



# Food Stamp Program Participation Rates: 2002

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Office of Analysis, Nutrition, and Evaluation  
Food and Nutrition Service, USDA

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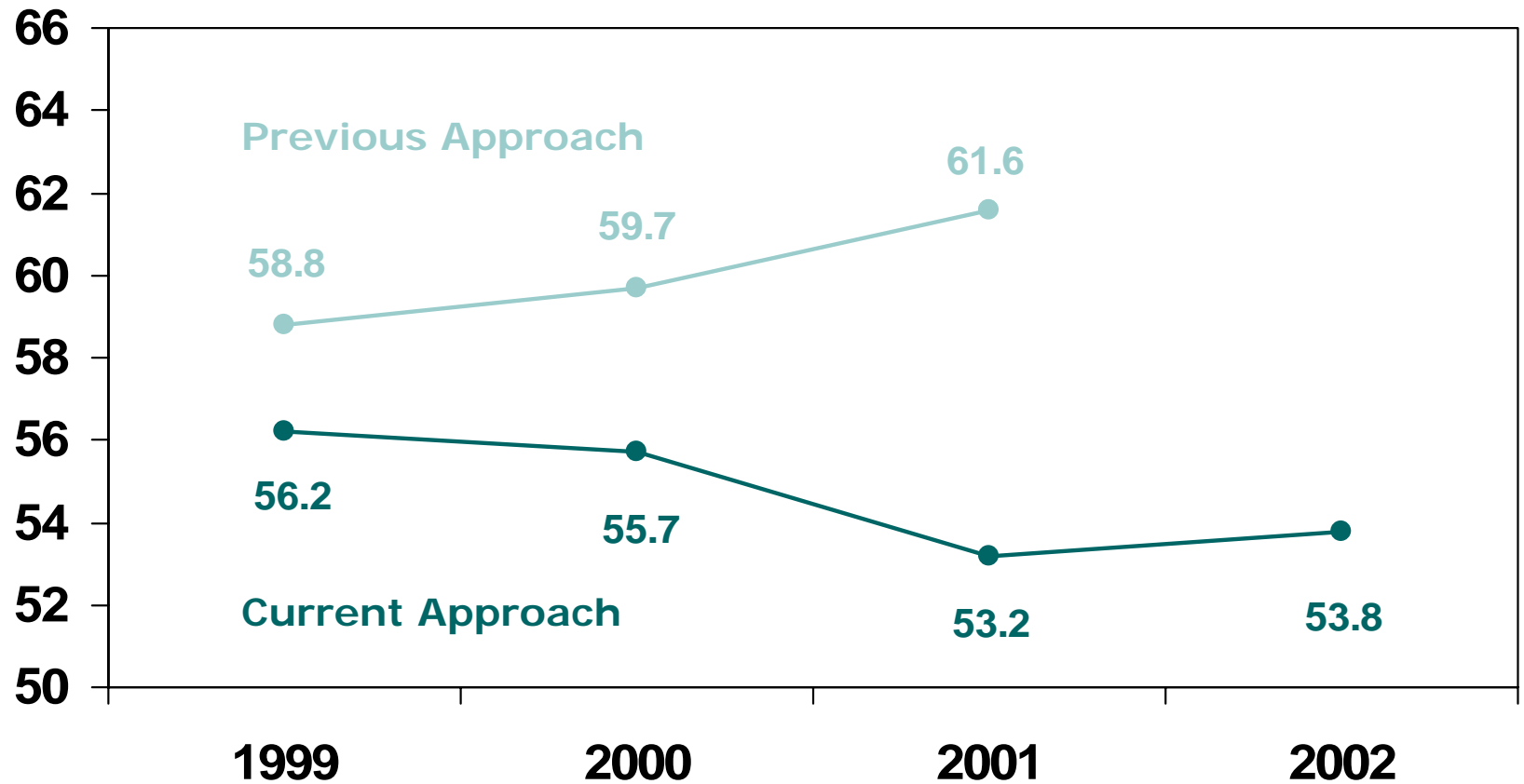
# The Issue

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- Each year, FNS estimates the rate of participation among people eligible for food stamp benefits.
- Best data now available indicate that food stamp participation rates are lower and rising more slowly than previously believed.

