
CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS: FISCAL YEAR 1998 (Advance Report)

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The FSP is the nation's largest food assistance program. In fiscal year 1998, it served an average of 19.8 million people per month. Over \$16.9 billion was paid out in food stamps that year, with an average benefit of \$71 per person.

Food stamps are made available to most low-income households with few resources to supplement their food purchases and help them maintain a healthy diet. In fiscal year 1998, food stamps were over one-fifth of a participating household's total monthly income (cash plus food stamps). If the value of food stamps were counted in addition to cash as gross income, one-fifth of food stamp households would move from below to above half the poverty line (Figure 1).

I. Composition of Food Stamp Households

In fiscal year 1998, the majority (58.3 percent) of food stamp households contained children (Table 1). Of these households, over two-thirds (67.9 percent) were single-parent homes, fifteen percent were headed by married parents, and six percent of the households had no members over the age of 17. Households with children received an average monthly food stamp benefit of \$232, reflecting their relatively large average size (3.3 persons). Single-parent households (3.1 persons on average) received an average of \$228 in food stamps, and married-couple households with children (4.6 persons on average) received an average of \$273.

Households containing elderly persons represented 18.2 percent of all food stamp households. Over three-quarters of them were single-person households, which received an average monthly benefit of \$43. Households containing elderly and other persons received an average benefit of \$118.

A substantial proportion of food stamp households contained disabled persons (24.4 percent). Of these households, over half (52.9 percent) lived alone, receiving an average benefit of \$49. Households with disabled individuals and others received an average benefit of \$164.

In households without children, elderly, or disabled individuals, over 90 percent lived alone, receiving an average benefit of \$112. The households with multiple adults received an average benefit of \$188.

II. Characteristics of Food Stamp Participants

In fiscal year 1998, slightly over half of all food stamp participants were children, most of whom lived in single-parent households (Figure 2). The remaining participants were nonelderly adults (38.9 percent) or elderly adults—age 60 or older (8.2 percent)

Among adult participants (age 18 or older), women outnumbered men by over two to one (Table 2). Of the children participating, one-third were of preschool age (0 to 4 years), and two-thirds were of school age (5 to 17 years).

