



Profile of New Food Supplement Cases

Pamela C. Ovwigho, Ph.D., Nicholas
Kolupanowich, B.S., & Catherine E. Born, Ph.D.



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Among the almost daily news reports concerning the state of the current U.S. economy is word of the tremendous growth in the number of families receiving assistance through the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps)¹. More than 28 million Americans received benefits from the Food Stamp (FS) program in May 2008, the highest number of recipients since the program began in the 1960s.

Maryland's FS caseload is also growing. For example, between July 2007 and July 2008, the number of Maryland families receiving FS benefits rose 15.5% from 150,326 to 173,598 households. In contrast, the FS caseload increased by 6.7% the previous year (July 2006 to July 2007) and only 5.5% between July 2005 and July 2006. In August 2008, an all-time high of 382,063 people received FS in our state. With an increase in benefit levels that took effect in October 2008, Maryland now issues FS benefits totaling about \$40 million each month.

The growth of the FS caseload has prompted interest in understanding the characteristics and circumstances of families entering the rolls. In this research brief, we utilize administrative data to present a profile of FS entrants. Our sample consists of 9,087 families who received FS benefits in Maryland in September 2008, but had not been on the rolls the previous month.

The FS caseload can be generally divided into two subgroups: 1) Public Assistance - Those who are concurrently receiving Temporary Cash Assistance (TCA) and 2) Non-Public Assistance - Those who are not receiving TCA. Among Maryland's FS caseload, almost four-fifths (78.2%) of recipients are Non-Public Assistance and 21.8% are Public Assistance. Figure 1, following, shows that the distribution for FS cases entering the rolls in September 2008 is markedly different. FS entrants are more likely to be non-public-assistance cases, with nine out of ten (91.1%) not receiving TCA. Only about one out of ten (8.9%) new FS recipients also receives TCA, half as many as among the FS caseload in general.

¹ Maryland's version of SNAP is called the Food Supplement Program.

Figure 1. FS Program Type of New FS Cases.

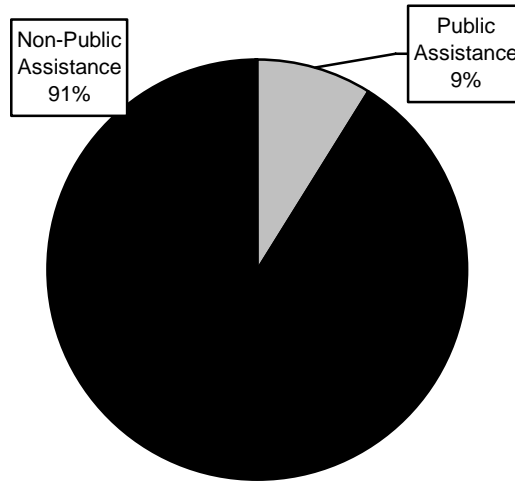


Figure 2, following, displays the jurisdictional distribution of new FS entrants. A little more than one-third (37.4%) of FS cases entering the rolls in September 2008 are from Baltimore City. An additional one-tenth resides in Baltimore County (11.6%) and Prince George’s County (11.6%). In general, jurisdictions’ shares of new FS cases are the same as their shares of the total statewide FS caseload.

Figure 2. Jurisdictional Distribution of New FS Cases.

