

## VI. PARTICIPATION STATUS AMONG VERY POOR FOOD STAMP ELIGIBLE HOUSEHOLDS

As established in the previous chapter, while non-participants might not be participating because they are only temporarily poor, it appears that many are not participating for some other reason. This chapter examines the subgroup of our research sample that is considered to be “very poor,” denoting families with reported income below 75 percent of poverty that are food stamp eligible (i.e., pass the asset test). We also examine the group of households within this population considered “persistently very poor,” defined as having reported income below 75 percent in both months 12 and 36 of the 48-month panel period.

### A. Participation Rates

As *Exhibit VI.1* shows, 73 percent of all very-poor households received food stamps at some point during the 48-month panel. Of those who participated, 70 to 71 percent received food stamps for at least 24 of the 48 months. About 59 percent of households whose income fell below 75 percent of FPL in month 12 received benefits in that month; this rate declines to 54 percent of very poor households in month 36 who received benefits in month 36.

The persistently very poor have substantially higher participation rates. About 85 percent participated at some point during the 48-month period. Of those who participated, the vast majority (81 percent) received food stamps for at least 24 months. Most were receiving food stamps in both months 12 and 36.

**Exhibit VI.1: Percent Participating in FSP**

	Very Poor-12	Very Poor-36	Persistently Very Poor
<b>Participation in 48-Month Panel</b>			
No participation	26.8	27.4	15.3
1 to 11 months	8.6	9.9	6.4
12 to 23 months	13.7	10.8	9.4
24 to 35 months	11.2	9.8	9.0
36 to 47 months	18.5	20.1	25.0
All 48 months	21.1	22.0	35.0
<b>Participated in Month 12</b>	58.8	54.1	71.5
<b>Participated in Month 36</b>	45.2	52.4	66.4

**NOTE:** Very Poor-12 and -36 samples meet the FSP eligibility criteria and have gross income less than 75% FPL in the respective month; Persistently Very Poor meet the eligibility criteria and have gross income less than 75% FPL in both months 12 and 36 (the statistics reflect those in month 12).

### B. Characteristics of Participants and Non-Participants

*Exhibit VI.2* shows the same characteristics, but by participation status among all three very poor groups. Similar to the findings presented in Chapter IV, participant households are more disadvantaged than non-participant households. The heads of these households were more likely to be female, black, and not currently married. They also had more children in the

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household, more likely lacked a high school diploma or GED, and more likely had at least one member of the household who was disabled. Non-participant households were substantially more likely to be ABAWD households. Between 34 and 54 percent of all participant households were receiving TANF, depending on the sample, compared with 1 to 4 percent of non-participant households. Finally, participant households were substantially more likely to be receiving SSI, housing assistance, general assistance, WIC, and Medicaid, compared with non-participant households.

As shown above, the persistently very poor, the most disadvantaged sample considered, are substantially more likely to participate in the FSP than other groups. Still, it is somewhat puzzling why the remaining 29 to 34 percent were not receiving benefits in the reference month given that they appeared to be eligible in two different months, two years apart. Examining this group in more detail, we observe that a substantial share have low levels of education (42 to 43 percent never completed high school), were never married (from 42 to 44 percent), had no children (56 percent), and were receiving SSI (38 to 44 percent) and Medicaid (49 to 52 percent).

Interestingly, from 25 to 30 percent of the very poor non-participants and about 33 to 40 percent of the persistently very poor non-participants had received food stamp benefits at some point during the 48-month panel period. As noted in Chapter IV, some of the non-participant households likely experienced a temporary loss of benefits because they missed a recertification appointment. The households defined in reference month 36 experienced a precipitous drop in their participation beginning in month 12. In addition to changes in the economy, the enactment of PRWORA in 1996 had several provisions that likely affected food stamp participation. Some of this decline is likely due to PRWORA provisions discussed in Chapter I, as well as improvements in the economy.

The next section examines the employment and income trends for this group and the other research samples.