FIGURE 1

POVERTY STATUS OF FOOD STAMP HOUSEHOLDS WITH AND WITHOUT FOOD STAMPS, 1998

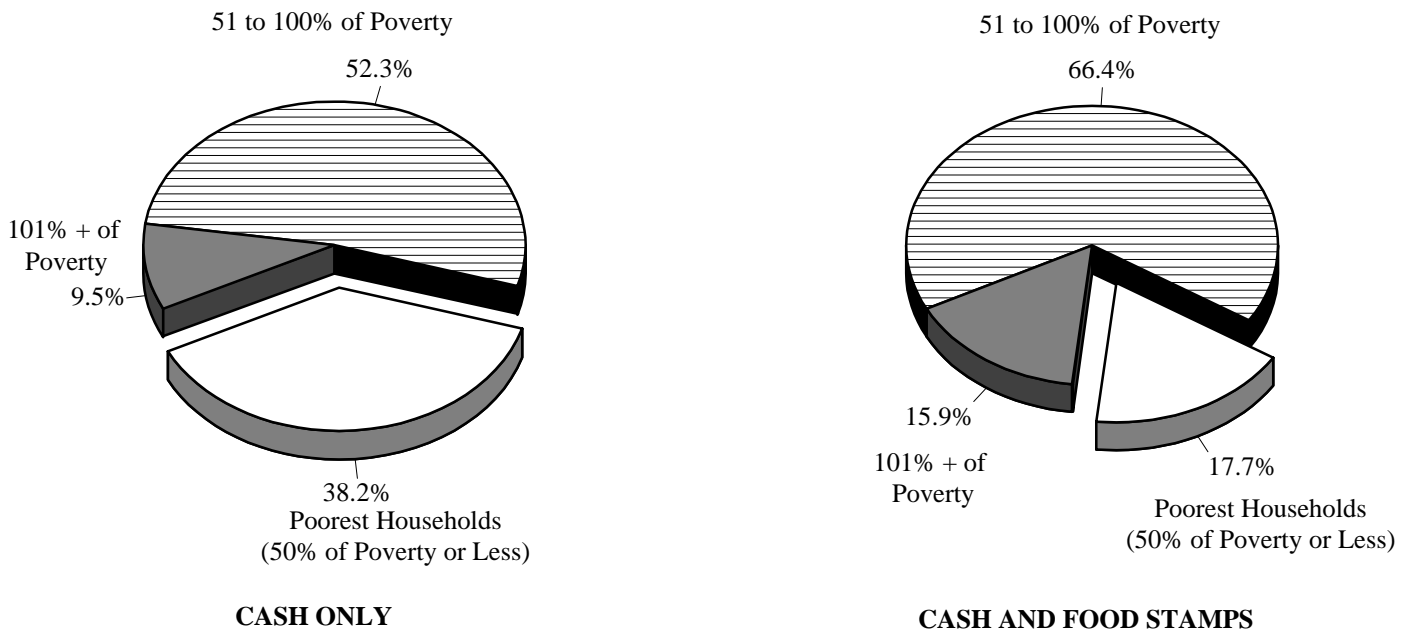
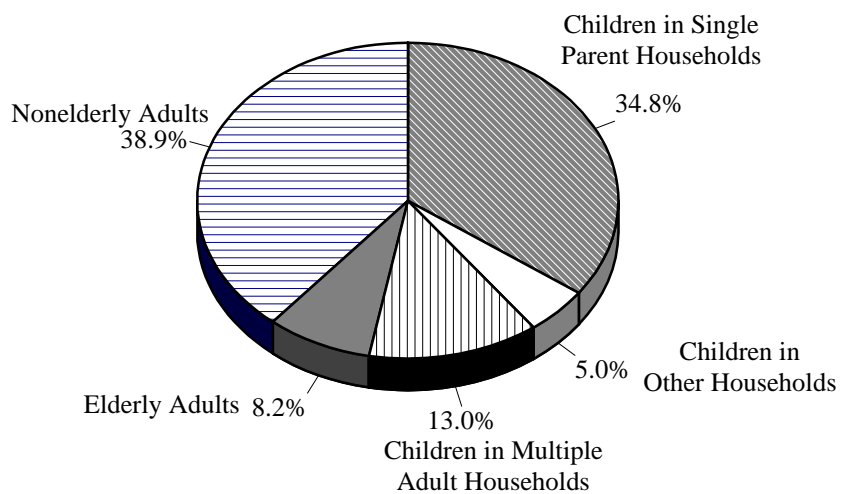


FIGURE 2

DISTRIBUTION OF FOOD STAMP PARTICIPANTS, 1998



Source: 1998 Food Stamp Quality Control sample.

The largest proportion of food stamp participants were white, non-Hispanic (40.1 percent); over one-third were African-American, non-Hispanic (36.3 percent); and slightly less than one-fifth were Hispanic (18.3 percent). The remaining participants were Asian, Native American, or of another race or ethnicity (Table 3).

III. Benefits and Income of Food Stamp Households

The average monthly food stamp benefit in fiscal year 1998 was \$165 per household. The majority (66.2 percent) of food stamp households received monthly benefits of over \$100, and 35.4 percent received over \$200 (Table 4). In fiscal year 1998, 81.8 percent of all benefits went to households with children, and 6.5 percent of all benefits went to households with elderly members (Table 1).

The average monthly gross income of food stamp households was \$584 (Table 5). The majority of households (78.8 percent) received unearned income from one or more of the following sources: Temporary Assistance to Needy Families (TANF), General Assistance (GA), Social Security, Supplemental Security Income (SSI), Unemployment Compensation, or some other payment such as veterans benefits or educational loans. Slightly more than one-fourth of all households (26.3 percent) had earned income. Almost a tenth (8.8 percent) had zero gross income.

