

STATE FOOD STAMP PARTICIPATION RATES IN 2005



FOOD AND
NUTRITION
SERVICE



which more emphasis was placed on work for public assistance recipients through the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act.

Recent studies have examined national participation rates as well as participation rates for socioeconomic and demographic subgroups (Wolkwitz 2007), and rates for all eligible people and for the working poor for States (Cunningham, Castner, and Schirm 2006). This document presents estimates of food stamp participation rates for all eligible people and for the working poor for States for fiscal year 2005. These estimates can be used to assess recent program performance and focus efforts to improve performance.



The Food Stamp Program is a central component of American policy to alleviate hunger and poverty. The program's main purpose is "to permit low-income households to obtain a more nutritious diet . . . by increasing their purchasing power" (Food Stamp Act of 1977, as amended). The Food Stamp Program is the largest of the domestic food and nutrition assistance programs administered by the U.S. Department of Agriculture's Food and Nutrition Service. During fiscal year 2007, the program served 26 million people in an average month at a total annual cost of over \$30 billion in benefits.

The Government Performance and Results Act of 1993 calls for policymakers to assess the effects of programs, and one important measure of a program's performance is its

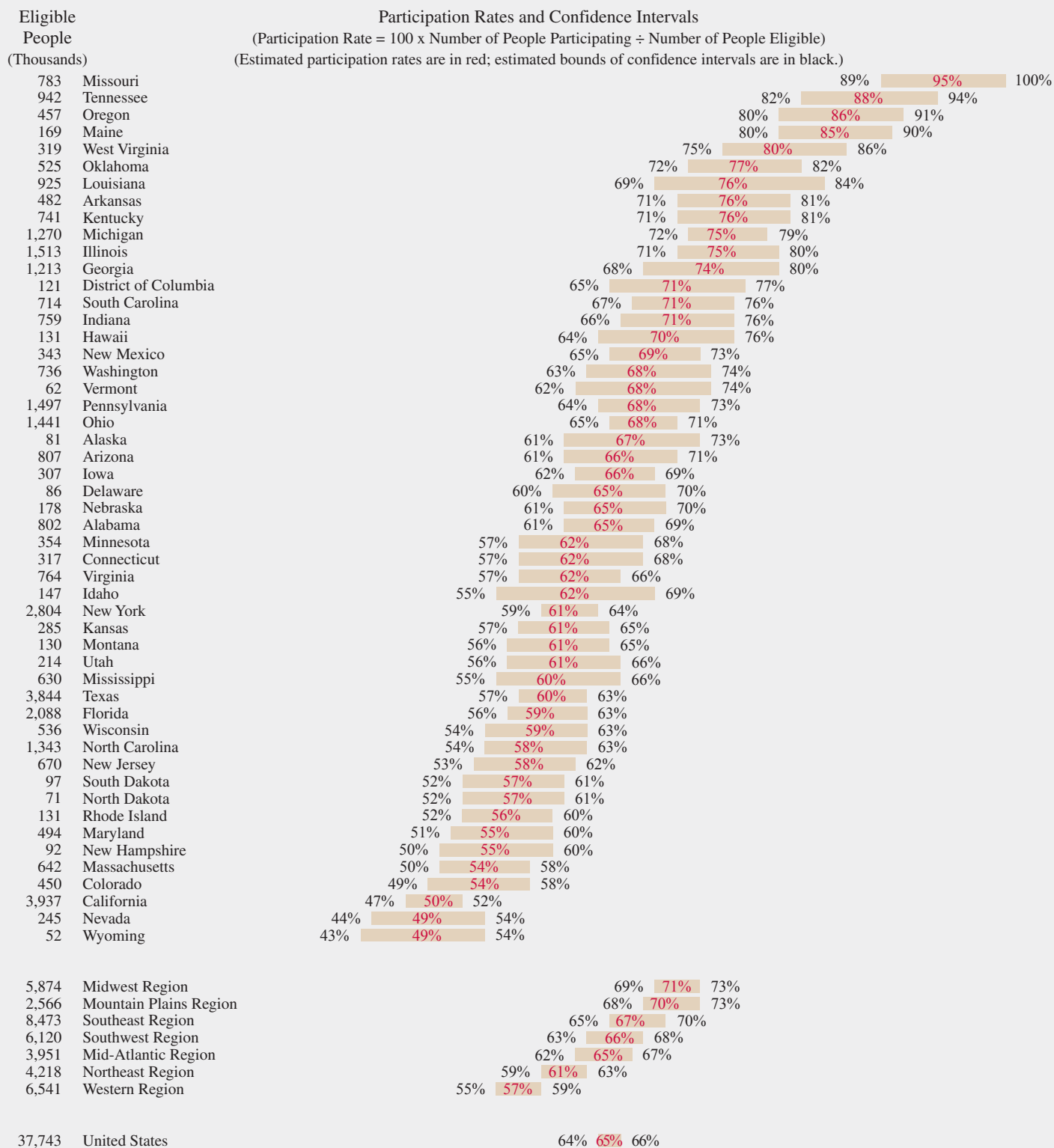
ability to reach its target population. The national food stamp participation rate—the percentage of eligible people in the United States who actually participate in the program—has been a standard for assessing performance for about 25 years. The U.S. Department of Agriculture's budget request for fiscal year 2008 includes a performance target to reach 68 percent of the eligible population by 2010.

