0.0	0.0	0.0	0.0	0.0	71.1	0.0	50.0	95.2	66.7	
Self-employed, not working	0.7	0.0	0.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0	4.8	0.0	
Not self-employed	81.6	100.0	100.0	100.0	100.0	100.0	100.0	26.3	100.0	50.0	0.0	33.3	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Disability Status													
Disabled													
Working full time	30.3	35.1	32.8	62.5	28.6	0.0	33.3	15.8	0.0	50.0	4.8	44.4	
Working part time	2.6	0.0	1.5	0.0	0.0	0.0	0.0	7.9	0.0	0.0	4.8	22.2	
Not working	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Not disabled	27.8	34.2	31.3	62.5	28.6	0.0	33.3	7.9	0.0	50.0	0.0	22.2	
Working full time	69.7	64.9	67.2	37.5	71.4	100.0	66.7	84.2	100.0	50.0	95.2	55.6	
Working part time	21.1	6.3	7.5	0.0	4.8	0.0	0.0	68.4	66.7	0.0	81.0	55.6	
Not working	3.3	0.0	0.0	0.0	0.0	0.0	0.0	13.2	33.3	50.0	9.5	0.0	
Total	45.4	59.6	59.7	37.5	66.7	100.0	66.7	2.6	0.0	0.0	4.8	0.0	
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Number of Jobs													
Not employed	73.6	93.9	91.0	100.0	95.2	100.0	100.0	10.5	0.0	50.0	4.8	22.2	
1	25.7	6.1	9.0	0.0	4.8	0.0	0.0	84.2	100.0	50.0	85.7	77.8	
More than 1	1.3	0.0	0.0	0.0	0.0	0.0	0.0	5.3	0.0	0.0	9.5	0.0	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Sample size	152	114	67	16	21	4	6	38	6	2	21	9	

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data are for January 1991 (during zero-income spell).

Having full time employment is defined as working at least 35 hours per week.

TABLE V.6

LABOR FORCE CHARACTERISTICS: ALL ZERO-INCOME HOUSEHOLDS
(Percentages)

Zero-Income Category	Total	True Zero-Income Households						Improbable Zero-Income Households				Negative Income Households
		Total	Job Loss or Layoff	Habitual Unemployment	Household Dissolution	Enrollment in School	Loss of Cash Benefits	Total	Employment Without Pay	Spend-Down Assets	Self-Employment	
Number of Household Members in the Labor Force												
None	41.4	52.6	37.3	81.3	71.4	75.0	66.7	7.9	0.0	50.0	0.0	22.2
1	47.4	41.2	52.2	18.8	28.6	25.0	33.3	66.8	100.0	50.0	81.0	11.1
2	9.2	4.4	7.5	0.0	0.0	0.0	0.0	23.7	0.0	0.0	19.0	55.6
3 or more	2.0	1.8	3.0	0.0	0.0	0.0	0.0	2.6	0.0	0.0	0.0	11.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean number of workers	0.7	0.6	0.8	0.2	0.3	0.3	0.3	1.2	1.0	0.5	1.2	1.6
Number of Self-Employed Household Members												
None	80.9	99.1	98.5	100.0	100.0	100.0	100.0	26.3	100.0	50.0	0.0	33.3
1	15.1	0.9	1.5	0.0	0.0	0.0	0.0	57.9	0.0	50.0	90.5	22.2
2	3.9	0.0	0.0	0.0	0.0	0.0	0.0	15.8	0.0	0.0	9.5	44.4
3 or more	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean number of self-employed people	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.5	1.0	1.1
Number of Disabled Household Members												
None	63.8	56.8	56.7	37.5	71.4	100.0	66.7	78.9	100.0	50.0	85.7	55.6
1	30.3	34.2	34.3	50.0	28.6	0.0	33.3	18.4	0.0	50.0	14.3	33.3
2	4.6	6.3	7.5	6.3	0.0	0.0	0.0	2.6	0.0	0.0	0.0	11.1
3 or more	1.3	1.8	1.5	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean number of disabled people	0.4	0.5	0.5	0.9	0.3	0.0	0.3	0.2	0.0	0.5	0.1	0.6
Sample size	152	114	67	16	21	4	6	38	6	2	21	9

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data are for January 1991 (during zero-income spell).

In the labor force is defined as employed, on lay off, or looking for work.

TABLE V.7

RECEIPT OF NONCASH WELFARE BENEFITS:
ALL ZERO-INCOME HOUSEHOLDS
(Percentages)

Zero-Income Category	Total	True Zero-Income Households						Improbable Zero-Income Households				Negative Income Households
		Total	Job Loss or Layoff	Habitual Unemployment	Household Dissolution	Enrollment in School	Loss of Cash Benefits	Total	Employment Without Pay	Spend-Down Assets	Self-Employment	
Receipt of Specific Forms of Noncash Assistance												
Food stamps	23.7	29.8	25.4	56.3	19.0	25.0	50.0	5.3	16.7	0.0	4.8	0.0
Average food stamp benefit	$194	$206	$220	$134	$204	$300	$190	$135	$259	--	$100	--
WIC	4.8	5.3	6.0	0.0	4.8	25.0	0.0	2.6	16.7	0.0	0.0	0.0
Free or reduced-price lunch*	46.5	51.1	46.4	75.0	60.0	50.0	66.7	20.0	0.0	0.0	25.0	0.0
Free or reduced-price breakfast*	32.7	37.8	39.3	50.0	60.0	0.0	33.3	10.0	0.0	0.0	12.5	0.0
Medicare	2.8	2.6	3.0	6.3	0.0	0.0	0.0	2.6	0.0	0.0	0.0	11.1
Medicaid	13.8	16.7	16.4	12.5	19.0	0.0	33.3	5.3	16.7	0.0	4.8	0.0
Energy assistance	13.2	16.7	16.4	25.0	19.0	0.0	0.0	2.6	0.0	0.0	4.8	0.0
Public housing	3.9	5.3	4.5	12.5	0.0	0.0	16.7	0.0	0.0	0.0	0.0	0.0
Subsidized rent	5.9	7.9	9.0	0.0	9.5	0.0	16.7	0.0	10.0	0.0	0.0	0.0
Receive some noncash assistance	42.8	51.8	46.3	68.8	52.4	50.0	66.7	15.8	16.7	0.0	19.0	11.1
Do not receive any noncash assistance	57.2	48.2	53.7	31.3	47.6	50.0	33.3	84.2	83.3	100.0	81.0	88.9
Sample size	152	114	67	16	21	4	6	38	6	2	21	9

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTE: Data are for January 1991 (during zero-income spell).

* Percentage refers to just households that include children.

TABLE V.8

ASSET HOLDINGS: ALL ZERO-INCOME HOUSEHOLDS
(Percentages)

Zero-Income Category	Total	True Zero-Income Households						Improbable Zero-Income Households				Negative Income Households
		Total	Job Loss or Layoff	Habitual Unemployment	Household Dissolution	Enrollment in School	Loss of Cash Benefits	Total	Employment Without Pay	Spend-Down Assets	Self-Employment	
Type of Asset Holding												
Savings	8.6	7.0	9.0	0.0	4.8	25.0	0.0	13.2	0.0	0.0	9.5	33.3
Investments	9.9	6.1	7.5	0.0	0.0	25.0	16.7	21.1	16.7	0.0	9.5	66.6
Rental property or mortgage	7.2	1.8	1.5	0.0	0.0	0.0	16.7	23.7	0.0	0.0	0.0	100.0
Royalties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Any Financial Assets	15.8	10.5	13.4	0.0	4.8	25.0	16.7	31.6	16.7	0.0	9.5	100.0
No Financial Assets	84.2	89.5	86.6	100.0	95.2	75.0	83.3	68.4	83.3	100.0	90.5	0.0
Sample size	152	114	67	16	21	4	6	38	6	2	21	9

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data are for January 1991 (during zero-income spell).

Investment assets include money market, certificates of deposits, NOW, money fund, government securities, municipal or corporate bonds, stocks or mutual funds, and other interest-bearing investments.

households (30 percent) own their homes (Table V.4), and just over 10 percent have other financial assets (Table V.8). Although the average education attainment of household heads for this group is low, there is a significant difference between the two types of unemployed households described above. Those with short episodes of zero income following periods of high wages are well-educated; most have college degrees. These are also typically the homeowners. Conversely, members of households that drift from low-paying job to low-paying job are unlikely to have finished high school. Over 40 percent of the households in this category include at least one disabled individual (Table V.6), yet welfare receipt is relatively low for these households. Only a quarter received food stamps during their reported zero-income period, and more than half received no in-kind benefits (Table V.7). Unemployed households have short zero-income spells, on average. The median spell length is just three months--the lowest of any zero-income group--and a full three-quarters have spells of four months or less (Table V.9).

The various ways in which these households regain positive income are summarized in Table V.10. As shown, we are able to observe another period of positive income for 90 percent of these households. Over 40 percent of the unemployed individuals resumed paid employment, and in an additional 5 percent of the households, an individual other than the original primary wage earner became employed. One-fifth of the households regained income through receipt of public assistance benefits--AFDC, Social Security, or SSI. Just 10 percent received unemployment or workmen's compensation. The remaining 14 percent either moved and joined a household with positive income or received income from miscellaneous sources, such as casual income or cash gifts from relatives.