IV. Characteristics of Food Stamp Households by State

In fiscal year 1998, almost half of all food stamp households were located in eight states: California, Florida, Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas (Table 6). The average monthly food stamp benefit varied by state, reflecting differences in income, expenses, household size, and composition. Average monthly benefits were largest in Alaska, Hawaii, Guam, and the Virgin Islands because the

maximum allotment is set higher in those areas to accommodate higher costs of living. Within the contiguous United States, food stamp benefits were highest (more than \$195) in Arizona and Texas—two states with above-average household size. Conversely, average monthly food stamp benefits were lowest (less than \$140) in Iowa, Kansas, Maine, New Hampshire, Ohio, Oregon, and Vermont—states with typically above-average gross household income and/or below-average household size.

V. Changes Over Time

The number of persons participating in the FSP grew substantially from 1989 through 1994 and has declined steadily since 1994 (Figure 3). Specifically, the number of food stamp participants grew from 18.9 million persons in 1989 to a record high of 28.0 million in March 1994 and then fell to 18.3 million by February 1999. This is the lowest number of participants since December 1979.

The changes in the level of participation have been accompanied by changes in the composition of the caseload (Table 7). For example, the percentage of participants who are children has risen from 51.0 percent in 1996 to 52.8 percent in 1998. However, the percentage of households with children has declined steadily from 62.2 percent in 1992 to 58.3 percent in 1998. Households with children in 1998 average more children per household than the households with children in 1992.

While the percentage of households with children is decreasing, both the percentage of households with elderly individuals and the percentage of households with disabled individuals are increasing. The proportion of households with elderly has risen from a low of 15.4 percent in 1992 to 18.2 percent in 1998. The proportion of participating households with disabled persons rose from a low of 8.9 percent in 1990 to 12.5

percent in 1994, and from 18.9 percent in 1995 to 24.4 percent in 1998.¹

As the household composition has changed, so have the household size and average benefit. The average household size dropped from 2.5 persons in 1996 to 2.4 persons in 1997 and 1998. The average benefit in nominal dollars in 1996 was \$174, which dropped to \$169 in 1997 and \$165 in 1998. During that time the maximum FSP benefit for a family of three continued to increase from \$313 to \$321.

Economic Changes. Changes in the economy affect participation in the FSP. For example, Figure 3 shows that the surge in FSP participation from 1989 through 1994 was associated with a worsening economy, and the drop in participation since 1994 is tied to an improving economy. Both the number of FSP participants and the number of employed persons are comparable to the numbers in the late 1980s.

Legislative Changes. Changes in legislation also affect participation in the FSP. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (welfare reform) took effect in FY 1997. It disqualified most permanent resident aliens from participation in the FSP, placed time limits on unemployed able-bodied adults without dependents, and replaced the AFDC program with the TANF program. The FY 1997 data provided the first, though still incomplete, picture of food stamp participation following the welfare reform implementation; welfare reform was implemented in stages throughout 1997. Additionally, the Balanced Budget Act of 1997 allowed states to exempt 15 percent of the unemployed able-bodied, childless adults from the time-limits beginning in FY 1998. Thus, the FY 1998 data provide a more complete picture of the changes in participation following implementation of this legislation.

In 1998, Congress passed the Agricultural Research, Extension, and Education Reform Act

which restores eligibility to child, elderly, and disabled permanent resident aliens who were present in the United States when welfare reform was enacted. These individuals were again eligible for participation in the FSP starting on November 1, 1998. The effects of the Agricultural Research Act may be noted in future reports.