The Food Stamp Program provides an important support for the "working poor"—people who are eligible for the Food Stamp Program and live in households in which someone earns income from a job. Of the 26 million people who received food stamps in an average month in 2006, over 10 million—41 percent—lived in households that had income from earnings, up from 30 percent of all food stamp recipients in 1996, the year in

Participation Rates in 2005

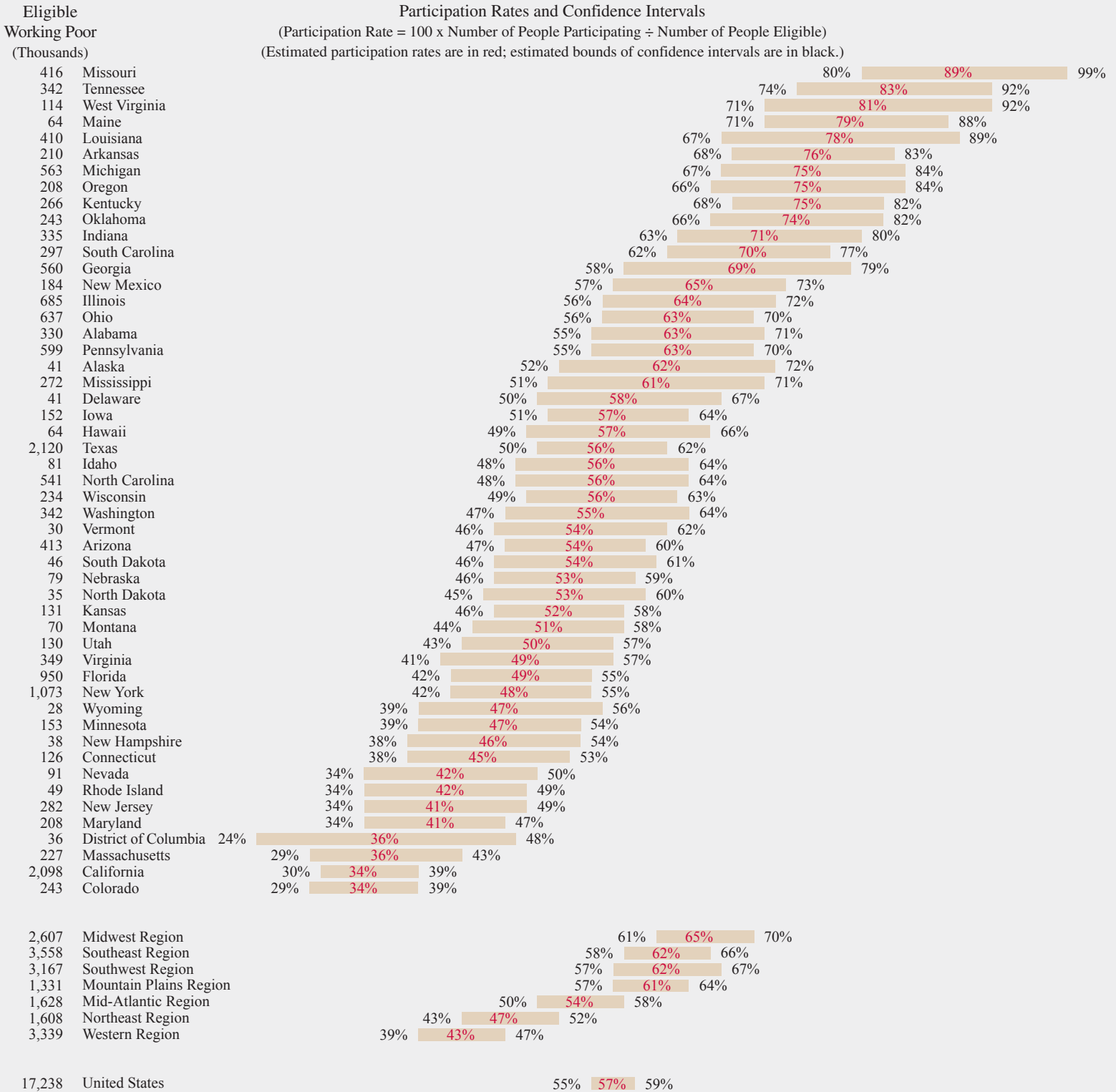
About 65 percent of eligible people in the United States received food stamp benefits in fiscal year 2005. Participation rates varied widely from State to State, however. Eighteen States had rates that were significantly higher (in a statistical sense) than the national rate, and 20 States had rates that were significantly lower. Among the regions, the Midwest Region had the highest participation rate. Its 71-percent rate was significantly higher than the rates for all of the other regions except for the Mountain Plains Region. The Western Region's participation rate of 57 percent was significantly lower than the rates for all of the other regions. (See the last page for a map showing regional boundaries.)

How Many Were Eligible in 2005? What Percentage Participated?



A confidence interval expresses our uncertainty about the true value of a participation rate. Each interval displayed here is a 90-percent confidence interval. One interpretation of such an interval is that there is a 90-percent chance that the true participation rate falls within the estimated bounds. For example, while our best estimate is that Arizona's participation rate was 66 percent in 2005, the true rate may have been higher or lower. However, the chances are 90 in 100 that the true rate was between 61 and 71 percent.

How Many Working Poor Were Eligible in 2005? What Percentage Participated?



A confidence interval expresses our uncertainty about the true value of a participation rate. Each interval displayed here is a 90-percent confidence interval. One interpretation of such an interval is that there is a 90-percent chance that the true participation rate falls within the estimated bounds. For example, while our best estimate is that North Carolina's working poor participation rate was 56 percent in 2005, the true rate may have been higher or lower. However, the chances are 90 in 100 that the true rate was between 48 and 64 percent.

In 2005, 57 percent of eligible working poor in the United States participated in the Food Stamp Program, but as with participation rates for all eligible people, rates for the working poor varied widely across States. Eighteen States had rates for the working poor that were significantly higher than the national rate, and 18 States had rates that were significantly lower.

While 65 percent of all eligible people in the United States participated in 2005, only 57 percent of the eligible working poor participated, a significant difference of 8 percentage points. In 25 States, the participation rate for the working poor in 2005 was—like the national rate for the working poor—significantly lower than the rate for all eligible people; in 10 of these States, the rate for the working poor was more than 8 percentage points lower than the rate for all eligible people. In no State was the rate for the working poor significantly higher than the rate for all eligible people.