**Exhibit VI.2: Characteristics of Very Poor Participants and Non-participants  
(Percent of Household Participation Group, Unless Otherwise Noted)**

Head of Household Characteristics	Very Poor Households						Persistently Very Poor Households					
	Month 12			Month 36			Month 12			Month 36		
	Participants	Non-Participants	Difference	Participants	Non-Participants	Difference	Participants	Non-Participants	Difference	Participants	Non-Participants	Difference
<b>Sex</b>												
Male	22.3	47.8	-25.5 ***	27.9	47.4	-19.5 ***	22.6	46.2	-23.6 ***	22.1	42.8	-20.7 ***
Female	77.6	52.2	25.4 ***	72.1	52.6	19.5 ***	77.4	53.9	23.5 ***	77.9	57.2	20.7 ***
<b>Race</b>												
			-14.1.1									
White	58.7	72.8	***	58.8	77.3	-18.5 ***	55.9	63.5	-7.6 ***	54.8	64.5	-9.7 ***
Black	36.3	22.8	13.5 ***	35.3	24.4	10.9 ***	39.5	31.5	8.0 ***	39.7	32.4	7.3 ***
Native American	1.9	2.5	-0.	2.6	1.7	0.9 ***	1.9	3.7	-1.8	2.7	2.0	0.7 ***
Asian	3.1	1.9	1.2	3.3	1.6	1.7	2.7	1.3	1.4 *	2.8	1.1	1.7
<b>Ethnicity</b>												
Hispanic	20.4	16.8	3.6 ***	21.3	18.9	2.4 ***	23.7	20.8	2.9	22.9	22.9	0.0
<b>Age</b>												
18-25	10.3	10.4	-0.1	5.5	5.7	-0.2	10.1	9.2	0.9	5.9	6.3	-0.4
25-35	32.4	30.2	2.2 **	28.8	23.2	5.6 **	29.3	24.9	4.4	27.0	22.3	4.7
35-45	32.9	33.4	-0.5	34.7	33.4	1.3	32.9	33.5	-0.6	34.6	33.0	1.6
45-88	24.4	26.0	-1.6 ***	31.0	37.7	-6.7 ***	27.7	32.4	-4.7 *	32.6	38.3	-5.7
<b>Marital Status</b>												
Never married	36.4	35.2	1.2 ***	31.5	36.5	-5.0 ***	37.4	42.2	-4.8 *	35.5	43.5	-8.0 **
Married	23.8	40.0	-16.2 ***	26.6	30.4	-3.8 ***	20.5	30.7	-10.2 ***	22.7	25.2	-2.5 ***
Divorced/separated	36.1	23.0	13.1 ***	37.1	29.3	7.8 ***	38.3	25.2	13.1 ***	37.8	28.6	9.2 ***
Widowed	3.7	1.8	1.9 *	4.8	3.8	1.0	3.8	1.9	1.9 *	4.0	2.8	1.2 **
<b>Education Levels</b>												
Less than high school	43.5	30.1	13.4 ***	44.4	33.6	10.8 ***	47.2	42.0	5.2 ***	45.9	42.6	3.3 ***
High school graduate/GED	34.0	38.0	-4.0	35.8	32.6	3.2 **	32.8	36.8	-4.0	35.0	32.4	2.6 *
Trade/vocational school	3.6	3.1	0.5 *	3.5	2.3	1.2	3.4	1.4	2.0	4.3	0.5	3.8
Some college	14.0	17.8	-3.8 ***	12.0	18.1	-6.1 ***	12.3	12.8	-0.5 ***	10.8	15.8	-5.0 ***

College graduate	4.8	10.9	-6.1 ***	4.6	13.5	-8.9 ***	4.4	7.0	-2.6 ***	4.0	8.7	-4.7 ***
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**Exhibit IV.2: Characteristics of Participants and Non-participants (continued)**