2. Household Dissolution

The second most common cause of zero-income periods identified by our ethnographic analysis was household dissolution, causing a period of zero income for one or more members of the original household. This group also falls under Model 1. Through our micro-level analysis, we observed a distinct period of

TABLE V.9

LENGTH AND NUMBER OF ZERO-INCOME SPELLS: ALL ZERO-INCOME HOUSEHOLDS
(Percentages)

Zero-Income Category	Total	True Zero-Income Households						Improbable Zero-Income Households				Negative Income Households
		Total	Job Loss or Layoff	Habitual Unemployment	Household Dissolution	Enrollment in School	Loss of Cash Benefits	Total	Employment Without Pay	Spend-Down Assets	Self-Employment	
Spell length (number of months)												
1	17.1	18.8	20.9	6.3	9.5	0.0	16.7	21.1	33.3	0.0	19.0	22.2
2	17.1	19.3	22.4	6.3	23.8	0.0	16.7	10.5	16.7	0.0	9.5	11.1
3	13.2	13.2	14.9	0.0	14.3	25.0	16.7	13.2	16.7	0.0	9.5	22.2
4	15.1	14.0	20.9	0.0	4.8	25.0	0.0	18.4	0.0	50.0	19.0	22.2
5	3.3	3.5	1.5	0.0	9.5	0.0	16.7	2.6	16.7	0.0	0.0	0.0
6	1.3	1.8	1.5	0.0	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	3.9	5.3	3.0	0.0	14.3	0.0	16.7	0.0	0.0	0.0	0.0	0.0
8	2.6	0.0	0.0	0.0	0.0	0.0	0.0	10.5	0.0	0.0	9.5	22.2
9	1.3	0.9	1.5	0.0	0.0	0.0	0.0	2.6	0.0	0.0	4.8	0.0
10	3.3	2.6	1.5	6.3	4.8	0.0	0.0	5.3	0.0	0.0	9.5	0.0
11	0.7	0.9	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
12	1.3	0.9	0.0	0.0	4.8	0.0	0.0	2.6	0.0	0.0	4.8	0.0
13	1.3	1.8	1.5	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
14	0.7	0.9	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	0.7	0.0	0.0	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
16 - 20	9.2	9.6	3.0	31.3	9.5	25.0	16.7	7.9	16.7	50.0	4.8	0.0
21 - 25	2.6	2.6	3.0	6.3	0.0	0.0	0.0	2.6	0.0	0.0	4.8	0.0
26 - 30	1.3	0.9	1.5	0.0	0.0	0.0	0.0	2.6	0.0	0.0	4.8	0.0
31 - 33	3.9	5.3	0.0	31.3	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean spell length	7.1	7.4	4.7	19.6	5.7	14.5	5.7	6.4	4.7	11.0	7.6	3.6
Median spell length	4.0	4.0	3.0	19.0	4.0	11.0	4.0	4.0	2.5	11.0	4.0	3.0
Adjusted median spell length	4.7	4.8	2.9	36.0	4.9	38.5	9.3	4.3	2.9	12.6	4.3	3.0
Number of Discrete Spells												
1	52.6	50.9	49.3	68.8	42.9	50.0	50.0	57.9	66.7	100.0	47.6	66.7
2	26.3	28.1	29.9	6.3	42.9	25.0	16.7	21.1	16.7	0.0	19.0	33.3
3	11.8	12.3	13.4	12.5	9.5	0.0	16.7	10.5	0.0	0.0	19.0	0.0
4	7.2	7.0	4.5	12.5	4.8	25.0	16.7	7.9	0.0	0.0	14.3	0.0
5	0.7	0.9	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
6	0.7	0.9	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7 or more	0.7	0.9	0.0	0.0	0.0	0.0	0.0	2.6	16.7	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean number of spells	1.8	1.8	1.8	1.7	1.8	2.0	2.0	1.8	2.2	1.0	2.0	1.3
Sample size	152	114	67	16	21	4	6	38	6	2	21	9

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data are for January 1991 (during zero-income spell).

Adjusted median spell length computed using a Kaplan-Meier survivor function to estimate the zero-income spell length of censored data.

TABLE V.10

CAUSES OF REGAINED POSITIVE INCOME:
HOUSEHOLDS THAT REPORTED A JOB LOSS, LAYOFF, OR MISSED WORK

Cause of Regained Income	Frequency	Percentage
Resumed Work	27	40.3
Received Unemployment or Disability Compensation	7	10.4
Received Public Assistance, Including Social Security	13	19.4
Other Household Member Became Employed	3	4.5
Moved into Positive-Income Household	7	10.4
Other (Casual Income; Income from Relatives)	3	4.5
Did Not Regain Positive Income During Survey Period	7	10.4
TOTAL	**67**	**100.0**

positive income, followed by a household split in which at least one member left the original household. A period of zero income ensued for either the original or new households created in the split.

In general, zero-income households caused by household dissolution are younger than the average zero-income household, and a disproportionate share are female-headed (Table V.3). A small percentage of their household heads are in the labor force, compared to zero-income households as a whole, yet few are disabled (Table V.5). About half received some form of noncash public assistance during the zero-income period (Table V.7), and the percentage with asset holdings is disproportionately small (Table V.8). The median zero-income spell length for households in this category is four months--the same as that of all zero-income households and all true zero-income households (Table V.9). Over half report at least two discrete periods of zero income during the survey period (Table V.9).

We observed five distinct types of household dissolution that result in zero income. These are summarized in Table V.11. Eight (of 21) of these cases were caused by a divorce or separation. A husband and wife divorced, and the husband--in these cases the sole wage earner--left the home, which resulted in a period of zero income for the wife and children. During this time neither the wives nor the children were employed, and no child support or alimony was reported. Most of these households regained positive income within six months; the median zero-income spell length for this subgroup is 5.5 months. Their zero-income episodes ended in a variety of ways, most commonly when a new wage earner, usually a male, entered the home, or the wife became employed, qualified for public assistance, or received child support payments. In one case the estranged husband returned to the home after his wife and children lived without income for 4 months.

In seven (of 21) of the households in this category, an adult child (aged 15 to 28) left the parental unit (a positive-income household) to form his or her own household. Spells reported by this subgroup were also not long; the median spell length was 6.5 months--just 2.5 months longer than the average spell length

TABLE V.11

TYPES OF HOUSEHOLD DISSOLUTION THAT LEAD TO ZERO INCOME

Type of Household Dissolution	Frequency
Divorce or Separation	**8**
Wife (and children) Report Zero Income	6
Husband Reports Zero Income	2
Departure of Adult Child from Parental Household	**7**
Adult Child Reports Zero Income	6
Parental Unit Reports Zero Income	1
Separation of Nonrelated Opposite Sex Roommates	**1**
Separation of Other Relatives Living Together	**3**
Death of Income Provider	**2**
Total	**21**

reported for all true zero-income households. In two cases the adult children were able to find jobs on their own, two others returned to the parental household, and the final two regained positive income by qualifying for public assistance. Interestingly, in one case, a father reported a period of zero income after his adult son, the only wage earner, moved to his own home. This man reported 10 full months of zero income before other relatives provided income through an inter-household transfer.

Other less common types of household dissolution that precipitated a period of zero income included two instances in which a woman experienced zero income after the death of her husband, three instances in which cohabiting relatives separated, and one incident of a cohabiting couple separating. In most cases, it was the new household headed by the female that reported the period of zero income following the dissolution of the original household.

3. Habitual Unemployment

Cases in which the key household earner is chronically unemployed or out of the labor force make up the third largest group of true zero-income households. This group falls under Model 2. We do not observe the change to unemployment status within the 32-month portraits; rather these households were already unemployed and at or near zero-income when the survey commenced. Their claim of zero income is supported by their labor force status, the high proportion of household heads that are disabled, and the disproportionate share that receive in-kind welfare benefits (noncash public assistance).

In general, the heads of zero-income households in this category are older than average zero-income household heads; their median age is 53, compared to 36 for all true zero-income households (Table V.3). This may in part explain the disproportionate share of household heads in this group who report being disabled. Eleven of the 16 habitually unemployed heads of zero-income households are single people living alone, and only 4 households contain children (Table V.2). They have low educational attainment relative to the other households studied (Table V.4). None of these households include any workers, and over 80 percent of household heads are out of the work force, probably because nearly two-thirds report

being disabled (Table V.5). Two-thirds received some form of noncash public assistance during the zero-income period (Table V.7). Over half received food stamps (by far the highest percentage of any zero-income household group), and a full quarter received energy assistance (Table V.7). It should be noted that these households did not report receipt of SSI benefits; as disabled food stamp recipients, most would qualify for benefits. None of these households reported financial assets (Table V.8), yet, surprisingly, over 40 percent own their home (Table V.4).

The zero-income spells of this group tend to be long. The median spell length is 19 months--far higher than that of any other zero-income group (Table V.9). Five of these households report zero income for the entire observation period. Those that do report some months of income report primarily "casual" income, which is income received from friends or other unnamed sources not otherwise classified. Of those cases for which we can observe a return to positive income, sources of this income included casual income, income from relatives, child support payments, workman's compensation, retirement benefits, Social Security, and other cash welfare benefits--all forms of income consistent with households that are permanently out of the labor force.

Yet, the question of how these households survive *during* zero-income spells, for whatever length of time, remains. The possible sources of support that are unreported in the SIPP data are not discernible from this analysis. Follow-up interviews and/or focus groups would be needed to address this question.

4. School Enrollment

Claims of zero income can be attributed to the school enrollment status of household heads for four zero-income households. These households were identified under Model 2. Although we did not observe a change in their school enrollment status (all were enrolled from the start of the survey period), it is clear that they had no income in most months because they were enrolled in school. Although these are, technically speaking, true zero-income households, as will be discussed below, most are economically viable households with some access to family wealth.