State Comparisons

The estimated participation rates presented here are based on fairly small samples of households in each State. Although there is substantial uncertainty associated with the estimates for some States and with comparisons of estimates from different States, the estimates for 2005 show whether a State's participation rate for all eligible people was probably at the top, at the bottom, or in the middle of the distribution. Missouri, Tennessee, Oregon, and Maine

were very likely at the top, with higher rates for all eligible people than most States. In contrast, Wyoming, Nevada, and California likely had lower rates than most States.

Similarly, it is possible to determine that some States were probably at the top, at the bottom, or in the middle of the distribution of rates for the working poor in 2005. Missouri was very likely ranked at the top, with a higher rate for the working poor than most States. In contrast, Colorado and California likely had lower rates than most States.

How a State compares with other States may fluctuate over time due to statistical variability in estimated rates and true changes in rates. The statistical variability is sufficiently great that a large change in a State's rate from the prior year should be interpreted cautiously, as should differences between the rates of that State and other States. It may be incorrect to conclude that program performance in the State has improved or deteriorated dramatically. Despite this uncertainty, the estimated participation rates for all eligible people and the working poor suggest that some States have fairly consistently been in the top or bottom of the distribution of rates in recent years. In all 3 years from 2003 to 2005, Kentucky, Louisiana, Maine, Missouri, Oklahoma, Oregon, Tennessee, and West Virginia had significantly higher participation rates for all eligible people than two-thirds of the States, while Arkansas, the District of Columbia, and South Carolina had significantly higher rates than half of the States. Colorado, Florida, Maryland, New Hampshire, New Jersey, South Dakota, and Wisconsin had significantly lower rates than half of the States in all 3 years,

while California, Massachusetts, Nevada, and Wyoming had significantly lower rates than two-thirds of the States.

A State ranked near the top or bottom of the distribution of participation rates for all eligible people is likely to be ranked near the top or bottom, respectively, of the distribution of participation rates for the working poor. Although the rankings of States by participation rates for the working poor and for all eligible people are generally similar, the rankings do not exactly match. Three States (North Dakota, Wisconsin, and Wyoming) are ranked significantly higher for all 3 years when ranked by their participation rate for the working poor than when ranked by their participation rate for all eligible people, and the District of Columbia is ranked significantly lower.

Estimation Method

The estimates presented here were derived using shrinkage estimation methods (Cunnyngham, Castner, and Schirm 2007, and Cunnyngham, Castner, and Schirm forthcoming). Drawing on data from the Current Population Survey, the decennial census, and administrative records, the shrinkage estimator averaged sample estimates of participation rates with predictions from a regression model. The sample estimates were obtained by applying food stamp eligibility rules to households in the Current Population Survey to estimate numbers of eligible people and eligible working poor, while estimating numbers of participating people and participating working poor from