Household Characteristics	Very Poor Households						Persistently Very Poor Households					
	Month 12			Month 36			Month 12			Month 36		
	Participants	Non-Participants	Difference	Participants	Non-Participants	Difference	Participants	Non-Participants	Difference	Participants	Non-Participants	Difference
<b>Household Composition</b>												
Average adults (#)	1.66	1.61	.1 ***	1.58	1.52	-.1	1.38	1.4	-0.0 ***	1.5	1.48	0.0
Average children (#)	1.86	1.19	0.7 ***	1.86	1.05	0.8 ***	1.82	1.0	0.8 ***	1.9	1.04	0.9 ***
Member with disability	30.1	16.8	13.3 ***	32.1	15.4	16.7 ***	35.6	26.8	8.8 ***	36.0	28.8	7.2 ***
Elderly member	6.7	10.9	-4.2	8.7	9.9	-1.2	7.1	14.0	-6.9	9.0	11.1	-2.1
ABAWDs only	5.4	23.9	-18.5 ***	7.0	24.5	-17.5 ***	7.4	19.5	-12.1 ***	6.1	15.8	-9.7 ***
<b>Number of Children</b>												
No children	25.6	44.6	-19.5 ***	29.1	54.7	-25.6 ***	30.6	56.3	-25.7 ***	31.0	56.0	-25.0 ***
One child	18.7	15.7	3.0	17.2	13.2	4.0 **	17.2	11.4	5.8	17.1	14.4	2.7
Two or three children	41.8	30.0	11.8 ***	38.3	25.0	13.3 ***	38.1	24.4	13.7 ***	36.3	22.5	13.8 ***
Four or more children	14.9	7.7	7.2 ***	15.4	7.1	8.3 ***	14.1	7.8	6.3 ***	15.6	7.2	8.4 ***
<b>Youngest Child's Age</b>												
1 year and under	17.5	13.0	4.5 ***	16.7	7.3	9.4 ***	15.4	14.0	1.4 **	14.8	5.9	8.9 ***
2 to 4	23.0	11.8	11.2 ***	17.7	10.8	6.9 ***	22.3	12.4	9.9 ***	18.7	10.0	8.7 **
5 and over	35.0	27.7	7.3 ***	36.5	27.2	9.3 ***	31.7	17.2	14.5 **	35.6	28.1	7.5 ***
<b>Benefits</b>												
<b>Food Stamps</b>												
Ever received (48 months)	100.0	25.2	74.8 ***	100.0	30.0	70.0 ***	100.0	32.9	67.1 ***	100.0	40.0	60.0 ***
Average months (#)	34.4	3.2	31.2 ***	38.8	4.4	34.4 ***	35.6	4.5	31.1 ***	39.3	5.9	33.4 ***
<b>Cash Assistance</b>												
SSI	35.0	23.7	11.3 ***	41.5	27.9	13.6 ***	41.4	37.6	3.8 ***	43.3	43.5	-0.2 ***
TANF	52.4	3.7	48.7 ***	33.8	1.5	32.3 ***	53.5	2.9	50.6 ***	36.2	2.1	34.1 ***
General assistance	7.1	0.4	6.7 ***	3.1	0.7	2.4 ***	6.9	1.1	5.8 ***	3.2	1.3	1.9 ***
Other assistance	1.2	0.6	0.6 ***	0.0	0.2	-0.2 *	1.3	0.7	0.6 *	0.0	0.0	0.0
TANF in past 12 months	41.7	2.3	39.4 ***	44.9	4.7	40.2 ***	49.3	4.2	45.1 ***	45.9	6.4	39.5 ***
<b>Other Benefits</b>												
Housing assistance	39.5	13.5	26.0 ***	36.2	14.6	21.6 ***	41.8	21.9	19.9 ***	40.8	26.0	14.8 ***
WIC	28.7	10.1	18.6 ***	24.1	8.3	15.8 ***	28.0	11.8	16.2 ***	23.8	8.6	15.2 ***
Medicaid	91.9	35.3	56.6 ***	88.4	36.1	52.3 ***	92.4	49.1	43.3 ***	89.9	51.8	38.1 ***
Medicare	11.6	13.8	-2.2 ***	17.1	15.1	2.0 ***	12.8	17.0	-4.2	14.7	20.4	-5.7 **
<b>Sample Size</b>	<b>639</b>	<b>446</b>		<b>565</b>	<b>514</b>		<b>389</b>	<b>155</b>		<b>361</b>	<b>183</b>	

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**NOTES:** \* Significant at 0.10 level; \*\* Significant at 0.05 level; \*\*\* Significant at 0.001 level. Very Poor samples meet the FSP eligibility criteria and have gross income less than 75% FPL in the respective month; Persistently Very Poor meet eligibility criteria and have gross income less than 75% FPL in both months 12 and 36.

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## C. Income and Earnings By Participation Status

*Exhibit VI.3* provides information on the reported income and earnings statistics for the very poor samples by participation status. The means of the income measures for participants are substantially below those for non-participants in the month, other than the month in which the poor status was determined. As was found in Chapter IV for the low-income and food stamp eligible households, differences in means for earnings statistics mirror those for income, although they are slightly larger.