VI. Description of the Food Stamp Program

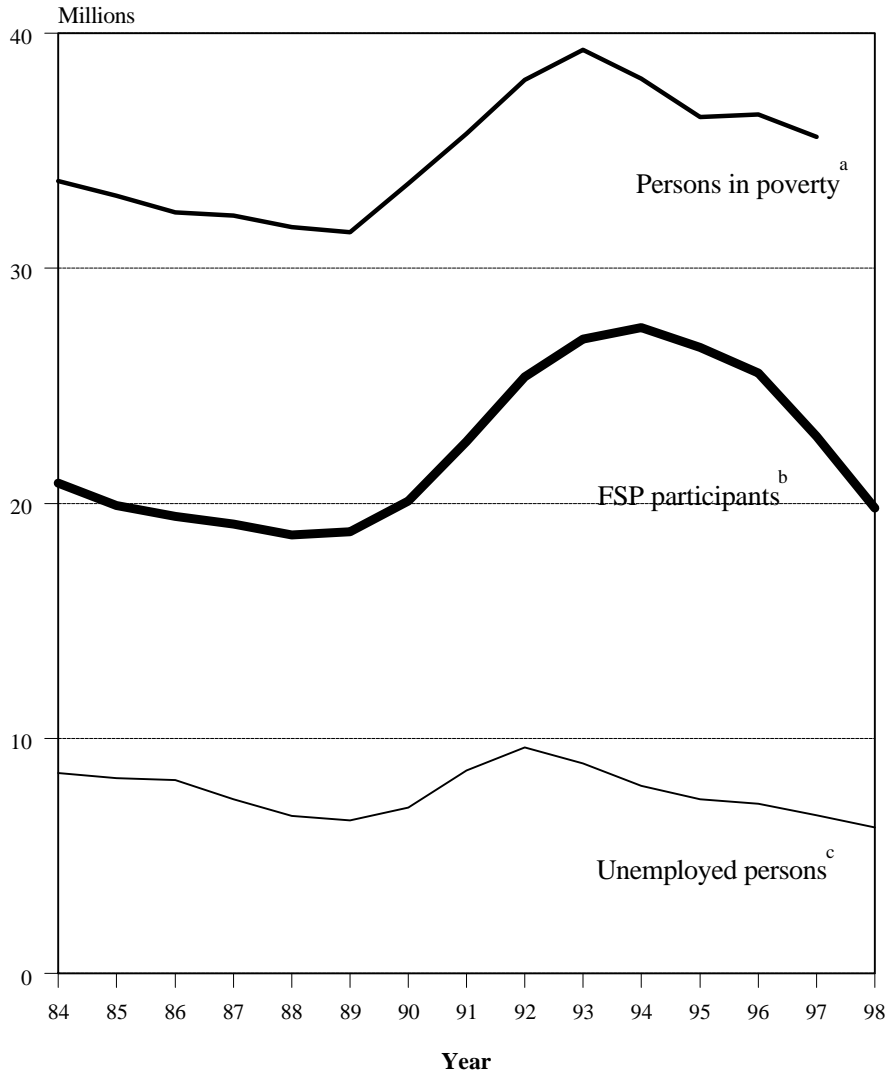
The FSP is unique among income maintenance programs in two important ways. First, it offers assistance to nearly all financially needy households, regardless of almost any nonfinancial categorical criteria. Second, instead of cash, it provides benefits in the form of coupons or electronic benefits which can be redeemed for food in any of about 180,000 authorized stores across the nation. The cost of providing food stamps to needy persons is funded fully by the federal government. Administrative costs are shared by federal, state, and local governments.

Eligibility. To be eligible for food stamps, a household's assets, gross income, and net income, which is based on gross income less deductions permitted under the FSP, must not exceed specified levels that vary by household size, composition, and location. Most permanent resident aliens are ineligible to join the FSP, and most able-bodied, non-working, childless adults are limited to 3 months of FSP benefits in any 36-month period.

Food Stamp Benefit Computation and Issuance. Benefits are computed by subtracting 30 percent of a household's net income from the maximum benefit amount, which is based on 100 percent of the June cost of the Thrifty Food Plan (TFP) for a family of four, adjusted for household size and location. The TFP is based on the cost of a market basket of food that provides an economical and nutritious diet. In fiscal year 1998, the maximum benefit for a family of four in the contiguous United States was \$408 per month. Program participants receive their monthly

FIGURE 3

FOOD STAMP PROGRAM PARTICIPANTS,
UNEMPLOYED PERSONS, AND POOR PERSONS



^aAnnual values. The number of persons in poverty in Fiscal Year 1998 was not available when this report went to print. Source: Bureau of the Census, Poverty in the United States: 1997, Series P60-201.