One of the household heads in this group is a graduate student, two are attending undergraduate college, and one is finishing high school (Table V.4). Not surprisingly, the household heads are younger than the average zero-income household; all are under age 40 (Table V.2). Three of the four households are headed by people who are out of the work force, and the other household head reported that she was unemployed but looking for work in January 1991 (Table V.5). None of these individuals are disabled (Table V.5). Two of the four receive in-kind public assistance benefits--food stamps, WIC, or free or reduced-price school meals (Table V.7).

The zero-income spell lengths for these households are longer than those of the average zero-income household, with a median spell length of 11 months (Table V.7). The ethnographic analysis indicates that there are two types of enrolled zero-income households--those that live on nutrition assistance programs and casual income, and those that have help from families or established assets. One enrolled individual receives periodic lump sum payments from relatives (probably parents) in generous $10,000 increments. This qualifies as a true zero-income household because in most months this individual does not receive income of any kind; however, this is hardly a scenario of economic need. Another enrolled household appears to live just fine on the savings accounts of the husband and wife, both full-time students. Another student receives periodic small amounts of income from an estate or trust, indicating that she probably has access to some wealth, despite her claim of zero income for several months during the observation period.

5. Loss of Welfare or Unemployment Benefits

The final six households designated as true zero-income households are those that reported a period of zero income following a loss of unemployment or welfare benefits. These households fit into the framework of Model 1. We are able to observe a period of positive income in which the household head received either AFDC or unemployment compensation. For reasons not always identifiable through the available data, these benefits were terminated, and the households reported a period of zero income. Most regained the original or other benefits after a relatively short period of zero income.

The three households that lost AFDC benefits were headed by young single mothers with children age 13 and younger. These women were poorly educated and had no assets. In one case, a woman's AFDC and GA benefits were terminated when her two infant children ceased living with her. Although information on this is not recorded in SIPP, the woman probably became pregnant, because she regained positive income by requalifying for AFDC benefits despite the continued absence of her children. In another case, a woman lost her AFDC benefits when she became temporarily employed. These benefits were restored when she became pregnant (pregnancy evidenced by the birth of a second child).

An additional three households reported zero income after losing unemployment compensation benefits. These households are markedly different from the three who lost AFDC benefits. These household heads are older, better educated, and more likely to own their home and other financial assets. Their periods of positive income are characterized by substantially higher benefits than those of the AFDC mothers. AFDC mothers regained positive income by resuming their welfare benefits, but two of the three individuals whose unemployment compensation was terminated regained positive income by becoming re-employed. The third individual is disabled and regained positive income by receiving GA benefits.

Food Stamp Participation Patterns of True Zero-Income Households

Less than a third (30 percent) of true zero-income households report participating in the FSP at any time during their reported period of zero income. FSP participation rates vary by cause of zero-income spell. Habitually unemployed households are the most likely to receive food stamp benefits with 56 percent participating, followed by half of the households whose zero-income phenomenon was precipitated by a loss of cash unemployment or welfare benefits. Just a quarter of zero-income households caused by a job loss or school enrollment report receipt of food stamps, and only 19 percent of household dissolution cases participate. While not all households with low income elect to participate in the FSP, the striking differences in the participation rates of these households, coupled with low reported receipt of other in-kind

public assistance, provides evidence that not all zero-income households are as financially troubled as a report of zero income would indicate.

Summary: True Zero-Income Households

In summary, the 114 true zero-income households appear to have legitimate claims for their self-report of zero income in January 1991. For each case we are able to observe the trigger event or condition that precipitates or accompanies the period without income: loss of wages due to unemployment, household dissolution resulting in the loss of the wage earner(s), loss of unemployment or public assistance benefits, long periods without gainful employment, or a period of nonparticipation in the labor force corresponding with enrollment in school.

However, just because these individuals are technically without income for one or more months does not mean that they are not economically viable households. Our ethnographic analysis revealed much heterogeneity among these households, suggesting that the degree of true impoverishment varies greatly across zero-income households and among the subgroups of true zero-income households. Habitually unemployed households, for example, truly are the poorest of the poor. The have the lowest labor force participation rates, the highest rates of reported disability, the longest periods without income, and the highest FSP participation rates. Their socioeconomic status is also the lowest of the groups of households, with low average educational attainment, home ownership rates, and asset holdings. Those enrolled in school, on the other hand, despite their relatively long zero-income spells and low labor force participation rates, are not disabled and unlikely to use government assistance. Their educational attainment is extremely high. It is possible that these households have outside sources of support not reported to SIPP, such as help from family members, or tuition assistance and fellowship income. These households may be technically without income, but there is evidence that their financial situation is not as dire as their report of zero income would imply.

In between these two groups of true zero-income households are households that experience a period of zero income following a job loss or layoff. Many of these households slowly move from a period of positive earnings to a period with lower earnings to a period with no income. In come cases, household income was very high preceding the period without income. Over 40 percent of the households in this group regained positive income prior to the end of the observation period. Households with zero income caused by dissolution are also in between the above mentioned groups with regard to long-term viability. Most dissolution-caused zero income is due to divorce or separation or departure of an adult child from the parental household. Finally, households that report zero income following loss of welfare or unemployment benefits are generally very poor, but most regain the original or other benefits after a relatively short period of zero income.

B. IMPROBABLE ZERO-INCOME HOUSEHOLDS

This section describes the characteristics of the 29 households for which the cause of the zero-income episode is less apparent. No change in household circumstances precedes the zero-income period, and in some cases other reported characteristics contradict the household's claim of zero income. We highlight the contradictory information reported and suggest methods for identifying and handling these households in future analyses.

1. Self-Employment

The most common condition accompanying a less probable zero-income period is reported self-employment. The 21 households that comprise this category fall under neither Model 1 nor Model 2. The group resembles Model 2 in that we do not observe a change in employment status within the 32-month portraits; rather these households were already self-employed when the study commenced. Yet, in all but one case we do observe the onset of the zero-income period; however, the reason for this drop to zero household income is not observable.

Based on the results of our ethnographic analysis, it is clear that while most of the households in this group are technically zero-income households, practically they can be considered financially viable. All but one of the self-employed zero-income households report a period of positive income from self-employment prior to their loss of income. In some cases the average monthly earnings of these households in the months preceding the zero-income spell is quite high--as much as $23,000 per month. In fact, the average monthly earnings from self-employment in the month directly preceding a zero-income spell for these 20 households is nearly $3,100. We suspect that these households are paid on a contract or invoice basis. They may work continuously, but are only paid when contract milestones are met or products delivered. This hypothesis is supported by the high reported average hours worked per month during zero-income spells (usually in excess of 70 hours per week), and the small number (just 1 of 21 households) that participate in the FSP.

These self-employed households are small; nearly half (48 percent) are single-person households, and most are headed by men. Over a third (38 percent) of these households contain children, and nearly two-thirds (62 percent) of households with children are headed by a married couple rather than a single parent. All single parents in this group are women.

The socioeconomic status of these households is high relative to the average zero-income household. The educational attainment of the heads of these households is higher than the average of zero-income households; nearly half (48 percent) attended at least some college. Almost half (48 percent) are homeowners.

All but one of the 21 households report being employed at their own business full-time during their zero-income spell, and as mentioned above, they reported working the highest number of hours of any zero-income households examined. Two of the 21 households have second jobs. Only one self-employed household head is disabled, and this individual still works more than 40 hours every week. Two

households comprise husband-wife self-employed teams. About a fifth (19 percent) of these households receive in-kind public assistance benefits.

Surprisingly, only one of the 21 households report asset holdings in January 1991. We suspect that the proportion of self-employed households with savings is actually much higher. It is likely that in many cases, disposable income from positive-income months is returned to the business and thus not reported as savings to SIPP interviewers.

The zero-income spells of these households are not long. The adjusted median spell length is just 4.3 months, and nearly a fifth (19 percent) of the zero-income spells are just one month in duration. More than half (12) of the 21 self-employed households regain positive income within a few months via additional earnings from self-employment. In most cases these payments are large, overcoming the lost income of one or more months. Three of the 21 households left self-employment for a different job, at which time they regained positive income. Another two households report receipt of unemployment benefits which terminated their zero-income spell. We do not observe the end of the zero-income spell for the remaining four self-employed households.

2. Employment Without Pay

Six of the 29 improbable zero-income households report full-time employment without pay during their zero-income spell. All six claim to be working between 30 and 45 hours per week for all weeks in the month, yet no income is reported. These households report neither self-employment nor a job loss or layoff preceding or during the zero-income spell. Again, this group fits neither Model 1 nor Model 2; although we observe the onset of the zero-income period for all but one of these households, we do not observe a preceding or accompanying trigger event or condition that explains the loss of income.

We observe a pattern of constant employment and sporadic payment in five of the six households, suggesting a contract-style form of payment similar to that observed in the self-employed households. (This period of zero income does not fall in the summer months as would be consistent with teachers who

elect to be paid for working months only). Several months of significant earnings are followed by a period of one to four months without pay. Reported weeks and hours worked during the months without income is consistent with those worked in the preceding months with positive income. For each of these households this pattern repeats itself throughout the 32 months of the SIPP panel.

We do not ever observe a month of positive income for the other household included in this group. This one-person, male-headed household reports full-time employment at 45 hours per week for the entire survey period, but never reports receipt of income. It is possible that this individual is employed in a very long contract-style reimbursement position, but this is unlikely in a non-self-employed environment. It is more likely that this SIPP record includes incorrect data, either regarding employment or income. It is not possible to verify this supposition without a re-interview.