Participation Rates

	All Eligible People			Working Poor		
	2003	2004	2005	2003	2004	2005
Alabama	58%	58%	65%	54%	52%	63%
Alaska	60%	58%	67%	61%	52%	62%
Arizona	63%	68%	66%	46%	56%	54%
Arkansas	63%	69%	76%	63%	63%	76%
California	45%	48%	50%	35%	36%	34%
Colorado	46%	55%	54%	35%	46%	34%
Connecticut	52%	59%	62%	44%	46%	45%
Delaware	52%	61%	65%	46%	55%	58%
District of Columbia	79%	81%	71%	51%	40%	36%
Florida	48%	56%	59%	39%	43%	49%
Georgia	68%	66%	74%	52%	54%	69%
Hawaii	69%	72%	70%	59%	62%	57%
Idaho	55%	56%	62%	47%	48%	56%
Illinois	62%	69%	75%	54%	59%	64%
Indiana	62%	68%	71%	61%	68%	71%
Iowa	59%	61%	66%	49%	57%	57%
Kansas	54%	59%	61%	51%	51%	52%
Kentucky	68%	71%	76%	64%	66%	75%
Louisiana	73%	77%	76%	69%	72%	78%
Maine	74%	80%	85%	65%	73%	79%
Maryland	48%	54%	55%	39%	44%	41%
Massachusetts	44%	51%	54%	29%	39%	36%
Michigan	62%	67%	75%	65%	69%	75%
Minnesota	63%	62%	62%	49%	45%	47%
Mississippi	67%	60%	60%	57%	49%	61%
Missouri	77%	87%	95%	69%	79%	89%
Montana	49%	58%	61%	43%	49%	51%
Nebraska	57%	63%	65%	49%	53%	53%
Nevada	42%	49%	49%	31%	37%	42%
New Hampshire	47%	55%	55%	41%	48%	46%
New Jersey	49%	54%	58%	38%	44%	41%
New Mexico	53%	64%	69%	47%	57%	65%
New York	49%	54%	61%	43%	43%	48%
North Carolina	48%	56%	58%	43%	47%	56%
North Dakota	54%	55%	57%	54%	52%	53%
Ohio	60%	65%	68%	57%	62%	63%
Oklahoma	69%	75%	77%	67%	72%	74%
Oregon	78%	83%	86%	70%	75%	75%
Pennsylvania	54%	61%	68%	54%	57%	63%
Rhode Island	55%	53%	56%	40%	40%	42%
South Carolina	65%	67%	71%	61%	64%	70%
South Dakota	52%	53%	57%	48%	52%	54%
Tennessee	85%	84%	88%	76%	79%	83%
Texas	47%	57%	60%	38%	48%	56%
Utah	50%	60%	61%	41%	48%	50%
Vermont	61%	65%	68%	52%	54%	54%
Virginia	58%	62%	62%	43%	50%	49%
Washington	60%	64%	68%	44%	52%	55%
West Virginia	72%	76%	80%	73%	76%	81%
Wisconsin	51%	54%	59%	54%	49%	56%
Wyoming	45%	48%	49%	46%	49%	47%
Northeast Region	50%	55%	61%	43%	44%	47%
Mid-Atlantic Region	55%	61%	65%	48%	53%	54%
Southeast Region	60%	63%	67%	52%	54%	62%
Midwest Region	60%	66%	71%	57%	61%	65%
Southwest Region	54%	63%	66%	46%	55%	62%
Mountain Plains Region	60%	67%	70%	51%	58%	61%
Western Region	52%	55%	57%	41%	43%	43%
United States	56%	61%	65%	48%	52%	57%

There is substantial uncertainty associated with most of these estimates. Confidence intervals that measure the uncertainty in the estimates for 2003 and 2004 are presented in Cunyngnam, Castner, and Schirm (forthcoming). These confidence intervals are generally about as wide as the confidence intervals that are presented in this document for the 2005 estimates.

