

Summary

Previous studies indicate that benefit level is an important factor in determining the participation of eligible individuals in the Food Stamp Program (FSP). Among most demographic groups, participants receive higher benefits than would eligible nonparticipants. But a significant proportion of nonparticipants are eligible for relatively high benefits.

This analysis seeks to determine three things: whether differences in participation rates by benefit levels persist in a more recent period, whether these differences are similar across various demographic groups, and the distribution or share of eligible nonparticipants relative to potential benefits. The results confirm previous findings. Participation rates increase as benefits increase for most groups, and participants receive higher benefits than would eligible nonparticipants. But many eligible nonparticipants forgo a substantial benefit. Nearly 60 percent of all eligible nonparticipants would qualify for a monthly benefit of more than \$100, and nearly 30 percent would qualify for more than \$200. A little over 20 percent of elderly eligible nonparticipants, about 65 percent of the nonparticipants in households with earnings, and about 75 percent of children, noncitizens, and nondisabled childless adults would receive a monthly benefit of more than \$100.

Background

The FSP is the largest domestic food and nutrition assistance program administered by the U.S. Department of Agriculture's Food and Nutrition Service. Food stamp benefits make the acquisition of food for a nutritious diet possible for millions of Americans. Many more low-income families and individuals, however, are eligible for benefits but do not participate. The program served about 54 percent of all eligible individuals in fiscal year 2002, and provided about 63 percent of the benefits that all eligible individuals could receive (Cunningham 2004). About 16 million eligible people did not participate in the program in an average month of 2002.

Researchers have found that an expectation of low food stamp benefits is one of several reasons why individuals who qualify for benefits do not participate in the FSP. McConnell, Ponza, and Cohen (1999) found that 35 to 45 percent of the people in the subgroups they surveyed indicate that one of the reasons they did not participate in the program was the belief that they were eligible for a low benefit amount. Bartlett and Burstein (2004) report that 37

percent of eligible nonparticipants would not participate because of low expected benefits, even if they knew for certain that they were eligible. Analyses of household survey data confirmed that participation in the FSP is likely to increase with the size of the benefit households would receive (Martini 1992; Cunningham 2004).

A previous analysis examined the participation rates of varying demographic groups at different food stamp benefit levels in 2000 (OANE 2003). The analysis presented here updates and extends that analysis to 2002. Estimates of the number of eligible individuals were derived from the March 2003 Current Population Survey, and estimates of participating households are based on fiscal year 2002 quality control and program operations data. The estimates of participation rates presented in this analysis are comparable to the estimates of overall food stamp participation rates reported annually.

Findings

Most eligible nonparticipants would receive lower benefits than participants in nearly all demographic groups. On average,

participating households receive almost twice as much in food stamp benefits as nonparticipating households would receive (table 1). Of the groups examined, it is only among disabled nonelderly adults and nondisabled childless adults that participants receive a lower benefit than would their eligible nonparticipating counterparts.

Participation rates generally increase with eligibility for higher benefits. Overall participation rates steadily increase from less than 30 percent to nearly 75 percent as the expected monthly benefit increases from less than \$25 to more than \$300. Participation rates for children, households with TANF (Temporary Assistance for Needy Families), and households with earnings – and to lesser extent nonelderly adults and nondisabled childless adults – follow a similar pattern. Participation rates among the elderly and noncitizens are relatively flat, and participation rates among disabled adults peak at lower benefit levels and decline rapidly (table 2). The low participation rates among the highest benefit category for some groups – particularly the elderly, the nonelderly disabled, and childless adults – may be explained by observing that these individuals could qualify for benefits of this size (more than \$300) only if they live with others. Such households may be less likely to seek assistance than elderly or disabled people living on their own.

The pattern of rising participation rates among individuals eligible for larger benefits is even more pronounced when benefits are expressed as a percentage of the maximum benefit. Food stamp benefits vary by household size, with larger households able to qualify for a larger benefit than smaller households. Moreover, household size varies substantially across the various demographic groups. Elderly households, for example, are typically smaller than households with children. By taking the ratio of actual or potential benefit to the maximum benefit, one can control for differences in household size across demographic groups. Overall, about one-third of all households that qualify for less than a quarter of the maximum benefit participate. In contrast, over three-quarters of those eligible for

more than half of the maximum participate. A similar pattern occurs for most subgroups; though disabled adults are a notable exception (table 3).