Only one of the six households reports FSP participation. This household's sporadic payments are lower than those of the other households. None of the households report savings accounts; one household reports investment assets.

Other than the one household for which a positive-earnings month is never observed, all zero-income spells in this group last one to five months. The adjusted median spell length is 2.9 months. As mentioned above, we observed the pattern of sporadic payment repeated for these households over the survey period. Subsequently, this group has the highest average number of discrete zero-income spells of all the zero-income groups.

3. Assets Spend-Down

Claims of zero income can be attributed to spending down of asset balances for the final two zero-income households. We observe a clear period of positive income followed by a period of zero income. There is no clear explanation for the negative income other than the likely depletion of the asset balances upon which the individuals were living. These households also do not fit under either Model 1 or Model 2.

Prior to the period of zero income, the only income reported by these single-person households was interest and dividends. The first household survived on meager income ($30 per month) from interest-bearing savings accounts and government securities. After these sources of income were depleted, he

positive income prior to the end of the survey period. The second household reported substantial income, first from government securities, and then from royalties. These royalties, which had accounted for monthly income of $1,500, were suspended for four months, at which time they were reinstated at just $500 per month. This period of zero income followed by a reduction in the royalties amount suggests

food stamps or other non-cash public assistance benefits. It is clear that while most of these households do technically qualify as zero-income households in January 1991, practically they can be considered financially viable households. Reported possession of assets is lower than expected for such households; it is possible that they are under-reported to SIPP.

Suggested Methods for Identifying and Handling Improbable Zero-Income Households in Future Analyses

Zero-income households such as those identified in this section present complications for FSP participation research. Despite the fact that many of the zero-income households examined in our ethnographic analysis are not truly needy, based on traditional FSP eligibility simulation procedures, they appear to be eligible for the food stamp program during their zero-income spell. Technically, these households have zero income, and their reported asset balances are low. Homes and income-generating assets, which provide clues in an ethnographic study as to a household's financial viability, are excluded from food stamp eligibility determinations. These improbable zero-income households probably would never consider applying for food stamps. This may explain why the food stamp participation rates of zero-income households historically have been substantially lower than those of households with very low but positive incomes (Table II.1).

FCS may want to exclude or control for these improbable zero-income households when conducting future FSP participation research. To do so would not be easy, since their status as viable zero-income households was identified through an ethnographic rather than statistical analysis. There are clues, such as self-employment or uninterrupted employment without pay, that could be identified and used to control for the more viable zero-income households when generating FSP participation rates using SIPP.

C. NEGATIVE-INCOME HOUSEHOLDS

This section presents the characteristics of the nine households that report a period of negative income in January 1991. Our analysis reveals that all cases of net negative income included in this analysis are due

to reported negative rental property or mortgage income offsetting positive earnings, social security payments, or interest and dividends. Net negative income from property loss ranged from $5 per month to several thousand dollars per month.

Six of the nine negative-income household heads are self-employed, and in most cases several household members report self-employment, indicating a family-owned and operated business. In most cases this family-owned venture is rental property. In a pattern similar to that observed in our analysis of the zero-income self-employed households, all self-employed negative-income households reported several months of positive earnings, followed by one or more months of net negative income. Interestingly, in most cases, reported personal earnings also decreased in the first month of reported negative property income.

In terms of demographic and socioeconomic characteristics, negative-income households appear to be financially viable households. Their characteristics do not resemble those of either the average true or improbable zero-income household, although their characteristics are most similar to those of self-employed households. Negative-income households are larger, on average, than zero-income households. Six of the nine households include children and elderly household members. All of the households that contain children are headed by a married couple rather than a single parent. The household heads of negative-income households are also older, on average, than zero-income households. The median age of negative-income household heads is 53 (compared to 37 for all zero-income households), and all negative-income heads are over age 40. These households are disproportionately non-Hispanic white and Asian. Unlike other zero-income households, all nine household heads are married or never married; none are divorced, separated, or widowed. The educational attainment of this group is also relatively high; four of the nine have attended at least some college.

Negative-income households are much more likely to report asset balances than their zero-income counterparts. All nine households report owning rental property or a mortgage, and all own their own homes. Five of the nine also report financial assets such as savings or investments.

In summary, negative-income households do not appear to be at-risk households. Their reports of negative income are preceded and followed by reports of substantial positive income. Few if any of these households would qualify for food stamps, even during the months of negative reported earnings. Because these households report high asset balances, making them ineligible for food stamps, these are not the households that affect SIPP participation research for FCS, and should not be the focus of additional research on this subject.

VI. FINDINGS FROM THE AGGREGATE-LEVEL ANALYSIS

This chapter provides context for our findings from the ethnographic study presented in Chapter V. Section A compares the characteristics of households that reported zero income in January 1991 (those households that comprise the sample for our ethnographic analysis) to those that reported low but positive income during the same time period. These comparisons provide further evidence that zero-income households are unique. Section B compares the characteristics of households that reported zero income in January 1991 to those of households that reported zero income in any of the 32 months covered by the 1990 SIPP longitudinal file. Without an ethnographic analysis it is not possible to identify the causes of zero income for the later groups of zero-income households; nor can we evaluate whether we would classify their accounts of zero income as true or improbable. We can, however, compare the attributes of this larger sample of zero-income households with those of our ethnographic study sample to evaluate the extent to which our January 1991 sample is representative of zero-income households over time. The information upon which these comparisons are based is displayed in Tables VI.1-VI.6.

A. ZERO-INCOME HOUSEHOLDS COMPARED TO HOUSEHOLDS WITH LOW BUT POSITIVE INCOME

A comparison of the characteristics of zero-income, poor (household income below 100 percent of poverty), and low-income (household income between 100 and 300 percent of poverty) households shows significant differences between the zero-income households and the two groups of positive-but- low-income households, providing evidence that the zero-income state may not be merely the lowest level of the poverty spectrum, but rather a unique and most likely nonpermanent financial state experienced by particular types of households.

As shown in Table VI.1, zero-income households in January 1991 are significantly smaller and different in household composition than poor and low-income households in the same month. The average

TABLE VI.1

HOUSEHOLD COMPOSITION: ZERO-INCOME, POOR, AND LOW-INCOME HOUSEHOLDS IN JANUARY 1991 AND HOUSEHOLDS THAT REPORTED ZERO INCOME AT ANY TIME DURING THE 32-MONTH SIPP PANEL
(Percentages)

Zero-Income Category	All Zero-Income Households*	Income Status in January 1991		
		Zero-Income	Poor	Low-Income
Household Size (number of members)				
1	29.5	47.4	34.3	27.4
2	28.9	21.7	16.9	27.5
3	16.6	9.9	15.1	14.8
4	13.6	9.2	15.2	16.0
5	7.0	8.6	9.8	8.9
6 or more	4.4	3.3	8.8	5.4
Total	100.0	100.0	100.0	100.0
Mean household size	2.6	2.2	2.8	2.7
Number of Children in Household				
None	71.0	63.8	46.0	55.4
1	12.4	16.4	15.6	14.1
2	9.6	8.6	17.2	20.1
3	4.7	9.2	12.4	7.6
4	1.4	2.0	4.9	2.0
5 or more	0.9		3.9	0.9
Total	100.0	100.0	100.0	100.0
Mean number of children per household	0.6	0.7	1.3	0.9
Number of Elderly Household Members				
None	81.7	92.8	65.5	60.7
1	12.7	5.9	30.7	25.2
2	5.4	1.3	3.8	13.8
3 or more	0.2	0.0	0.1	0.3
Total	100.0	100.0	100.0	100.0
Mean number of elderly per household	0.2	0.1	0.4	0.5
Household Type				
Households with Children	29.0	36.2	54.0	44.6
Households without Children	71.0	63.8	46.0	55.4
Total	100.0	100.0	100.0	100.0
Sample size	6,280	152	1,833	6,772

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data presented refer to January 1991 (during zero-income spell).

Children are people under age 18.

The elderly are people age 60 and over.

* Households that reported a period of zero income at any time during the 32-month SIPP panel.

TABLE VI.2

DEMOGRAPHIC CHARACTERISTICS: ZERO-INCOME, POOR, AND LOW-INCOME HOUSEHOLDS IN JANUARY 1991 AND HOUSEHOLDS THAT REPORTED ZERO INCOME AT ANY TIME DURING THE 32-MONTH SIPP PANEL
(Percentages)

	All Zero-Income Households*	Income Status in January 1991		
		Zero-Income	Poor	Low-Income
Age of Household Reference Person				
16 - 17	0.1	1.3	0.1	0.0
18 - 19	0.9	2.6	1.4	0.6
20 - 24	7.5	10.5	8.5	4.8
25 - 29	11.8	15.1	11.1	9.0
30 - 34	12.6	13.2	13.2	11.4
35 - 39	11.4	9.9	9.9	11.1
40 - 44	10.9	8.6	7.3	9.0
45 - 49	8.5	12.5	6.4	6.5
50 - 54	7.2	12.5	5.0	5.1
55 - 59	5.4	6.6	4.3	5.4
60 - 64	6.3	4.6	6.4	7.3
65 - 69	4.5	2.0	7.8	8.6
70+	12.8	0.7	18.5	21.2
Total	**100.0**	**100.0**	**100.0**	**100.0**
Mean age	45.5	39.3	47.8	50.5
Median age	42.0	38.0	43.0	46.0
Race and Ethnicity of Household Reference Person				
Non-Hispanic white	78.6	59.9	67.2	83.2
Non-Hispanic black	18.1	21.1	29.2	14.4
Non-Hispanic Asian/Pacific Island American	2.5	2.6	2.6	1.9
Non-Hispanic American Indian/Native Alaskan	0.8	2.0	1.0	0.5
Hispanic	NA	14.5	NA	NA
Total	**100.0**	**100.0**	**100.0**	**100.0**
Gender of Household Reference Person				
Male	NA	35.5	11.2	13.4
Female	NA	32.2	61.5	35.0
Married couple	44.3	32.2	27.3	51.6
Total	**NA**	**100.0**	**100.0**	**100.0**
Marital Status of Household Reference Person				
Married, spouse present	44.3	32.2	27.3	51.6
Married, spouse absent	1.8	3.3	2.1	0.9
Widowed	11.8	2.6	22.9	18.4
Divorced	15.2	18.4	17.0	13.3
Separated	6.1	12.5	8.6	3.5
Never married	20.8	30.9	22.2	12.2
Total	**100.0**	**100.0**	**100.0**	**100.0**
Sample size	6,280	152	1,833	6,772

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTE: Data presented refer to January 1991 (during zero-income spell).