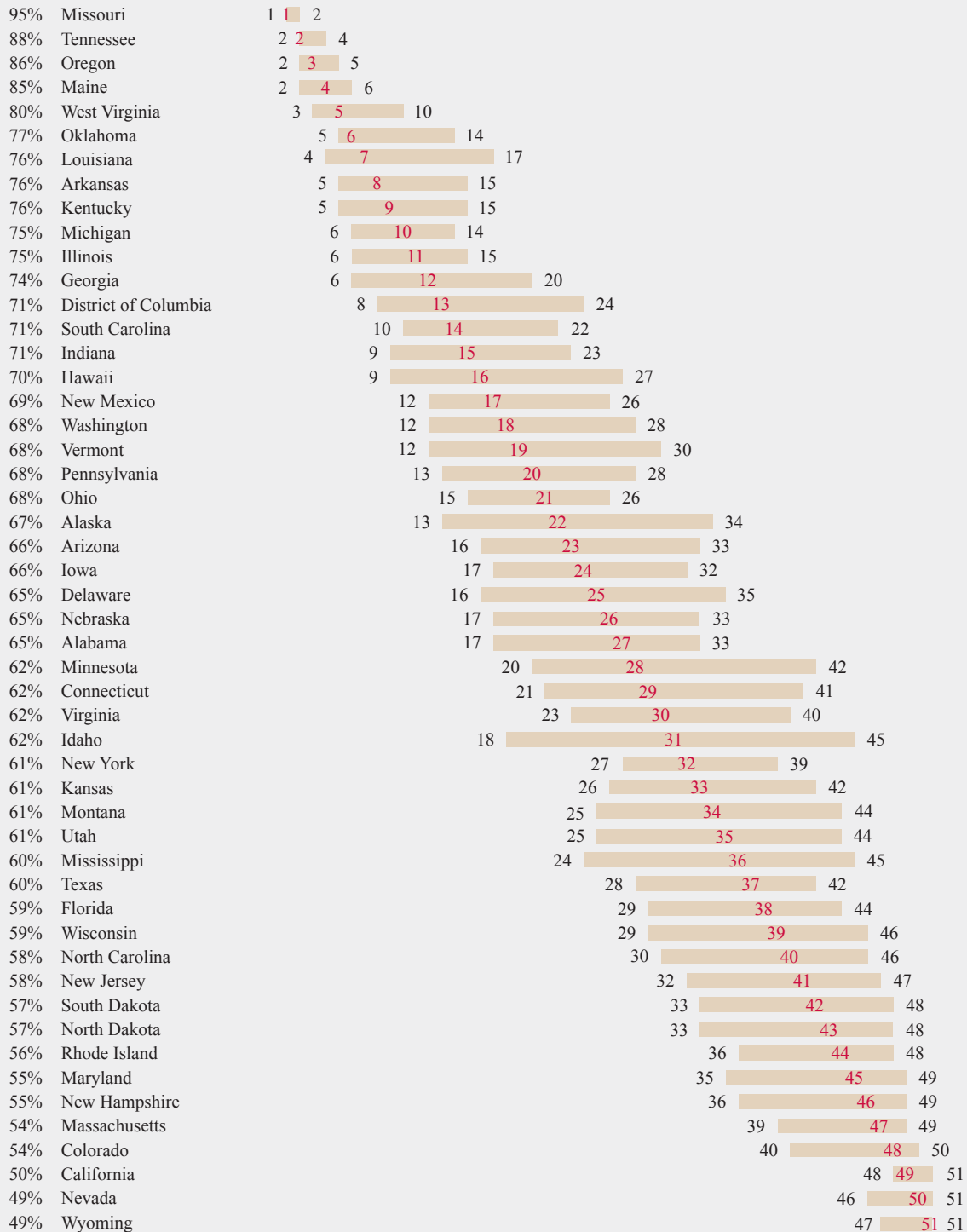
food stamp administrative data. The “working poor” are defined as people who are eligible for food stamps and live in a household in which a member earns money from a job. The regression predictions of participation rates were based on observed indicators of socioeconomic conditions, such as the percentage of the total State population receiving food stamp benefits.

Shrinkage estimates are substantially more precise than direct sample estimates from the Current Population Survey or the Survey of Income and Program Participation, the leading sources of data used to estimate program eligibility. Because these surveys do not collect data on participation in the Food Distribution Program on Indian Reservations, the estimates presented here are not adjusted to reflect the fact that participants in that program are not eligible to receive food stamp benefits at the same time (Wolkwitz 2007). The Food Distribution Program on Indian Reservations served about 99,000 people in 2005, so the effects of such adjustments would be negligible in almost all States. Because our focus in this document is on participation among people who are eligible for the Food Stamp Program, the estimates of eligible people were adjusted using available data to reflect the fact that Supplemental Security Income recipients in California are not legally eligible to receive food stamp benefits because they receive cash instead. It might be useful in some other contexts, however, to consider participation rates among those eligible for food stamp benefits or a cash substitute.