A substantial number of nonparticipating individuals are eligible for sizable benefits. Nearly 60 percent of the 16 million nonparticipating eligible individuals in 2002 live in a household that would qualify for a monthly benefit of more than \$100; nearly 30 percent would qualify for more than \$200. About 65 percent of the nonparticipants in households with earnings, and about 75 percent of children, noncitizens, and nondisabled childless adults, would receive a monthly benefit of more than \$100. Even among the elderly, a little over 20 percent of the eligible nonparticipants would qualify for more than \$100 (tables 4 and 5).

Conclusion

This analysis confirms that food stamp participation is positively linked to benefit amount. Participation rates generally increase as benefit levels rise. This relationship is most apparent when benefits are expressed as a percentage of the maximum allotment and holds for most but not all of the demographic groups examined. Nonetheless, a sizable proportion of eligible nonparticipants would qualify for substantial benefit amounts. More than half of these individuals live in households that would be eligible for a monthly household benefit of more than \$100. Among eligible nonparticipants, children, disabled adults, noncitizens and individuals in households with earnings are particularly likely to qualify for a substantial (more than \$200) monthly benefit.

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References

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

Table 1: Average Household Benefits of Participants and Eligible Nonparticipants

Demographic Group	Participants	Eligible Non-participants	Ratio *
All Individuals	\$181	\$98	1.85
Children (under 18)	271	171	1.58
Nonelderly Adults	207	136	1.52
Elderly (60 or over)	63	58	1.09
Disabled Nonelderly Adults	96	177	0.54
Nondisabled Childless Adults	86	131	0.66
Noncitizens	188	176	1.07
Individuals in Households			
With TANF	271	N/A	--
With Earnings	247	N/A	--

* Average household benefit of participants divided by average household benefit of eligible nonparticipants.

Table 2: Food Stamp Participation Rates by Benefit Level and Demographic Group

Demographic Group	Average Monthly Household Benefit							All
	\$1 - 25	\$26 - 50	\$51- 100	\$101- 150	\$151- 200	\$201- 300	> \$300	
All Individuals	29.5	32.6	36.4	39.3	41.9	46.9	74.5	53.8
Children (under 18)	37.8	40.8	45.4	48.9	54.3	62.0	82.6	70.3
Nonelderly Adults	40.3	42.6	44.2	43.0	44.2	46.6	62.1	49.9
Elderly (60 or over)	22.3	24.6	26.2	27.6	27.4	27.1	19.5	26.9
Disabled Adults	60.3	67.1	71.0	54.9	54.5	51.1	19.5	47.1
Childless Adults	12.0	9.9	10.2	22.1	21.3	20.3	11.6	20.0
Noncitizens	32.8	39.0	40.2	41.2	40.0	39.0	40.4	39.4
Individuals in Households								
With TANF ¹	38.9	57.1	96.1	>100	>100	>100	>100	>100
With Earnings	19.2	22.6	27.3	31.0	34.4	38.8	71.8	46.1

¹ Participation rates above 100 percent are reported because TANF recipients are underreported in the CPS, resulting in higher estimates of participants than of eligibles for households receiving TANF.

Table 3: Participation Rates by Household Benefit as a Percentage of Maximum Benefit

Demographic Group	Participation Rate			Share of Nonparticipants		
	1-25%	26-50%	51-99%	1-25%	26-50%	51-99%
All Individuals	33.1	48.5	78.4	37.4	23.9	14.3
Children (under 18)	41.8	58.1	92.3	30.7	33.9	10.3
Nonelderly Adults	37.7	44.7	70.0	27.1	23.1	17.0
Elderly (60 or over)	23.7	29.8	35.9	60.8	16.4	13.2
Disabled Nonelderly Adults	59.8	70.2	51.3	24.0	9.7	23.7
Nondisabled Childless Adults	9.3	9.6	19.0	11.1	13.5	20.9
Noncitizens	34.0	32.2	47.0	22.7	28.2	31.8
Individuals in Households						
With TANF ¹	84.5	>100.0	>100.0	--	--	--
With Earnings	27.9	39.8	57.0	--	--	--

¹Participation rates above 100 percent are reported because TANF recipients are underreported in the CPS, resulting in higher estimates of participants than estimates of eligibles for households receiving TANF.