Variability in monthly income and earnings, as measured by the standard deviation over 48 months, is also much higher in the non-participant samples than in each of the participant samples, mirroring another result from Chapter IV. The difference between non-participant and participant standard deviations is greater, both absolutely and relatively, in the 12<sup>th</sup> and 36<sup>th</sup> month very poor samples than in the full FSE samples for the corresponding months. For instance, in the 12<sup>th</sup> month very poor sample the ratio is 2.2, compared to 1.4 for the full 12<sup>th</sup> month FSE sample. A similar finding is observed for the 36<sup>th</sup> month sample. This suggests that greater variability in income is a relatively more important explanation of low participation in the very poor households than in the average FSE household, consistent with our interpretation of the evidence on the relationships between participation rates and various income measure presented above.

When we examine the non-participants among the persistently very poor group we find that over the 48-month period, their mean income is only 69 or 74 percent of poverty. In addition, in about 44 of the 48 months these households had income that fell below 130 percent of FPL. Also, almost half of this group had income that was below 130 percent of the FPL in all 48 months, meaning over four years they met the gross income test for FSP in every month but did not receive benefits in the reference month.

This group of non-participants was substantially less likely to report they were working during the panel period than other non-participant groups. About 28 percent of these households had no reported earnings over the 48-month panel period. On average, households had earnings in less than half of the months.

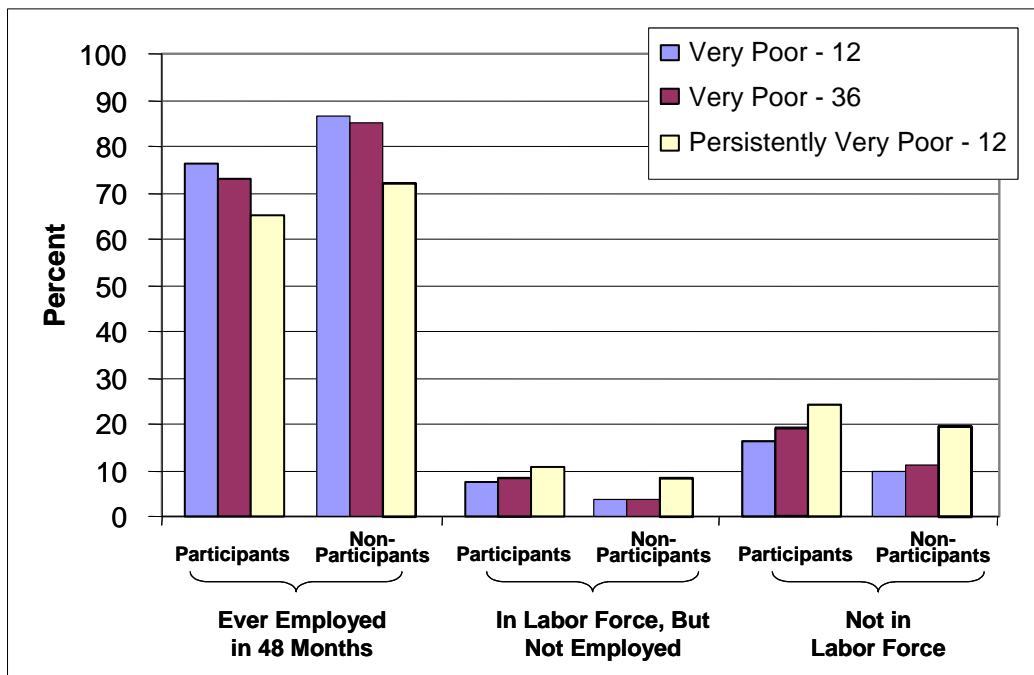
**Exhibit VI.3: Income and Earnings Statistics for Very Poor Samples, by Participation Status**