NA: These data were determined through the ethnographic analysis and are not available in the aggregate form.

* Households that reported a period of zero income at any time during the 32-month SIPP panel.

TABLE VI.3

SOCIOECONOMIC CHARACTERISTICS: ZERO-INCOME, POOR, AND LOW-INCOME HOUSEHOLDS IN JANUARY 1991 AND HOUSEHOLDS THAT REPORTED ZERO INCOME AT ANY TIME DURING THE 32-MONTH SIPP PANEL
(Percentages)

Zero-Income Category	All Zero-Income Households*	Income Status in January 1991		
		Zero-Income	Poor	Low-Income
Educational Attainment of Household Reference Person				
Less than high school	49.5	15.1	42.3	27.7
Some high school	8.7	25.7	19.9	13.6
High school graduate	20.6	34.2	23.4	34.0
Some college	10.8	15.1	9.6	15.5
College graduate	10.4	9.9	4.8	9.2
Total	100.0	100.0	100.0	100.0
Mean years of schooling	11.3	11.4	10.4	11.6
Enrollment Status of Household Reference Person				
Not enrolled in school	96.7	93.4	91.7	94.9
Enrolled in high school	0.3	3.9	1.0	0.2
Enrolled in college or trade school	3.0	2.6	7.3	4.9
Total	100.0	100.0	100.0	100.0
Sample size	6,280	152	1,833	6,772

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data presented refer to January 1991 (during zero-income spell).

People with four or more completed years of college are assumed to be college graduates.

* Households that reported a period of zero income at any time during the 32-month SIPP panel.

TABLE VI.4

LABOR FORCE CHARACTERISTICS: ZERO-INCOME, POOR, AND LOW-INCOME HOUSEHOLDS IN JANUARY 1991 AND HOUSEHOLDS THAT REPORTED ZERO INCOME AT ANY TIME DURING THE 32-MONTH SIPP PANEL
(Percentages)

Zero-Income Category	All Zero-Income Households*	Income Status in January 1991		
		Zero-Income	Poor	Low-Income
Employment Status				
Working entire month	60.0	25.0	25.8	58.4
Working part of month	2.4	2.0	2.7	1.2
Not working, looking for work	5.4	27.6	8.3	2.3
Not working, not looking for work	32.2	45.4	63.2	38.1
Total	**100.0**	**100.0**	**100.0**	**100.0**
Self-Employment Status				
Self-employed, working	4.5	17.8	6.8	8.2
Not self-employed	95.5	82.2	93.2	91.8
Total	**100.0**	**100.0**	**100.0**	**100.0**
Sample size	6,280	152	1,833	6,772

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data presented refer to January 1991 (during zero-income spell).

Having full time employment is defined as working at least 35 hours per week.

* Households that reported a period of zero income at any time during the 32-month SIPP panel.

TABLE VI.5

NONCASH WELFARE RECEIPT: ZERO-INCOME, POOR, AND LOW-INCOME HOUSEHOLDS IN JANUARY 1991 AND HOUSEHOLDS THAT REPORTED ZERO INCOME AT ANY TIME DURING THE 32-MONTH SIPP PANEL
(Percentages)

Zero-Income Category	All Zero-Income Households*	Income Status in January 1991		
		Zero-Income	Poor	Low-Income
Receive food stamps	16.9	23.7	54.4	10.6
Receive any noncash assistance	26.4	42.8	84.0	18.1
Sample size	6,280	152	1,833	6,772

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTE: Data presented refer to January 1991 (during zero-income spell).

* Households that reported a period of zero income at any time during the 32-month SIPP panel.

TABLE VI.6

LENGTH AND NUMBER OF SPELLS: ZERO-INCOME, POOR, AND LOW-INCOME HOUSEHOLDS IN JANUARY 1991 AND HOUSEHOLDS THAT REPORTED ZERO INCOME AT ANY TIME DURING THE 32-MONTH SIPP PANEL
(Percentages)

Zero-Income Category	All Zero-Income Households*	Income Status in January 1991		
		Zero-Income	Poor	Low-Income
Spell length (number of months)				
1	12.5	17.8	--	--
2	8.6	17.1	--	--
3	6.5	12.5	--	--
4	47.2	15.1	--	--
5	1.0	3.3	--	--
6	0.8	1.3	--	--
7	0.6	3.9	--	--
8	21.6	2.6	--	--
9	0.1	1.3	--	--
10	0.2	3.3	--	--
11	0.1	0.7	--	--
12	0.4	1.3	--	--
13	0.0	1.3	--	--
14	0.0	0.7	--	--
15	0.0	0.7	--	--
16 - 20	0.2	9.2	--	--
21 - 25	0.1	2.6	--	--
26 - 30	0.0	1.3	--	--
31 - 33	0.1	3.9	--	--
Total	100.0	100.0	--	--
Mean spell length	4.4	7.1	--	--
Median spell length	4.0	4.0	--	--
Adjusted median spell length	4.6	4.7	--	--
Number of Discrete Spells				
1	89.3	52.6	--	--
2	9.1	26.3	--	--
3	1.2	11.8	--	--
4	0.3	7.2	--	--
5	0.1	0.7	--	--
6	0.0	0.7	--	--
7 or more	0.0	0.7	--	--
Total	100.0	100.0	--	--
Mean number of spells	1.1	1.8	--	--
Sample size	6,280	152	1,833	6,772

SOURCE: Tabulations of 1990 SIPP Longitudinal File.

NOTES: Data presented refer to January 1991 (during zero-income spell).

Adjusted median spell length computed using a Kaplan-Meier survivor function to estimate the zero-income spell length of censored data.

* Households that reported a period of zero income at any time during the 32-month SIPP panel.

household size for zero-income households is 2.2 people, compared to 2.8 and 2.7 for poor and low-income households, respectively.[1] Nearly half of zero-income households are single-person households, compared to approximately a third of poor and low-income households. Subsequently, zero-income households are much less likely to include children than their poor and low-income counterparts. Elderly individuals are also less common in zero-income households; just 7 percent of zero-income households include an elderly household member, compared to more than a third of both groups of low-income households.

Table VI.2 shows the demographic characteristics of the household heads of the three groups. Zero-income household heads are slightly younger than those of poor or low-income households; the median age for zero-income heads is 38 years compared to 43 and 46 years for poor and low-income households, respectively. Zero-income and poor households are alike in that just under a third of each group is headed by a married couple, compared to over half (52 percent) of low-income households. Zero-income households are also more likely than their counterparts with low but positive income to be headed by a never-married individual (31 percent compared to 22 and 12 percent of poor and low-income households, respectively). The data suggest that many zero-income households comprise never-married men living alone, while the predominant household type of poor and low-income household is that of single mothers.

As shown in Table VI.3, the educational attainment of the heads of zero-income households is more similar to that of low-income households than poor households, again suggesting that on average, zero-income households may be at less risk of long-term financial hardship than poor households. Nearly equal proportions of all three income groups are enrolled in school.

Table VI.4 shows the labor force and employment status of household heads. While the point-in-time employment status of zero-income household heads more closely resembles that of poor household heads

[1]Because we do not perform statistical tests to evaluate these differences, and because the sample is prohibitively small, it is not possible to speak to the statistical significance of the differences between these numbers.

than low-income household heads (approximately a quarter of zero-income household heads are employed full-time in January 1991, compared to over half of low-income household heads), a significantly greater share of unemployed zero-income household heads reports looking for work. Over a third (38 percent) of zero-income household heads without a job report that they are looking for a job, compared to just 12 percent of unemployed poor household heads and 6 percent of low-income heads without jobs. This, too, suggests that the long-term economic status of this group of zero-income households will surpass that of poor households. Zero-income households are also much more likely to report self-employment than the two groups of positive-but-low-income households.

Zero-income households are much less likely than poor positive-income households to participate in the FSP or receive subsidized rent (Table VI.5). Just 43 percent of zero-income households receive some form of noncash public assistance, compared to fully 84 percent of poor households. This suggests that zero-income households may be relatively unmotivated to seek public assistance because they believe that their period of zero income will not endure.

In summary, the characteristics of zero-income households presented in this section compared to those of their poor and low-income counterparts indicate that zero-income households are not truly the poorest of poor households. Rather, based on their household composition, educational attainment and labor force status, zero-income households may have better long-term financial prospects, on average, than poor households. This supports our findings from the ethnographic analysis, in which we identified striking differences among zero-income households that led us to conclude that some households that reported zero income in SIPP are actually financially viable households.

