

THE DYNAMICS OF FOOD STAMP PROGRAM PARTICIPATION IN THE EARLY 1990S

Office of Research and Analysis

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Background

This report provides a comprehensive picture of individuals' patterns of participation in the Food Stamp Program (FSP) during the early 1990s, a period of rapid caseload growth. Based on data from the 1990 and 1991 SIPP panels (national longitudinal surveys covering the period from late 1989 to early 1994), the research addresses questions about why individuals enter and leave the FSP, how long participants stay on the program, whether individuals return at a later time and what factors distinguish those who are more dependent on the program from those who are less dependent. The research also replicated an earlier study based on SIPP data from the mid-1980s to determine how changing dynamics contributed to rising FSP caseloads.

Findings

There is a lot of movement onto and off the program and much of it occurs quickly. Half of all individuals who enter the program stay only 9 months or less and about 70 percent leave within 2 years. However, more than half of those who leave the FSP will return within 2 years. Almost half of those returning do so within 4 months and about 80 percent within one year.

There are three distinctive participation patterns. Of all the people receiving food stamps in this period (roughly 3 years), half are on and off the FSP multiple times, one-fourth receive benefits for a single short period, and the remainder receive benefits for a single spell lasting several to many years.

The majority of adults and children receiving food stamps will rely on the program for many years. More than 60 percent of participants in any single month will be on the program 5 years or longer and 52 percent will be on 8 years or longer. Only 11 percent are on the program for no more than one year.

Certain individuals are more likely to participate in the FSP.

- Single adults and their children are more likely to enter the program while able-bodied prime-age adults with no children are the least likely to enter.
- Individuals age 18 to 59 are twice as likely to enter than elderly individuals.
- Individuals who have previously received food stamps are more likely to participate than those who never received benefits.
- Individuals in households in which no member has a high school degree are more likely to receive food stamps than those in households with at least one high school graduate.

Most individuals enter and leave the program after a substantial change in household income, mostly in earnings. For a large minority, however, entry onto the program was preceded by changes in both household income and composition, suggesting that multiple factors may influence application.

Individuals' economic situation at the time they enter the FSP is the most important determinant of duration on the program.

- Those who are working or who recently worked when they entered the FSP are on the program less time than individuals who never worked or whose previous employment experience occurred more than a year before entering the program.
- Individuals in households with income below the poverty line are less likely

than persons in households with higher income to leave the program and more likely to reenter if they do exit.

- AFDC receipt upon FSP entry also leads to significantly longer periods of participation.

In terms of family structure, it appears that child care issues affect the time on the FSP. Households with many children to care for and few adults to care for them have the longest FSP participation spells.

Although most participation spells are relatively short, they grew significantly longer between the mid-1980s and early 1990s. Half of all people who started receiving benefits in the mid-1980s were off within 6 months while one in five continued to receive benefits after 2 years. In the early 1990s, half of all new entries were completed within 9 months and one in three continued to receive benefits after 2 years. Neither entry nor reentry rates changed significantly between the two periods.

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