How Did Your State Rank in 2005?

Participation
Rate for
All Eligible
People

Ranks and Confidence Intervals
(Estimated ranks are in red; estimated bounds of confidence intervals are in black.)

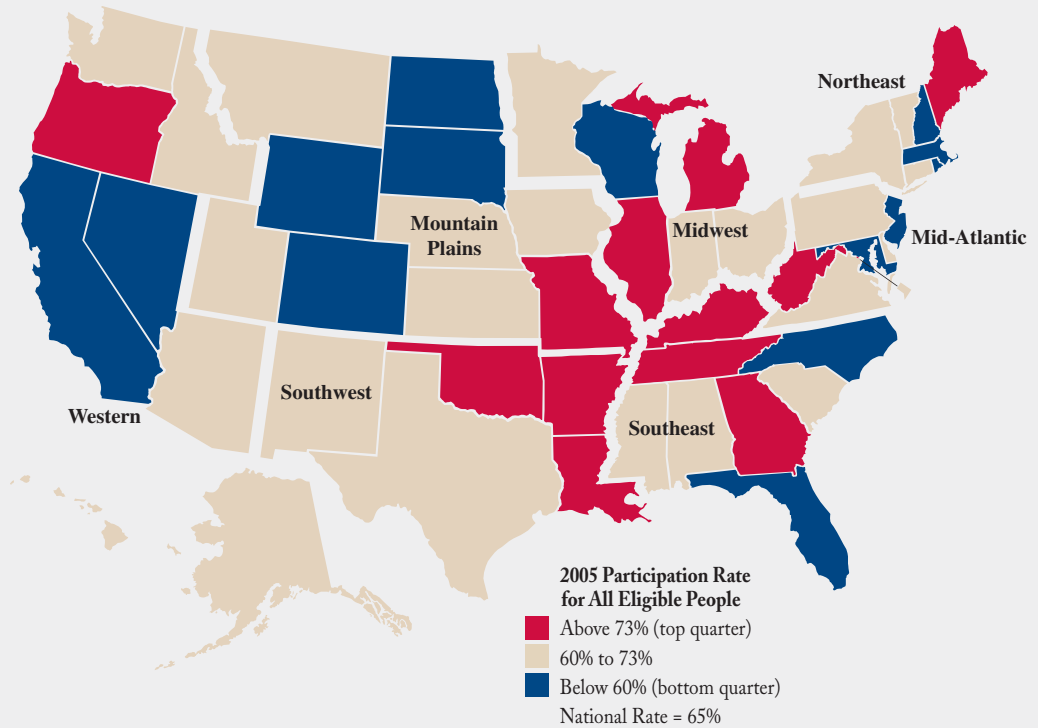


A confidence interval expresses our uncertainty about the true value of a State's rank. Each interval displayed here is a 90-percent confidence interval. One interpretation of such an interval is that there is a 90-percent chance that the true rank falls within the estimated bounds. For example, while our best estimate is that Nebraska had the 26th highest participation rate in 2005, the true rank may have been higher or lower. However, the chances are 90 in 100 that the true rank was between 17 and 33 among all of the States. To determine how Nebraska or your State compares with any other State, see the chart on page 7.



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Participation Rates Varied Widely



Although our focus is on participation among people who are eligible for the Food Stamp Program, no data are available to estimate the number of people who would fail the program's income tests but are categorically eligible for food stamp benefits through participation in noncash public assistance programs. Therefore, because such people cannot be included in estimates of eligible people, they have also been excluded from the estimates of participating people. Wolkwitz (2007) presents details on the methods used to estimate the numbers of eligible and participating people used in deriving the participation rates presented here.

References

Cunningham, Karen E., Laura A. Castner, and Allen L. Schirm. "Empirical Bayes Shrinkage Estimates of State Food Stamp Participation Rates in 2002-2004 for All Eligible People and the Working Poor." Washington, DC: Mathematica Policy Research, Inc., April 2007.

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