# A Comparison of Old vs. New

Participation Rate (percent)





# Participation Increased

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- Average monthly number of participants increased from about 17 million in 2000 and 2001 to about 19 million in 2002.
- All else equal, participation rates would rise with rising participation.
- All else was not equal.



## Other Factors At Work

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- Policy reforms extended eligibility to many, including working families.
- Program responded to changing economic conditions.
- Technical changes improved accuracy of estimates.



# Policy Reforms

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- Changes in law and regulations replaced outdated limits on the allowable value of vehicles.
- Old food stamp rules were widely seen as a barrier to participation for many working poor.
- First year of full impact: FY 2002

# Specific Vehicle Reforms

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## ○ Regulations

- Low-value cars deemed inaccessible
- Equity test eliminated for one car per driver
- Effective January 2001

## ○ Statute

- State option to use TANF rules
- Effective July 2001



# Economic Conditions

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- Food Stamp Program is designed to respond automatically to changing economic conditions.
- Between 2001 and 2002:
  - Number unemployed up 2 million
  - Number in poverty up 1.7 million





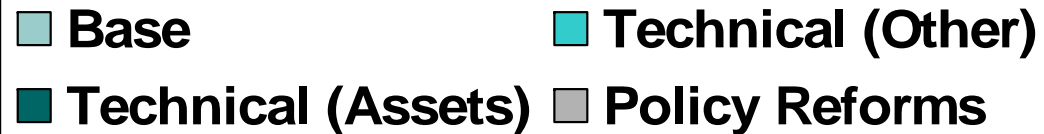
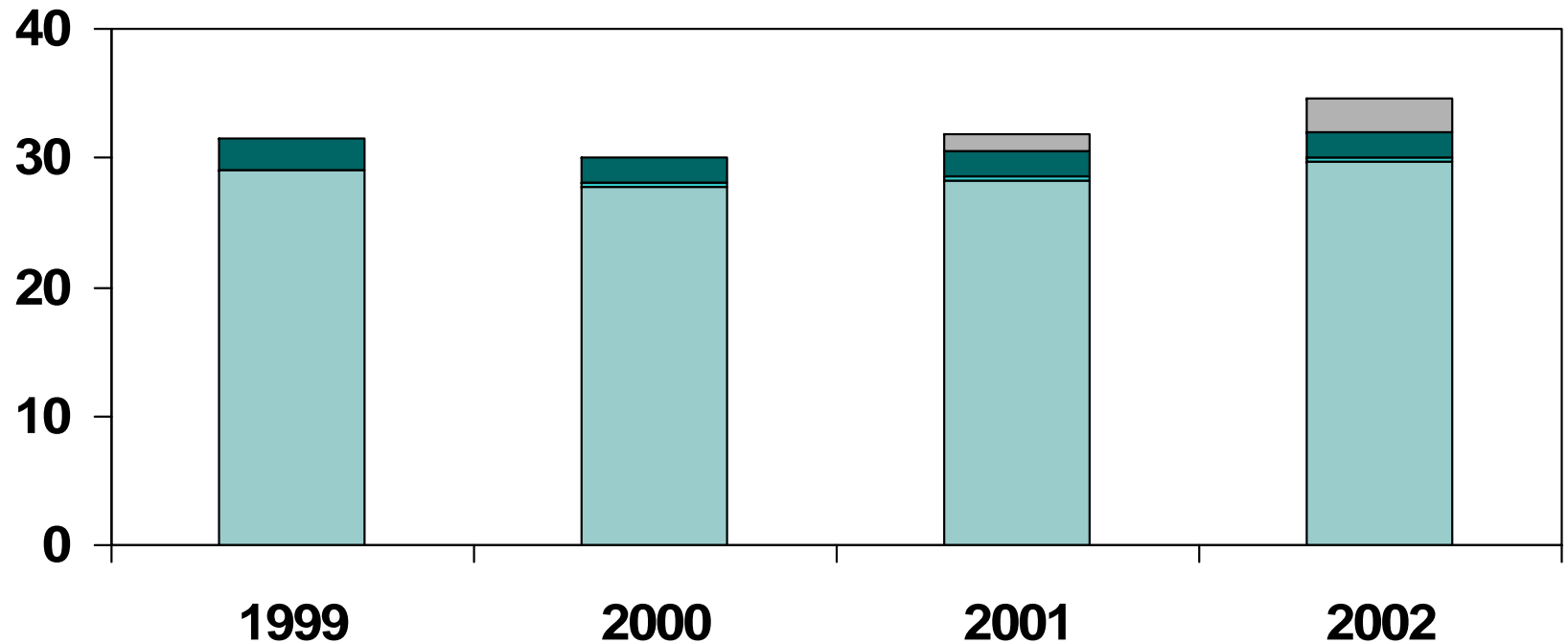
# Technical Improvements