	Very Poor Households						Persistently Very Poor Households					
	Month 12			Month 36			Month 12			Month 36		
	Participants	Non-Participants	Difference	Participants	Non-Participants	Difference	Participants	Non-Participants	Difference	Participants	Non-Participants	Difference
<b>Mean Income As Percent of Poverty</b>												
Month 12	43.7	42.2	1.5 *	71.1	107.9	-36.8 ***	42.3	42.9	-0.6	42.0	43.3	-1.3
Month 36	81.1	144.1	-63 ***	43.5	42.0	1.5	43.7	41.1	2.6	42.1	44.5	-2.4
Months 6-17	54.2	84.1	-29.9 ***	68.4	108.6	-40.2 ***	49.1	59.0	-9.9 ***	49.2	56.9	-7.7 ***
Months 30-41	90.6	146.6	-56 ***	58.0	85.8	-27.8 ***	62.0	64.5	-2.5 **	53.5	80.4	-26.9 ***
Months 1-48	75.8	125.2	-49.4 ***	67.0	105.0	-38.0 ***	58.3	68.8	-10.5 ***	54.9	73.7	-18.8 ***
Standard Dev. Over 48 Months	2.5	4.7	-2.2 ***	1.7	4.6	-2.9 ***	3.1	3.8	-0.7 ***	1.4	6.6	-5.2 ***
# Months below 130% FPL	42.4	33.2	9.2 ***	44.1	36.9	7.2 ***	45.9	43.6	2.3 ***	45.9	43.9	2.0 ***
% below 130% of FPL for 48 months	44.4	21.0	23.4 ***	50.7	27.8	22.9 ***	62.6	46.7	15.9 ***	63.9	46.6	17.3 ***
<b>Mean Earnings As Percent of Poverty</b>												
Month 12	10.6	24.8	-14.2 ***	34.3	83.9	-49.6 ***	7.3	20.1	-12.8 ***	8.4	16.1	-7.7 ***
Month 36	50.0	116.4	-66.4 ***	14.5	23.8	-9.3 ***	13.3	17.2	-3.9 *	12.1	18.8	-6.7 ***
Months 6-17	18.7	61.7	-43 ***	31.5	84.7	-53.2 ***	11.8	33.2	-21.4 ***	13.3	26.9	-13.6 ***
Months 30-41	53.2	119.8	-66.6 ***	26.3	59.6	-33.3 ***	21.3	39.5	-18.2 ***	20.7	37.9	-17.2 ***
Months 1-48	39.6	99.1	-59.5 ***	31.2	79.4	-48.2 ***	19.4	41.1	-21.7 ***	19.8	36.8	-17 ***
Standard Dev. Over 48 Months	2.0	4.9	-2.9 ***	1.8	4.4	-2.6 ***	1.5	3.8	-2.3 ***	1.6	3.3	-1.7 ***
# Months below 130% FPL	28.7	14.4	14.3 ***	31.6	18.5	13.1 ***	37.2	26.8	10.4 ***	36.6	29.6	7.0 ***
% below 130% of FPL for 48 months	92.1	74.5	17.6 ***	94.8	80.8	14.0 ***	97.3	93.0	4.3 ***	97.3	93.9	3.4 ***
<b>Labor Force Statistics</b>												
% With No Earnings over 48 Months	23.9	13.4	10.5 ***	27.2	15.1	12.1 ***	35.1	28.1	7.0 ***	35.6	28.5	7.1 ***
Mean % of Months with Earnings	45.1	67.1	-22.0 ***	41.4	62.9	-21.5 ***	30.8	46.9	-16.1 ***	31.3	43.6	-12.3 ***
% with no LFP over 48 months	16.3	9.6	6.7 ***	18.9	11.2	7.7 ***	24.3	19.6	4.7 ***	24.2	20.5	3.7 ***
Mean % of Months with LFP	60.5	78.5	-18.0 ***	57.1	75.4	-18.3 ***	43.4	62.0	-18.6 ***	48.9	58.9	-10.0 ***
<b>Sample Size</b>	<b>639</b>	<b>446</b>		<b>565</b>	<b>514</b>		<b>389</b>	<b>155</b>		<b>361</b>	<b>183</b>	

NOTES: \* Significant at 0.10 level; \*\* Significant at 0.05 level; \*\*\* Significant at 0.001 level. Very Poor-12 and -36 samples meet the eligibility criteria and have gross income less than 75% FPL in the respective month; Persistently Very Poor meet the eligibility criteria and have gross income less than 75% FPL in both months 12 and 36 (the statistics reflect those in month 12 or 36).

*Exhibit VI.4* presents the percent distribution information on households' labor force status over the 48-month period. The first set of bars shows the percent that was ever employed during the 48 months by household group and participation status. Not surprisingly, the non-participants had higher employment rates relative to the participants and the persistently very poor households had lower employment rates relative to the very poor households. Among the participants, a relatively high share (16 to 25 percent) were never in the labor force during the entire 48 months, meaning they were either not seeking work and/or were unable to work due to an injury, illness, or disability during all months. One-quarter of the persistently very poor participants were never in the labor force. Among the persistently very poor non-participants, 19 percent were never in the labor force during the 48-month period.