^bAverage monthly values. Source: Food and Nutrition Service, Fiscal Years 1984-1998 FSP Participation and Issuance.

^cAverage monthly values. Source: Economic Report of the President, 1999 Table B-36.

benefits through the mail, directly from the local office, or through an electronic benefit transfer (which is similar to a bank card).

VII. Data

The estimates presented here are based on data extracted from the Food Stamp Quality Control System, which is an ongoing review of food stamp households designed to measure the accuracy with which eligibility and benefit determinations are made. All estimates are based on a full-year sample of 47,145 households.

Food and Nutrition Service administrative records indicate that the FSP served 19.8 million persons in fiscal year 1998, and food stamp households received an average benefit of \$171 per month. The figures in the attached tables of 20.0 million participants with an average household benefit of \$165 vary from the administrative figures because they are estimates from the Food Stamp Quality Control sample, which weights data by households rather than persons or benefits. Administrative figures are based on a monthly census of actual FSP participation and benefit issuance.

Notes

¹The 1994-to-1995 increase in the proportion of households with disabled persons is due in part to a change in the definition of households with disabled persons. However, using the old definition, the proportion with disabled still increases from 12.5 percent to 13.3 percent.

Table 1 -- Selected Characteristics of Participating Food Stamp Households, 1998

Household type	Participating households		Average monthly values (dollars)			Average household size (persons)	Percent of Total Benefit Dollars
	Number (thousands)	Percent	Food stamp benefit	Gross income	Net income		
Total	8,246	100.0	165	584	321	2.4	100.0
Children	4,803	58.2	232	672	386	3.3	81.7
Single-parent households	3,264	39.6	228	615	337	3.1	54.6
Married-couple households	712	8.6	273	975	631	4.6	14.2
Other multiple-adult households	363	4.4	264	865	561	4.3	7.0
Children only households	464	5.6	172	457	221	2.2	5.8
Other	3	0.0	307	628	396	4.2	0.1
Elderly	1,500	18.2	59	589	334	1.3	6.5
Living alone	1,184	14.4	43	537	287	1.0	3.8
Not living alone	316	3.8	118	782	508	2.5	2.7
Disabled	2,015	24.4	100	691	420	2.0	14.8
Living alone	1,113	13.5	49	545	269	1.0	4.0
Not living alone	903	10.9	164	870	605	3.3	10.8
Other	980	11.9	119	188	52	1.1	8.6
Single-person	894	10.8	112	165	39	1.0	7.4
Multiple-person	87	1.1	188	427	185	2.2	1.2

Source: 1998 Food Stamp Quality Control sample.

Table 2 -- Gender and Age of Food Stamp Participants, 1998

Age	All participants		Female		Male	
	Number (thousands)	Percent	Number (thousands)	Percent	Number (thousands)	Percent
Total	19,969	100.0	11,967	100.0	7,926	100.0
Children (0-17)	10,546	52.8	5,258	43.9	5,258	66.3
0-4	3,509	17.6	1,759	14.7	1,741	22.0
5-17	7,037	35.2	3,499	29.2	3,517	44.4
Adults (18 or more)	9,409	47.1	6,702	56.0	2,666	33.6
18-35	4,292	21.5	3,261	27.3	1,013	12.8
36-59	3,480	17.4	2,244	18.7	1,223	15.4
60 or more	1,637	8.2	1,197	10.0	430	5.4
Unknown	14	0.1	7	0.1	2	0.0

Source: 1998 Food Stamp Quality Control sample.