B. ZERO-INCOME HOUSEHOLDS THAT REPORT ZERO INCOME IN JANUARY 1991 COMPARED TO HOUSEHOLDS THAT EVER REPORTED A PERIOD OF ZERO INCOME IN SIPP

This section compares the characteristics of households that reported zero income in January 1991--the households that comprise our ethnographic study sample--to those of households that reported zero

income in *any* of the 32 months covered by the 1990 SIPP longitudinal file. We use these comparisons to evaluate whether our ethnographic sample is sufficient to represent the true nature of the zero-income phenomenon.

Our findings indicate that the characteristics of the cross-sectional sample of zero-income households used for the ethnographic analysis are somewhat different from those of the dynamic sample of households that ever reported a period of zero income in SIPP. These differences can be attributed, for the large part, to length bias--a methodological shortcoming of this type of analysis. Compared to a dynamic sample which captures all zero-income households over time, regardless of a household's spell length, a cross-sectional sample of zero-income households will always include a greater proportion of chronic zero-income households. The zero-income spells of these households last longer and thus their probability of selection in any given month is higher than that of short-term zero-income households. Consequently, the characteristics of households with long-term zero-income spells, presumably the most at-risk and least financially viable of the zero-income households, are weighted more heavily in a cross-sectional analysis than in a dynamic analysis. Thus the households in our ethnographic sample appear worse off than those in the dynamic sample. This is not to suggest that a cross-sectional study is inappropriate. Rather, the opposite may be true; a cross-sectional study captures the characteristics of zero-income households for a specific point in time, whereas a dynamic analysis can only be generalized to any 32-month time period. From a policy perspective, the former is a more useful analysis to conduct.

As shown in Table VI.1, the size of households with zero income at any time during the SIPP panel is slightly larger than that of households that reported zero income in January 1991. Households in the larger sample are less likely to include children (29 percent versus 36 percent), but more likely to include elderly household members (18 percent compared to just 7 percent of the January 1991 zero-income households).

The heads of households that ever reported zero income are older than those of households that reported zero income in January 1991 (Table VI.2). They are also more likely to be headed by a married couple, widow or widower. The relatively high proportion of widowed household heads in the ever-reported zero-income sample, coupled with the relatively high incidence of elderly household members for this group, suggests that periods of zero income triggered by the death of a spouse may be more common in the dynamic sample than in households that reported zero income in January 1991. Our ethnographic analysis included only two households for which the zero-income spell was precipitated by the death of a spouse. Both were headed by elderly individuals, and the zero-income spell did not last long.

Contrary to other findings, the educational attainment of households that ever report zero income is slightly lower than that of zero-income households in the January 1991 sample (Table VI.3). Less than half (42 percent) of the households in the larger sample completed high school, compared to 59 percent of the zero-income households in the ethnographic study. Approximately equal proportions of the two groups are enrolled in school.

As shown in Table VI.4, households that ever reported zero income are much more likely than zero-income households in January 1991 to be employed or in the labor force (60 percent compared to 25 percent), but far fewer are self-employed (5 percent compared to 18 percent of the January 1991 zero-income households). Households that ever reported zero income are consequently less likely to receive food stamps or other forms of non-cash public assistance (Table VI.5).

Table VI.6 presents the length and number of zero-income spells for the two groups of zero-income households. The median spell length of households that ever reported zero-income in SIPP is significantly shorter than that of households in the ethnographic study. This can also be explained by length bias in cross-sectional data, as previously discussed. The median spell length is identical for the two groups, however, and the adjusted median spell length is nearly equal. Nearly nine out of ten households (89 percent) that ever reported a period of zero income reported just one spell, whereas nearly half (47 percent)

of households that reported zero income in January 1991 reported more than one zero-income spell. This supports our findings that households reporting chronic zero income are more likely to appear in a cross-sectional sample than households with fewer or shorter spells.

TABLE VII.1

HOUSEHOLD COMPOSITION:
ZERO-INCOME AND LOW-INCOME HOUSEHOLDS IN SIPP AND IQCS
(Percentages)

Zero-Income Category	Ethnographic Study		IQCS Study	
	Zero-Income Households	ZI Food Stamp Households	Zero-Income Households	Low-Income Households
Household Size (number of members)				
1	47.4	25.0	54.8	30.8
2	21.7	27.8	19.6	23.4
3	9.9	8.3	15.4	19.1
4	9.2	11.1	6.8	13.8
5	8.6	22.2	2.6	7.5
6 or more	3.3	5.6	0.8	5.4
Total	**100.0**	**100.0**	**100.0**	**100.0**
Mean household size	2.2	2.9	1.9	2.6
Number of Children in Household				
None	63.8	47.2	64.8	37.6
1	16.4	16.7	15.4	22.3
2	8.6	5.6	9.8	20.5
3	9.2	25.0	8.3	11.5
4	2.0	5.6	1.4	4.7
5 or more			0.3	3.4
Total	**100.0**	**100.0**	**100.0**	**100.0**
Mean number of children per household	0.7	1.3	0.7	1.4
Age 5 and under	0.2	0.5	0.3	0.5
Age 6 - 17	0.5	0.7	0.3	0.8
Number of Elderly Household Members				
None	92.8	91.7	97.3	83.6
1	5.9	5.6	2.4	15.1
2	1.3	2.8	0.3	1.3
3 or more			0.0	0.0
Total	**100.0**	**100.0**	**100.0**	**100.0**
Mean number of elderly per household	0.1	0.1	0.0	0.2
Household Type				
Households with Children	36.2	52.8	35.3	62.4
Married couple	21.7	30.6	6.9	11.1
Single parent (other adults present)	1.3	2.8	0.8	4.1
Single parent (no other adults present)	12.5	19.4	22.2	46.5
Other	0.7	0.0	5.4	0.7
Households without Children	63.8	47.2	64.7	37.6
Single person	47.4	25.0	53.6	30.2
Married couple	10.5	8.3	5.9	4.0
Other	5.9	13.9	5.2	3.4
Total	**100.0**	**100.0**	**100.0**	**100.0**
Sample size	152	36	452	4,397

SOURCE: Tabulations of 1990 SIPP Longitudinal File and 1991 IQCS Data File.

NOTES: Data are for January 1991 (during zero-income spell).

Children are people under age 18.

The elderly are people age 60 and over.

TABLE VII.2

DEMOGRAPHIC CHARACTERISTICS: ZERO-INCOME AND LOW-INCOME HOUSEHOLDS IN SIPP AND IQCS
(Percentages)

	Ethnographic Study		IQCS Study	
	Zero-Income Households	ZI Food Stamp Households	Zero-Income Households	Low-Income Households
Age of Household Reference Person				
16 - 17	1.3	0.0	1.0	2.0
18 - 19	2.6	0.0	3.7	3.1
20 - 24	10.5	8.3	15.7	14.9
25 - 29	15.1	22.2	17.9	16.6
30 - 34	13.2	11.1	17.3	15.8
35 - 39	9.9	11.1	14.3	10.8
40 - 44	8.6	11.1	9.1	7.7
45 - 49	12.5	13.9	6.2	4.8
50 - 54	12.5	11.1	8.3	4.4
55 - 59	6.6	5.6	4.1	4.0
60 - 64	4.6	5.6	2.2	4.2
65 - 69	2.0	0.0	0.2	3.3
70+	0.7	0.0	0.0	8.4
Total	**100.0**	**100.0**	**100.0**	**100.0**
Mean age	39.3	38.7	31.7	38.9
Median age	38.0	38.5	NA	NA
Race and Ethnicity of Household Reference Person				
Non-Hispanic white	59.9	47.2	47.8	45.8
Non-Hispanic black	21.1	27.8	34.5	37.6
Non-Hispanic Asian/Pacific Island American	2.6	0.0	0.5	1.9
Non-Hispanic American Indian/Native Alaskan	2.0	2.8	0.8	1.2
Hispanic	14.5	22.2	16.4	13.4
Total	**100.0**	**100.0**	**100.0**	**100.0**
Gender of Household Reference Person				
Male	35.5	22.2	39.4	13.3
Female	32.2	38.9	46.9	71.5
Married couple	32.2	38.9	13.8	15.2
Total	**100.0**	**100.0**	**100.0**	**100.0**
Marital Status of Household Reference Person				
Married, spouse present	32.2	38.9	NA	NA
Married, spouse absent	3.3	2.8	NA	NA
Widowed	2.6	0.0	NA	NA
Divorced	18.4	16.7	NA	NA
Separated	12.5	13.9	NA	NA
Never married	30.9	27.8	NA	NA
Total	**100.0**	**100.0**	**NA**	**NA**
Sample size	152	36	452	4,397

SOURCE: Tabulations of 1990 SIPP Longitudinal File and 1991 IQCS Data File.

NOTE: Data are for January 1991 (during zero-income spell).

NA: This data item is not available in the IQCS data.