**Exhibit VI.4: Labor Force Status Over 48-Month Panel  
Percent Distribution**

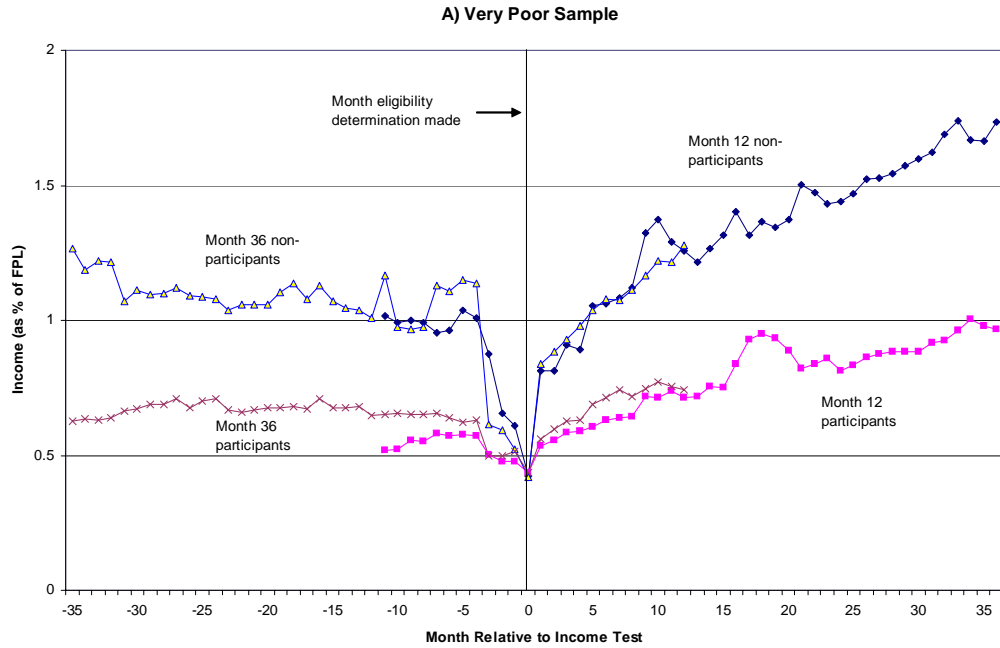


**NOTE:** Very Poor-12 and -36 samples meet the eligibility criteria and have gross income less than 75% FPL in the respective month; Persistently Very Poor meet the eligibility criteria and have gross income less than 75% FPL in both months 12 and 36 (the statistics reflect those in month 12).

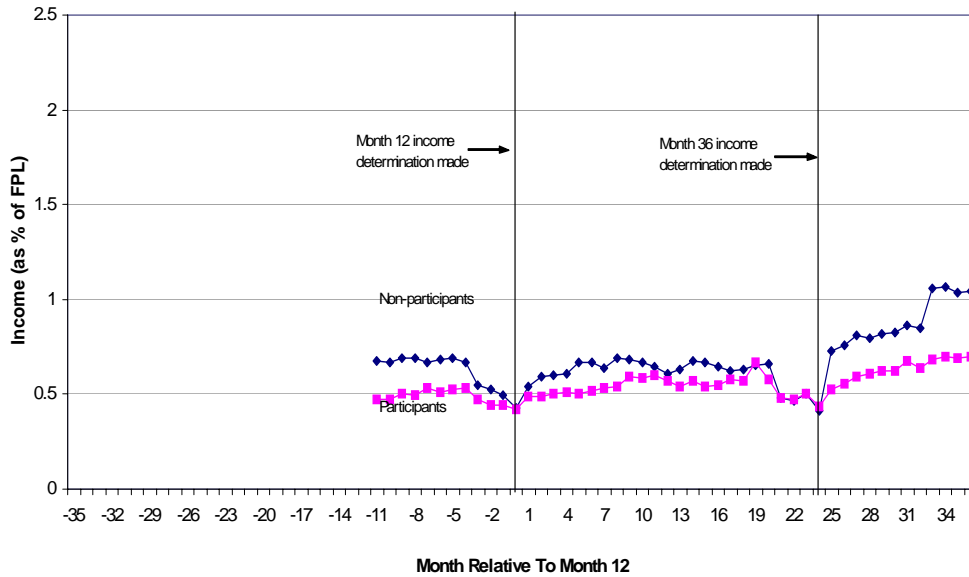
*Exhibit VI.5* presents historical and future income before and after the month when the income status determination was made, similar to the graphs presented in Chapter IV. We have 35 months of pre data and 36 months of post data for both participants and non-participants of the very poor households (Graph A) and persistently very poor households (Graph B). The latter consists of households with low income in both months 12 and 36. For this graph, we show the income trends before and after month 12, based on participation status in month 12.