Table 3 -- Race/Ethnicity of Food Stamp Participants, 1998

Race	Participants	
	Number (thousands)	Percent
Total	19,969	100.0
White, Non-Hispanic	8,008	40.1
African-American, Non-Hispanic	7,248	36.3
Hispanic	3,652	18.3
Asian	605	3.0
Native American	311	1.6
Other	145	0.7

Source: 1998 Food Stamp Quality Control sample.

Table 4 -- Monthly Food Stamp Benefits of Participating Food Stamp Households, 1998

Monthly food stamp benefit	Participating households	
	Number (thousands)	Percent
Total	8,246	100.0
\$0-50	1,704	20.7
\$51-100	1,084	13.1
\$101-150	1,721	20.9
\$151-200	819	9.9
\$201-250	1,046	12.7
\$251-300	554	6.7
\$301 +	1,318	16.0

Source: 1998 Food Stamp Quality Control sample.

Table 5 -- Selected Economic Characteristics of Participating Food Stamp Households, 1998

Income source	Participating households		Persons in households with source		Average income (dollars)		Average food stamp benefit (dollars)	Average household size (persons)
	Number (thousands)	Percent	Number (thousands)	Percent	Gross	From source		
Total	8,246	100.0	19,969	100.0	584	(n/a)	165	2.4
Earned income	2,167	26.3	7,166	35.9	905	723	189	3.3
Wages and salaries	2,047	24.8	6,824	34.2	920	741	188	3.3
Self-employment	111	1.3	345	1.7	679	336	220	3.1
Other earned income	30	0.4	82	0.4	820	437	154	2.7
Unearned income	6,495	78.8	15,399	77.1	607	500	156	2.4
TANF	2,591	31.4	8,442	42.3	605	369	238	3.3
General Assistance	486	5.9	678	3.4	400	236	117	1.4
Supplemental Security Income	2,315	28.1	4,274	21.4	650	372	90	1.8
Social Security	1,924	23.3	3,133	15.7	655	492	74	1.6
Unemployment	130	1.6	411	2.1	760	511	185	3.2
Other unearned income	1,341	16.3	3,792	19.0	705	224	176	2.8
No Income	724	8.8	1,281	6.4	0	0	198	1.8

Source: 1998 Food Stamp Quality Control sample.

Table 6 -- Selected Characteristics of Participating Food Stamp Households by State, 1998