TABLE VII.3

SOCIOECONOMIC CHARACTERISTICS:
ZERO-INCOME AND LOW-INCOME HOUSEHOLDS IN SIPP AND IQCS
(Percentages)

Zero-Income Category	Ethnographic Study		IQCS Study	
	Zero-Income Households	ZI Food Stamp Households	Zero-Income Households	Low-Income Households
Educational Attainment of Household Reference Person				
Less than high school	15.1	30.6	24.8	19.4
Some high school	25.7	36.1	26.0	29.6
High school graduate	34.2	19.4	38.2	39.5
Some college	15.1	5.6	9.6	10.4
College graduate	9.9	8.3	1.4	1.1
Total	**100.0**	**100.0**	**100.0**	**100.0**
Mean years of schooling	11.4	10.3	10.5	10.7
Enrollment Status of Household Reference Person				
Not enrolled in school	93.4	91.7	41.8	31.3
Enrolled in high school	3.9	2.8	58.2	68.7
Enrolled in college or trade school *	2.6	5.6	NA	NA
Total	**100.0**	**100.0**	**100.0**	**100.0**
Home Ownership Status				
Own	40.1	25.0	NA	NA
Rent	50.7	63.9	NA	NA
Noncash rent	9.2	11.1	NA	NA
Total	**100.0**	**100.0**	**NA**	**NA**
Living Quarters				
House or apartment	82.2	77.8	NA	NA
Nontransient hotel or motel	3.3	5.6	NA	NA
Transient hotel or motel	0.7	0.0	NA	NA
Rooming house	0.0	0.0	NA	NA
Mobile home or trailer	11.8	16.7	NA	NA
Other	2.0	0.0	NA	NA
Total	**100.0**	**100.0**	**NA**	**NA**
Sample size	152	36	452	4,397

SOURCE: Tabulations of 1990 SIPP Longitudinal File and 1991 IQCS Data File.

NOTES: Data are for January 1991 (during zero-income spell).

People with four or more completed years of college are assumed to be college graduates.

NA: This data item is not available in the IQCS data.

* Detailed information on this variable is not available in the IQCS data.

TABLE VII.4

LABOR FORCE CHARACTERISTICS OF REFERENCE PEOPLE:
ZERO-INCOME AND LOW-INCOME HOUSEHOLDS IN SIPP AND IQCS
(Percentages)

Zero-Income Category	Ethnographic Study		IQCS Study	
	Zero-Income Households	ZI Food Stamp Households	Zero-Income Households	Low-Income Households
Employment Status				
Working entire month	25.0	5.6	0.6	10.1
Full time	21.7	5.6	0.4	6.6
Part time	3.3	0.0	0.1	3.5
Working part of month *	2.0	2.8	NA	NA
Full time *	2.0	2.8	NA	NA
Part time *			NA	NA
Not working, looking for work	27.6	33.3	34.5	14.5
Not working, not looking for work	45.4	58.3	65.0	75.4
Total	**100.0**	**100.0**	**100.0**	**100.0**
Self-Employment Status				
Self-employed, working	17.8	2.8	0.3	1.4
Not self-employed	82.2	97.2	99.7	98.6
Total	**100.0**	**100.0**	**100.0**	**100.0**
Disability Status				
Disabled	30.3	58.3	0.0	8.1
Working full time *	2.6	0.0	NA	NA
Working part time *	0.0	0.0	NA	NA
Not working *	27.6	58.3	NA	NA
Not disabled	69.7	41.7	100.0	91.9
Working full time *	21.1	8.3	NA	NA
Working part time *	3.3	0.0	NA	NA
Not working *	45.4	33.3	NA	NA
Total	**100.0**	**100.0**	**100.0**	**100.0**
Number of Jobs				
Not employed	73.0	91.7	NA	NA
1	25.7	8.3	NA	NA
More than 1	1.3	0.0	NA	NA
Total	**100.0**	**100.0**	**NA**	**NA**
Sample size	152	36	452	4,397

SOURCE: Tabulations of 1990 SIPP Longitudinal File and 1991 IQCS Data File.

NOTES: Data are for January 1991 (during zero-income spell).

Having full time employment is defined as working at least 35 hours per week.

NA: This data item is not available in the IQCS data.

* Detailed information on this variable is not available in the IQCS data.

TABLE VII.5

LABOR FORCE CHARACTERISTICS: ZERO-INCOME AND LOW-INCOME HOUSEHOLDS IN SIPP AND IQCS
(Percentages)

Zero-Income Category	Ethnographic Study		IQCS Study	
	Zero-Income Households	ZI Food Stamp Households	Zero-Income Households	Low-Income Households
Number of Household Members in the Labor Force				
None	41.4	52.8	65.9	73.0
1	47.4	41.7	28.6	24.1
2	9.2	5.6	5.4	2.6
3 or more	2.0	0.0	0.1	0.3
Total	**100.0**	**100.0**	**100.0**	**100.0**
Mean number of workers	0.7	0.5	0.4	0.3
Number of Self-Employed Household Members				
None	81.6	97.2	NA	NA
1	14.5	2.8	NA	NA
2	3.9	0.0	NA	NA
3 or more	0.0	0.0	NA	NA
Total	**100.0**	**100.0**	**NA**	**NA**
Mean number of self-employed people	0.2	0.0	NA	NA
Number of Disabled Household Members				
None	63.8	33.3	NA	NA
1	30.3	55.6	NA	NA
2	4.6	11.1	NA	NA
3 or more	1.3	0.0	NA	NA
Total	**100.0**	**100.0**	**NA**	**NA**
Mean number of disabled people	0.4	0.8	NA	NA
Sample size	152	36	452	4,397

SOURCE: Tabulations of 1990 SIPP Longitudinal File and 1991 IQCS Data File.

NOTES: Data are for January 1991 (during zero-income spell).

In the labor force is defined as employed, on lay off, or looking for work.

NA: This data item is not available in the IQCS data.

TABLE VII.6

RECEIPT OF NONCASH WELFARE BENEFITS:
ZERO-INCOME AND LOW-INCOME HOUSEHOLDS IN SIPP AND IQCS
(Percentages)

Zero-Income Category	Ethnographic Study		IQCS Study	
	Zero-Income Households	ZI Food Stamp Households	Zero-Income Households	Low-Income Households
Receipt of Specific Forms of Noncash Assistance				
Food stamps	23.7	100.0	100.0	100.0
Average food stamp benefit	$194	$194	$178	$170
WIC	4.6	19.4	NA	NA
Free or reduced-price lunch	19.1	41.7	NA	NA
Free or reduced-price breakfast	13.2	30.6	NA	NA
Medicare	2.6	0.0	NA	NA
Medicaid	13.8	41.7	NA	NA
Energy assistance	13.2	30.6	NA	NA
Public housing	3.9	13.9	NA	NA
Subsidized rent	5.9	16.7	NA	NA
Receive some noncash assistance	**42.8**	**100.0**	**100.0**	**100.0**
Do not receive any noncash assistance	**57.2**	**0.0**	**0.0**	**0.0**
Sample size	152	36	452	4,397

SOURCE: Tabulations of 1990 SIPP Longitudinal File and 1991 IQCS Data File.

NOTE: Data are for January 1991 (during zero-income spell).

NA: This data item is not available in the IQCS data.

TABLE VII.7

ASSET HOLDINGS: ZERO-INCOME AND
LOW-INCOME HOUSEHOLDS IN SIPP AND IQCS
(Percentages)

Zero-Income Category	Ethnographic Study		IQCS Study	
	Zero-Income Households	ZI Food Stamp Households	Zero-Income Households	Low-Income Households
Type of Asset Holding				
Savings	9.9	2.8	11.2	21.6
Investments	7.2	0.0	0.0	0.2
Rental property or mortgage	0.0	0.0	0.0	0.2
Royalties	0.0	0.0	0.0	0.0
Any Financial Assets	**15.8**	**2.8**	**12.9**	**23.0**
No Financial Assets	**84.2**	**97.2**	**87.1**	**77.0**
Sample size	152	36	452	4,397

SOURCE: Tabulations of 1990 SIPP Longitudinal File and 1991 IQCS Data File.

NOTES: Data are for January 1991 (during zero-income spell).

Investment assets include money market, certificatesof deposits, NOW, money fund, government securities, municipal

As shown in Table VII.1, IQCS zero-income households are significantly smaller and different in household composition than IQCS poor households. The average zero-income household contains fewer than two people, while the average poor household size is 2.6 people. In fact, most zero-income households are single-person households. Fewer zero-income households than poor households include children; 90 percent of poor households with more than one person include a child, compared to just 78 percent of zero-income multiple-person households. Of those households with children, three quarters (75 percent) of poor households are headed by a single parent compared to 63 percent of the zero-income households. Zero-income households are also much less likely than poor households to contain an elderly household member (3 percent compared to 16 percent).

Table VII.2 shows the demographic characteristics of the household reference person. Zero-income household heads are slightly younger than those of poor households and their racial composition is similar--both groups are predominantly non-Hispanic white. About equal portions of each group are headed by a married couple, but of those headed by a single person, men head a greater proportion of zero-income households than of poor households. Apparently, most IQCS zero-income single-person households are composed of men.

As shown in Table VII.3, zero-income and poor household heads are about equally schooled. However, poor household heads are much more likely than zero-income heads to be enrolled in school, which indicates that their final educational attainment may be significantly higher than that of zero-income household heads.

Tables VII.4 and VII.5 show the labor force and employment characteristics of both types of IQCS households. It is not surprising that poor household heads are more likely to be working--10 percent compared to less than 1 percent of zero-income household heads. However, of those not currently employed, zero-income household heads are much more likely to be looking for work, and overall, a greater share of zero-income household heads are part of the labor force. Despite their smaller household

size, zero-income households are likely to have more workers in the labor force, probably because, relative to poor households, zero-income households include more adults of working age (Table VII.1).

As shown in Table VII.6, the average monthly food stamp benefit is not significantly different for the two groups; the average allotment per person is higher for zero-income households -- $94 compared to $65 for poor households.

Table VII.7 shows the percentage of households in each group that have financial assets. Zero-income households are much less likely than poor households to have assets. Nearly a fourth (23 percent) of poor households reported asset balances to the food stamp office compared to just 13 percent of zero-income households.