## Exhibit VI.5: Monthly Household Income for Very Poor and Persistently Very Poor Participants and Non-participants



**B) Persistently Poor (participation status in month 12)**



**NOTE:** Very Poor-12 and -36 samples meet the eligibility criteria and have gross income less than 75% FPL in the respective month; Persistently Very Poor meet the eligibility criteria and have gross income less than 75% FPL in both months 12 and 36 (the statistics reflect those in month 12).

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As Graph A shows, the very poor groups appear to come from populations with chronically low income prior to the month when the income determination was made. However, the non-participant household income, while chronically low, drops by considerably more over the four months or so leading up to the reference month. This is similar to the findings presented in Chapter IV. After the reference month, growth is substantially greater for non-participants than for participants (represented by the steeper slope). As discussed in Chapter IV, this is consistent with the idea that expectations of higher future income explain why some eligible non-participant households do not participate.

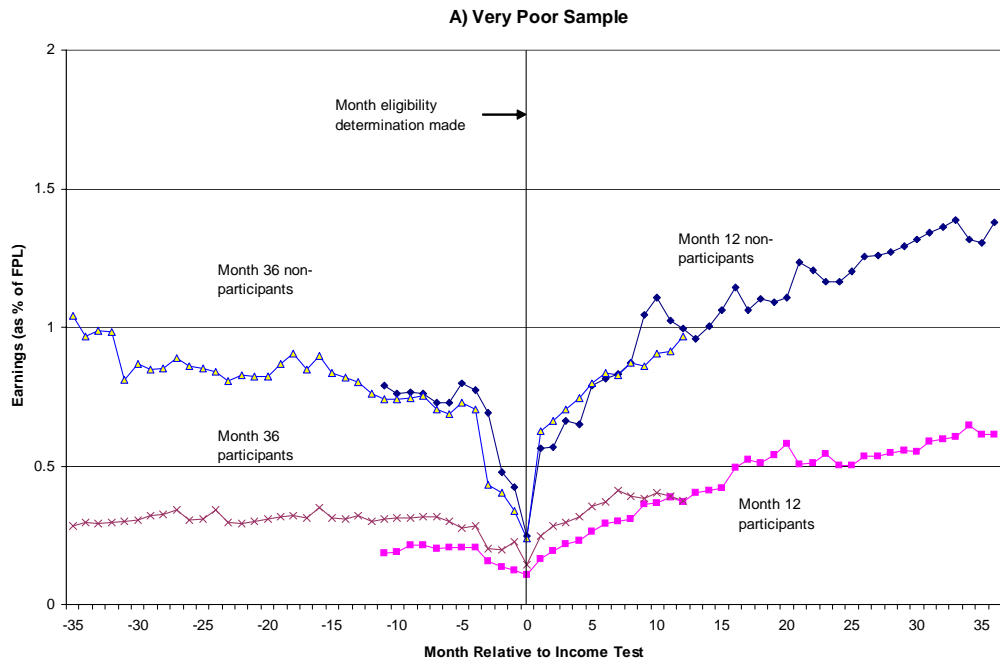
The non-participants in the persistently very poor households have income that is substantially lower than that for the larger very poor sample of non-participants and income that is just slightly above the participants' average income. While their income increases more steeply after month 36, when eligibility determination is made, the average income still falls below 130 percent of FPL. Thus, this group appears to be eligible over the 48-month panel, but for some reason, does not receive benefits in the current month.

*Exhibit VI.6, A and B* show historical and future earnings relative to the reference month. The pattern for earnings is similar to those presented in Exhibit VI.5, although mean earnings are lower for both participants and non-participants.

