

Background

An important measure of the Food Stamp Program's performance is its ability to reach the people it is meant to serve. This report presents estimates of the food stamp participation rate among eligible working poor persons in each State. Working poor persons are defined as individuals living in households in which at least one member had earnings from a job. The participation rates are presented for an average month in fiscal years 2003 and 2002. These estimates can be compared to the State food stamp participation rates previously released for all eligible individuals in *Reaching Those in Need: State Food Stamp Participation Rates in 2003* (October 2005).

Nationally, the food stamp participation rate for working poor is significantly lower than the rate for all eligible persons. In 2003, 47 percent of eligible working poor received food stamp benefits compared to 56 percent for all eligible persons, a significant difference of 8 percentage points. These lower rates have persisted over time, even though the working poor make up an increasing share of the food stamp caseload. To more effectively meet the needs of working poor, States can now offer more flexible vehicle asset rules, simpler income reporting options, and transitional food stamp benefits for those moving from TANF to employment.

Findings

In general, the patterns suggested by these estimates are similar to the patterns suggested by overall participation rates. In particular:

- **Participation rates among the working poor vary widely across the States, with some over 60 percent and some under 40 percent.** In both 2002 and 2003, Oregon, Tennessee, Missouri, West Virginia, Louisiana, Michigan, and Indiana have higher participation rates than two-thirds of

the States. Utah, California, New Jersey, Massachusetts, and Nevada had significantly lower rates than two-thirds of the States.

- **In most States, the participation rate among the working poor is significantly less than the rate among all eligible people.** In no State was the rate for the working poor significantly higher than the rate for all eligibles.
- In 2003, four States (North Dakota, Pennsylvania, Wisconsin, and Wyoming) are ranked significantly higher when ranked by their participation rate for the working poor; six States (Georgia, Hawaii, Arizona, Rhode Island, Washington, and the District of Columbia) are ranked significantly lower.

Method

State working poor participation rates were jointly estimated with State participation rates for all eligible persons. Both sets are derived using a statistical approach (shrinkage) that draws on data from the Current Population Survey, decennial census, Food Stamp Program Quality Control data and other administrative records. The shrinkage estimator averages direct sample estimates with predictions from a regression model based on indicators of socioeconomic conditions. Shrinkage estimates are substantially more precise than direct sample estimates from the Current Population Survey. Nevertheless, the estimates for all eligibles are based on fairly small samples in some States, and the samples for the working poor are even smaller. Confidence intervals for the working poor estimates are about 55 percent wider than those for all eligible persons. Users of these data, therefore, should take estimated confidence intervals into account when interpreting differences between States and over time.

For More Information

Castner, L.A., and A.L. Schirm (2006). *State Food Stamp Participation Rates for the Working Poor in 2003*. Prepared by Mathematica Policy Research, Inc. for the Food and Nutrition Service.

Castner, L.A., and A.L. Schirm (2005). *Reaching Those in Need: State Food Stamp Participation Rates in 2003*. Prepared by Mathematica Policy Research, Inc. for the Food and Nutrition Service.

Castner, L.A., and A.L. Schirm (forthcoming). *Empirical Bayes Shrinkage Estimates of State Food Stamp Participation Rates in 2002-2003 for All Eligible People and the Working Poor*. Prepared by Mathematica Policy Research, Inc. for the Food and Nutrition Service.

References can be found on-line at www.fns.usda.gov/oane.

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