*Persons receiving 100 percent of maximum benefits are omitted from the table because their general patterns of participation in the Program are divergent and difficult to interpret.

Table 4: Percentage Distribution of Individuals by Benefit Level and Demographic Group

Demographic Group	Benefit Level						
	\$1 - 25	\$26 - 50	\$51- 100	\$101- 150	\$151- 200	\$201- 300	>\$300
Eligible Nonparticipants							
All Individuals	21.9	6.7	13.6	22.2	7.5	14.3	13.8
Children (under 18)	6.2	5.0	15.0	20.2	10.6	19.5	23.5
Nonelderly Adult	13.1	4.7	11.7	29.7	8.2	16.7	15.9
Elderly (60 or over)	50.8	11.3	15.5	11.7	3.5	5.5	1.7
Disabled Nonelderly Adults	17.5	0.9	4.8	35.8	5.6	16.3	19.1
Nondisabled Childless Adults	5.8	4.6	12.2	49.6	6.6	17.1	4.1
Noncitizens	9.7	4.1	10.9	15.6	10.6	20.8	28.3
Individuals in Households:							
With TANF	--	--	--	--	--	--	--
With Earnings	11.6	6.2	16.7	20.4	12.9	20.1	12.1
Participants							
All Individuals	7.9	4.0	8.9	15.0	8.8	20.7	34.7
Children (under 18)	1.6	1.7	5.9	9.5	9.9	24.1	47.3
Nonelderly Adult	8.9	4.4	10.2	21.4	8.8	20.2	26.1
Elderly (60 or over)	39.4	15.6	19.5	17.8	2.7	3.8	1.2
Disabled Nonelderly Adults	29.9	12.2	21.7	16.8	6.5	7.7	5.2
Nondisabled Childless Adults	3.3	1.3	5.6	72.0	3.5	12.2	2.2
Noncitizens	7.2	6.3	11.9	17.8	8.8	18.4	29.6
Individuals in Households:							
With TANF	2.1	1.7	6.4	9.1	10.6	26.1	44.0
With Earnings	3.2	2.9	9.1	13.6	12.8	23.6	34.8

Table 5: Number Individuals by Benefit Level and Demographic Group¹

Demographic Group	Benefit Level							
	All	\$1 - 25	\$26 - 50	\$51- 100	\$101- 150	\$151- 200	\$201- 300	>\$300
Eligible Nonparticipants								
All Individuals	16,037	3,511	1,069	2,175	3,568	1,204	2,290	2,220
Children (under 18)	4,023	250	202	602	807	427	786	947
Nonelderly Adult	7,530	985	358	879	2,237	621	1,255	1,196
Elderly (60 or over)	4,484	2,276	509	694	524	155	248	77
Disabled Nonelderly Adults	2,004	350	18	96	718	112	326	382
Nondisabled Childless Adults	1,844	107	85	224	915	121	316	75
Noncitizens	955	93	39	104	149	101	199	270
Individuals in Households:								
With TANF	--	--	--	--	--	--	--	--
With Earnings	8,812	1,022	550	1,471	1,798	1,133	1,771	1,067
Participants								
All Individuals	18,656	1,469	750	1,654	2,800	1,642	3,864	6,476
Children (under 18)	9,514	152	159	567	903	941	2,290	4,502
Nonelderly Adult	7,488	666	332	764	1,601	658	1,512	1,956
Elderly (60 or over)	1,654	652	258	323	295	44	63	19
Disabled Nonelderly Adults	1,784	533	218	388	299	115	138	92
Nondisabled Childless Adults	460	15	6	26	331	16	56	10
Noncitizens	621	45	39	74	111	55	114	184
Individuals in Households:								
With TANF	5,297	113	91	341	481	560	1,383	2,329
With Earnings	7,530	243	217	684	1,028	962	1,774	2,623

¹Numbers are reported in millions.

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