State	Total (thousands)	Percent of all households	Average monthly amount					Average house- hold size (persons)
			Food stamp benefit (dollars)	Gross income (dollars)	Net income (dollars)	Total deduction (dollars)	Countable assets (dollars)	
Total	8,246	100.0	165	584	321	294	118	2.4
Alabama	167	2.0	172	559	312	288	114	2.5
Alaska	14	0.2	258	917	580	401	146	2.9
Arizona	107	1.3	200	569	318	287	131	2.8
Arkansas	101	1.2	164	568	339	266	129	2.5
California	865	10.5	186	613	370	267	118	2.8
Colorado	82	1.0	154	566	292	311	137	2.2
Connecticut	93	1.1	140	590	331	285	134	2.2
Delaware	17	0.2	169	587	314	318	69	2.5
Dist. of Col.	38	0.5	183	380	203	228	15	2.3
Florida	432	5.2	156	566	291	306	174	2.2
Georgia	256	3.1	177	587	329	295	71	2.6
Guam	7	0.1	435	650	295	410	91	3.5
Hawaii	54	0.7	295	661	363	329	235	2.4
Idaho	24	0.3	170	646	379	323	192	2.7
Illinois	393	4.8	164	541	298	273	100	2.3
Indiana	130	1.6	160	566	320	289	191	2.4
Iowa	59	0.7	137	627	381	271	257	2.3
Kansas	53	0.6	136	593	338	284	123	2.2
Kentucky	163	2.0	158	549	340	243	122	2.4
Louisiana	202	2.5	189	551	312	275	91	2.7
Maine	56	0.7	126	614	314	338	144	2.0
Maryland	137	1.7	180	486	244	288	69	2.3
Massachusetts	134	1.6	151	638	338	322	86	2.3
Michigan	330	4.0	159	632	313	349	68	2.4
Minnesota	97	1.2	150	505	305	263	170	2.2
Mississippi	130	1.6	158	609	385	252	183	2.6
Missouri	174	2.1	166	543	306	271	119	2.4
Montana	25	0.3	172	604	288	362	270	2.4
Nebraska	39	0.5	143	663	391	295	203	2.4
Nevada	33	0.4	155	600	305	332	83	2.3
New Hampshire	18	0.2	138	689	369	347	176	2.3
New Jersey	186	2.3	173	542	249	320	42	2.3
New Mexico	65	0.8	182	607	372	268	122	2.8
New York	759	9.2	154	623	280	375	30	2.2
North Carolina	224	2.7	153	581	339	276	134	2.4
North Dakota	14	0.2	147	659	386	302	446	2.4
Ohio	332	4.0	132	591	350	261	156	2.1
Oklahoma	119	1.4	160	567	331	276	93	2.4
Oregon	111	1.3	138	534	295	289	285	2.1
Pennsylvania	400	4.9	145	594	326	296	177	2.2
Rhode Island	33	0.4	143	615	355	276	157	2.3
South Carolina	136	1.6	168	557	339	249	95	2.5
South Dakota	17	0.2	190	603	327	321	239	2.7
Tennessee	232	2.8	156	585	329	284	173	2.4
Texas	602	7.3	197	544	296	285	67	2.7
Utah	35	0.4	177	644	375	306	212	2.7
Vermont	21	0.3	124	676	390	307	189	2.2
Virgin Islands	6	0.1	327	470	285	211	103	3.1
Virginia	171	2.1	155	609	349	290	197	2.4
Washington	161	1.9	154	591	311	311	126	2.3
West Virginia	110	1.3	163	524	317	244	86	2.4
Wisconsin	75	0.9	148	698	433	300	170	2.6
Wyoming	10	0.1	164	607	340	314	296	2.5

Source: 1998 Food Stamp Quality Control sample.

**Table 7 -- Selected Characteristics of Food Stamp Households Over Time
Fiscal Year 1989-Fiscal Year 1998**

Fiscal Year	Total		Children		Elderly		Disabled
	Participants (thousands)	Households (thousands)	Children (percent of all participants)	Households with children (percent of all)	Elderly (percent of all participants)	Households with elderly (percent of all)	Households with disabled (percent of all)
1998	19,969	8,246	52.8	58.3	8.2	18.2	24.4
1997	23,117	9,452	51.4	58.3	7.9	17.6	22.3
1996	25,926	10,552	51.0	59.5	7.3	16.2	20.2
1995	26,955	10,883	51.5	59.7	7.1	16.0	18.9 ^c
1994	28,009	11,091	51.4	61.1	7.0	15.8	12.5
1993	27,595	10,791	51.5	62.1	6.8	15.5	10.7
1992 ^b	25,743	10,049	51.9	62.2	6.6	15.4	9.5
1991 ^b	22,963	8,855	52.0	60.4	7.0	16.4	9.0
1990 ^b	20,411	7,803	49.6	60.3	7.7	18.1	8.9
1989 ^{a,b}	18,925	7,209	49.8	60.4	8.2	19.3	9.1

^aFull year analysis files were not developed for the years prior to 1989.

^bPrior to fiscal year 1993, food stamp cases from Guam and the Virgin Islands were excluded from the analysis files.

^cBeginning In 1995, disabled households are defined as households with at least one member under age 65 who received SSI, or at least one member age 18 to 61 who received Social Security, veterans benefits, or other government benefits as a result of a disability. For years prior to 1995, disabled households are defined as households with SSI but no members over age 59. The substantial increase in the percentage of households with a disabled member between 1994 and 1995 is due in part to the change in the definition of disabled households. Using the previous definition, 13.3 percent of households included a disabled person in fiscal year 1995.

Source: Food Stamp Quality Control samples.