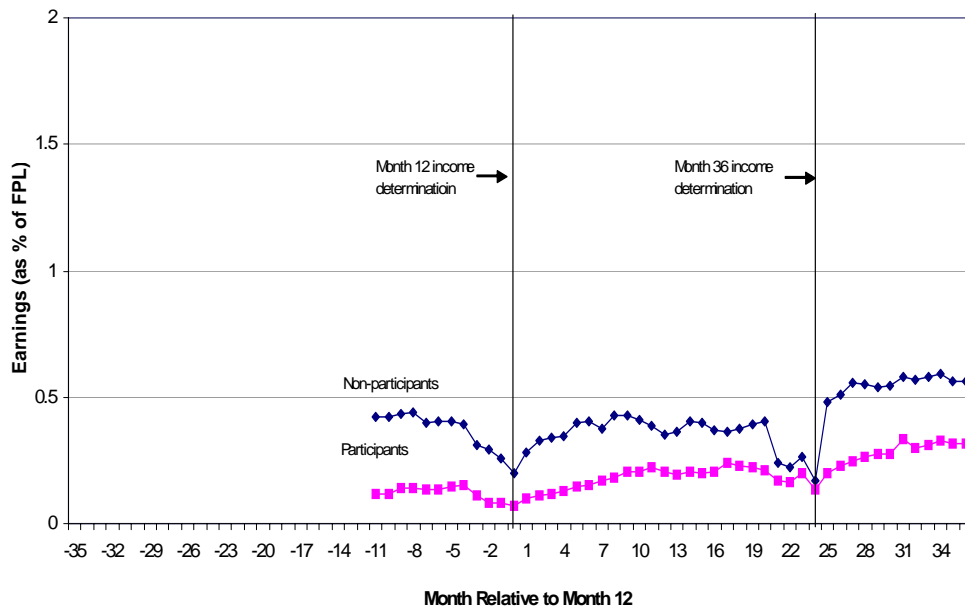
While the persistently very poor non-participants' earnings are higher than participants' earnings, mean earnings never reach more than 51 percent of FPL. For this group, earnings appear to have plateaued during the last 12 months, after increasing in month 26. Overall, their earnings increased by 37 percentage points from month 0 to month 36, compared with an increase of 25 percentage points for participant households.

In summary, many persistently very poor non-participant households appear to be eligible in all months during the panel period. A relatively high share of this group received food stamps at some point during the 48-month panel period and also had another connection to the welfare system (i.e., received other means-tested benefits such as SSI, Medicaid, and/or housing assistance). They are relatively disadvantaged – they had low levels of education and were not currently married, but were caring for a child. A significant share (about 27 to 29 percent) had a disability or a household member with a disability. Perhaps related to this, one-fifth of the non-participants were never in the labor force during the 48-month period.

## Exhibit VI.6: Monthly Household Earnings for Very Poor and Persistently Very Poor Participants and Non-participants



**B) Below 75% Poverty in Month 12 and 36 (Participation Status in Month 12)**



**NOTE:** Very Poor-12 and -36 samples meet the eligibility criteria and have gross income less than 75% FPL in the respective month; Persistently Very Poor meet the eligibility criteria and have gross income less than 75% FPL in both months 12 and 36 (the statistics reflect those in month 12).

## D. Possible Reasons for Non-Participation

In this section, we examine just the non-participating very poor households. As we described in Chapter IV, we classified all non-participant households into six mutually exclusive categories, with households placed in the first category that describes their situation, in the order presented (see *Exhibit IV.7*). Only about 12 or 14 percent of all non-participants are categorized as being temporarily below 130 percent of FPL, meaning their reported income fell below this threshold in the reference wave, but not in the waves conducted just prior and after the reference wave. For the food-stamp eligible households, about 23 percent were considered to be temporarily below 130 percent.

Another 3 to 6 percent had been participating in the program, but stopped receiving the benefits temporarily, perhaps because they failed to report their income or failed to show up for their recertification appointment. Another 20 percent were ABAWDs.

**Exhibit VI.7: Non-Participant Households Status**

Mutually Exclusive Category	Very Poor 12	Very Poor 36
	% of Non-Participants	% of Non-Participants
1. Temporarily Below 130% FPL	13.6%	12.0%
2. Temporarily Off Food Stamps	6.0%	3.1%
3. ABAWD	20.0%	20.0%
4. Receiving Other Means-Tested Benefits	36.0%	41.2%
<i>SSI</i>	19.6%	13.6%
<i>Medicaid</i>	18.3%	17.6%
<i>WIC</i>	5.6%	4.7%
<i>Housing Assistance</i>	5.5%	6.5%
<i>AFDC/TANF</i>	2.8%	1.0%
5. Income Less Than 130% FPL for 48 Months	3.1%	6.2%
6. Other	21.3%	17.4%

**NOTE:** Very Poor-12 and -36 samples meet the eligibility criteria and have gross income less than 75% FPL in the respective month.

Again, a surprisingly large share – 36 to 41 percent – did not fall into one of these three previous categories, yet were receiving another means-tested benefit. A small share – 3 to 6 percent – were not receiving any means-tested benefits, but had income below 130% FPL in all 48 months. Another 17 to 21 percent did not fall into one of the five preceding categories.