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- More current survey data to estimate asset eligibility.
- Improved methods that reflect State flexibility in application of vehicle rules.
- Annual average rather than single month.

# Net Result = More Eligibles

Number of people eligible (millions)



# Impact on Eligibility

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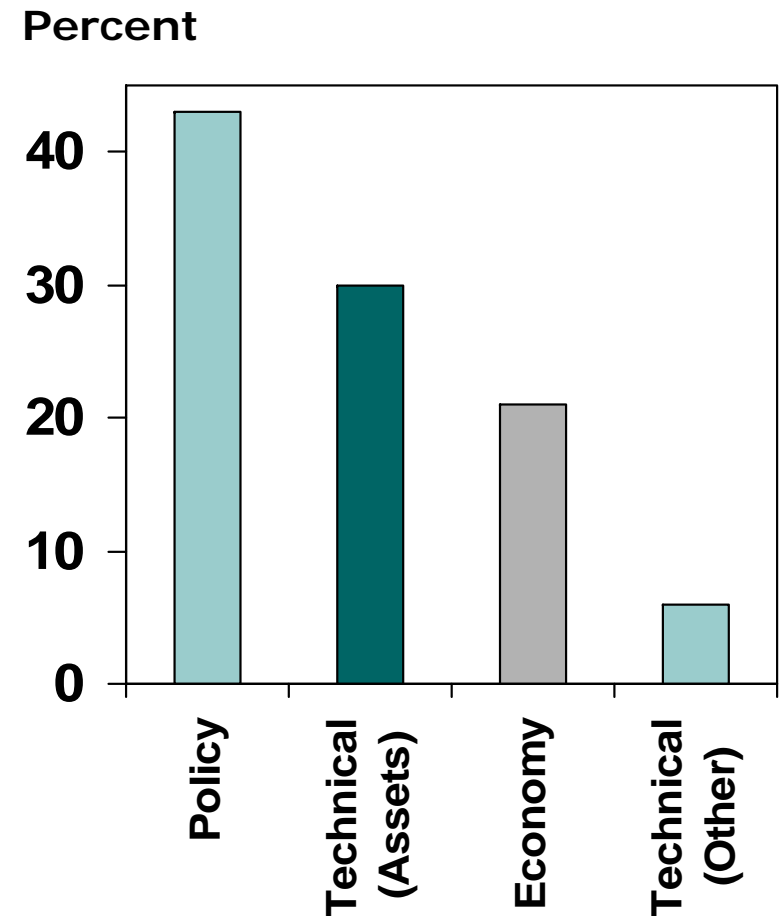
Food Stamp Eligibles (000)	Number	Percent
2001 (old methods, data, and rules)	<b>28,300</b>	
Policy reform (expanded eligibility)	2,700	43
Technical improvements (assets)	1,900	30
Economic conditions	1,400	21
Technical improvements (other)	400	6
Total	6,400	100
2002	<b>34,700</b>	

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# Largest Factor: Policy Reforms

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Policy reforms are the single largest factor contributing to the increase in the number of eligibles between 2001 and 2002.





# Why Does Reform Lower Rates?

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- Takes time for information about reforms to filter into communities and influence people's decision to apply for benefits.
- Main beneficiary of the reforms—the working poor—tend to have lower than average participation rates.



# Looking Ahead

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- Food stamp participation continues to rise, reaching 21.3 million in 2003 and 23.9 million in 2004.
- Farm Bill restored food stamps to legal immigrants effective in 2003 and 2004, again expanding the number eligible.
- Economy is growing.
- Effect on participation rates?



# Conclusion

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- Food stamps reach more people.
- Food stamps available to more people, especially working poor and immigrants.
- USDA remains fully committed to provide access to all who are eligible.