B. IQCS ZERO-INCOME HOUSEHOLDS COMPARED TO SIPP ZERO-INCOME HOUSEHOLDS

This section compares the characteristics of IQCS and SIPP zero-income households. The IQCS households have zero-income and definitely receive food stamps; the SIPP households examined here report zero income and may or may not receive FSP benefits. Our analysis reveals significant and striking differences between the zero-income households from the two data sources. While these distinctions may be attributed in part to differences in the data collection processes detailed in Chapter IV.C.3, it is clear that on average, the SIPP zero-income households included in our ethnographic study appear to be more financially viable than those included in the IQCS study.

SIPP zero-income households live in slightly larger households than do those found in the IQCS file (Table VII.1). Over a fifth (21 percent) of SIPP zero-income households contain four or more people, compared to just 10 percent of the IQCS zero-income households. A third of the households in both groups contain children, but a greater number of the households with children in SIPP are headed by a married couple (60 percent compared to just 20 percent in the IQCS sample). Both groups of households are unlikely to include elderly household members.

As shown in Table VII.2, SIPP zero-income household heads are slightly older than those of IQCS zero-income households. SIPP zero-income household heads are much more likely to be white and less likely to be black than those in the IQCS, but both groups include nearly equal proportions of Hispanic and Asian household heads. Nearly a third (32 percent) of all SIPP zero-income households are headed by a married couple compared to just 14 percent of IQCS zero-income households.

Educational attainment is slightly higher for SIPP zero-income households than IQCS zero-income households (Table VII.3). A quarter (25 percent) of SIPP zero-income household heads have attended at least some college, compared to just 11 percent of IQCS zero-income household heads. Just 7 percent of SIPP zero-income households are enrolled in school, compared to 58 percent of IQCS zero-income households, which may reduce the difference in total educational attainment over time. The age difference of household heads is not significant enough to account for this large difference in enrollment (Table VII.2).

Labor force participation and employment patterns differ greatly for SIPP and IQCS zero-income households, as shown in Tables VII.4 and VII.5. Over half (55 percent) of SIPP zero-income household heads claim to be in the labor force, compared to just a third (35 percent) of the IQCS zero-income household heads. Over 10 percent of SIPP zero-income households contain two or more members of the labor force, compared to just 5 percent of the IQCS zero-income households. Over a quarter (27 percent) of SIPP zero-income household heads report being employed in January 1991 (though obviously without pay in that month), compared to less than 1 percent of the IQCS zero-income households. Very few IQCS zero-income household heads claim to be self-employed--a mere 0.3 percent--while 18 percent of the SIPP zero-income household heads report self-employment during their zero-income spell. Differences in reported disability rates are striking. Nearly a third of the SIPP zero-income household heads claim to be disabled, yet none of the IQCS zero-income households contain a disabled reference person. Since the age

structures of the two groups are consistent (Table VII.2), this cannot be explained by different proportions of elderly household members.

Less than a quarter (24 percent) of the SIPP zero-income households report participating in the FSP (Table VII.6). By definition, all of the IQCS zero-income households receive food stamps during their zero-income spell. The average household benefit is higher for SIPP zero-income households ($194 compared to $178 for IQCS zero-income households), but the monthly per-person food stamp allotment is significantly higher for IQCS zero-income households.

Table VII.7 shows the financial assets of the two groups of zero-income households. There is little difference between the asset holdings, other than that 8 percent of SIPP zero-income households hold investments, compared to none of the IQCS zero-income households.

The dissimilarities between these two groups of zero-income households are striking. The distinctions may be attributed in part to biases in the different data sources. As described in Chapter IV.C.3, the IQCS data, which come from food stamp applications, are verified to the extent possible by food stamp eligibility workers, eliminating some of the recall bias and intentional misreporting that may exist in the SIPP income, employment, and household composition data. An antithetical bias may exist, however, in that there is incentive for food stamp applicants to purposely misreport household composition or omit reports of income from informal sources such as transfers from relatives. This incentive does not exist to the same degree for SIPP respondents, suggesting that SIPP reports, particularly of informal income sources, may be more accurate.

Because the differences between the two groups of households are so marked, particularly with regard to employment data, it is clear that the distinctions extend beyond differences in the sampling methodologies. On average, the zero-income households included in our ethnographic study appear to be more financially viable than those included in the IQCS study. Our findings from the ethnographic study (Chapter V) point to significant differences among the SIPP zero-income households; according to our

analysis, not all zero-income households are truly financially at risk or in need of food stamps. To control for this distinction, we conducted an additional step in the IQCS-SIPP analysis, limiting our comparisons between IQCS and SIPP households to just those zero-income households in SIPP that claimed to receive food stamps during their zero-income spell. Our findings from this comparison follow.

C. IQCS ZERO-INCOME HOUSEHOLDS COMPARED TO SIPP ZERO-INCOME FOOD STAMP HOUSEHOLDS

Controlling for food stamp participation within our SIPP zero-income sample does not entirely eliminate the dissimilarity between the IQCS and SIPP zero-income households. In fact, SIPP FSP zero-income households are in some ways more dissimilar to the IQCS zero-income households than the entire group of SIPP zero-income households.

With regard to household composition (Table VII.1), SIPP FSP zero-income households more closely resemble IQCS poor households than IQCS zero-income households. The average household size of SIPP FSP zero-income households is even larger than that of all SIPP zero-income households -- nearly three persons per household compared to 1.9 persons per household for IQCS zero-income households. While IQCS zero-income households and all SIPP zero-income households contain approximately equal numbers of children and elderly members, SIPP FSP zero-income households include significantly fewer children and more elderly members than the IQCS zero-income households. Further, over a third of SIPP FSP zero-income households include a married couple, compared to just 13 percent of IQCS zero-income households.

Demographically, SIPP FSP zero-income households more closely resemble IQCS zero-income households than does the entire group of SIPP zero-income households (Table VII.2). Their age composition is not significantly different from that of the IQCS zero-income households, and the two groups contain nearly equal shares of non-Hispanic white household heads. Like the IQCS zero-income households, SIPP FSP zero-income households without a married couple are significantly more likely to

be female-headed. The educational attainment of SIPP FSP zero-income households is also closer to IQCS zero-income households than that of all SIPP zero-income households, with fewer than 15 percent of household heads receiving schooling beyond high school (Table VII.3).

As expected, controlling for food stamp participation eliminates much of the difference in labor force participation between the IQCS and SIPP zero-income households (Table VII.4). Only 8 percent of SIPP FSP zero-income households are employed in January 1991, much closer to the less than 1 percent employment rate of IQCS zero-income households than the 27 percent of all SIPP zero-income households that report working during their zero-income spell. Just 3 percent of SIPP FSP zero-income households are self-employed, again more similar to the .3 percent of IQCS zero-income households than the 18 percent of all SIPP zero-income households that report self-employment in January 1991. A notable difference between the SIPP FSP zero-income households and the IQCS zero-income households is the share of the group that is disabled. A full 58 percent of SIPP FSP zero-income households include a disabled member, compared to none of the IQCS zero-income households.

By definition, all households in both groups receive food stamps. SIPP FSP zero-income households receive significantly smaller benefits per household member than do IQCS zero-income households, another difference that is greater between SIPP FSP zero-income households and IQCS zero-income households than between all SIPP zero-income households and IQCS zero-income households (Table VII.6).

SIPP FSP zero-income households have significantly lower asset holdings than do IQCS zero-income households (Table VII.7). Fewer than 3 percent of SIPP FSP zero-income households own any financial assets, compared to 13 percent of IQCS zero-income households.

It is not clear why such distinctions remain between SIPP zero-income households and IQCS zero-income households after controlling for food stamp participation. Dissimilarities can be attributed in part

to the differences between the data files described above in Chapter IV.C.3. The small sample size of 36 for SIPP FSP zero-income households may contribute to these differences.

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APPENDIX A

AN EXAMPLE OF A ZERO-INCOME HOUSEHOLD PORTRAIT

The following pages represent an example of the zero-income household portraits we used to inform our ethnographic analysis. As discussed in Chapter IV.A.2, these portraits display, in calendar-month format, detailed information on the characteristics of a household and each of its members for the entire SIPP observation period.

The survey months, October 1989 through August 1992, are listed across the top; each column refers to a single calendar month. The names of the variables we examined are listed down the left-hand side of the portrait. By moving across the variable rows, we are able to observe the status of and changes to household and individual characteristics over time.

Each household portrait consists of a household summary page followed by a page for each household member. The household summary page lists household-level characteristics, such as household size, home ownership status, and style of living quarters. The individual-level portraits list individual household member-level characteristics, such as age, race, educational attainment, employment status, and sources and amounts of monthly income.

Complete descriptions of the SIPP variables used can be found in the SIPP code book for the 1990 longitudinal file:

U.S. Department of Commerce. "Survey of Income and Program Participation (SIPP) 1990 Waves 1-8 Longitudinal Micro Data File Technical Documentation." Washington, DC: U.S. Bureau of the Census, 1993.

Household Summary Record #: 87 Zero-Income Household

	1989			1990												1991												1992								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
-- General --																																				
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.....Continued for Household Detail Record #: 07

Person #: 2 (PZ Rec #: 40000)

	1989			1990												1991												1992								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
-- Demographic --																																				
	1	1	1	1	1	1	1	1	1	1	1	1	1	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	-9	-9	-9
	11	11	11	11	11	11	11	11	11	11	11	11	11	11	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	41	-9	-9	-9
	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	-9	-9	-9
-- Education --																																				
	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	-9	-9	-9
-- Employment --																																				
-- Personal Income --																																				
-- Assets --																																				
-- Welfare Receipt --																																				
--Housing --																																				
-- HH Inc--																																				
-- Other --																																				