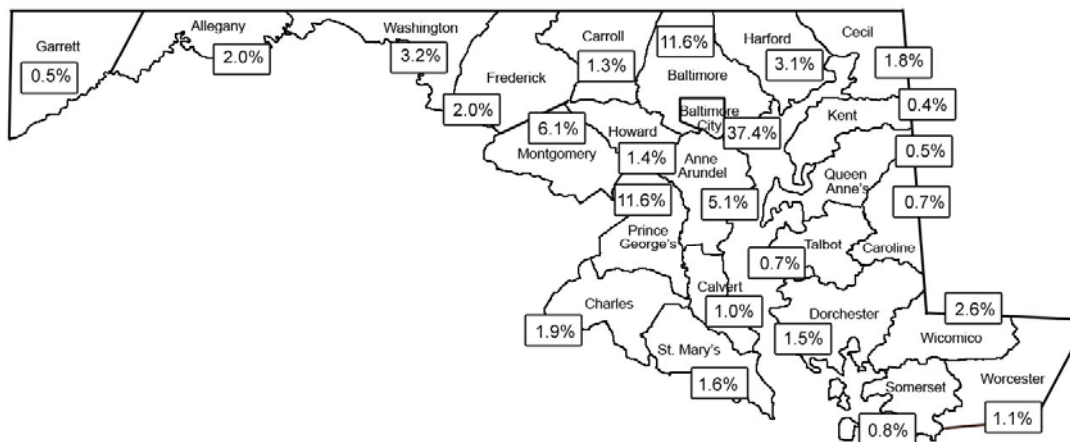


Table 1, following, displays data on the demographic characteristics of the families in our FS entrants sample. The typical case entering the FS rolls consists of an African-American (63.2%), never-married (67.9%) woman (62.8%) who is, on average, 38 years old (mean = 37.8 years) and no children (60.0%). This profile differs in several ways from the profile of the typical TCA recipient and reflects the fact that the FS program serves a broader population. In fact, Table 1 also shows that there is a great deal of diversity among FS entrants. For example, about one out of ten (11.2%) cases includes more than one adult.

Two-fifths (40.0%) of families entering the FS rolls have at least one child. On average, the youngest child in a FS household is six years old (mean = 6.1 years). A minority (15.3%) of households include a child under the age of 3

Men head more than one-third (37.2%) of the FS households entering in September 2008. This is not surprising given that FS is one of the few public programs available to adults without dependents.

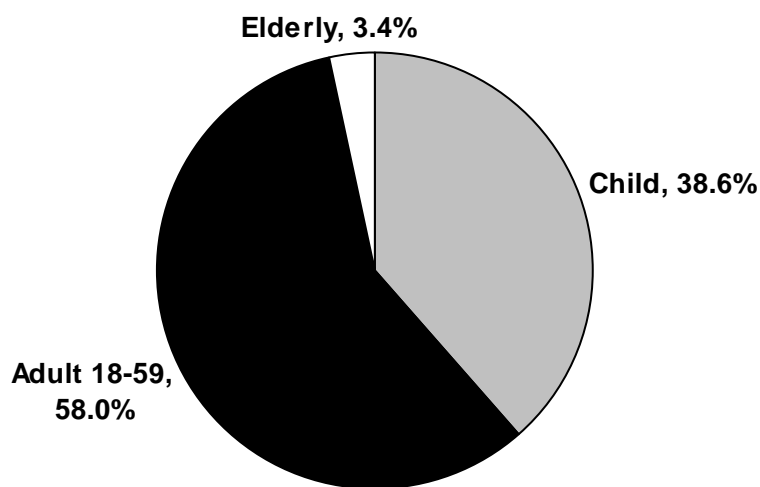
FS entrants also vary quite a bit in terms of age. Three out of ten (30.0%) new FS caseheads are between the ages of 21 and 30. An additional one-fourth is in their thirties and the same percentage is in their forties. Those over the age of 50 account for only 16.9% of new caseheads. A little less than 5% of caseheads were pregnant in the month they entered the FS rolls.

Table 1. Demographic Characteristics of FS Entrants.

| | New FS Cases |
|--|---------------------|
| Number of Adults | |
| 0 | 2.0% |
| 1 | 86.7% |
| 2 or more | 11.2% |
| Number of Children | |
| 0 | 60.0% |
| 1 | 20.1% |
| 2 | 12.2% |
| 3 | 5.1% |
| 4 or more | 2.5% |
| Assistance Unit Size | |
| Mean (Standard deviation) | 1.8 (1.2) |
| Payee's Age | |
| Under 21 | 5.9% |
| 21-30 | 30.1% |
| 31-40 | 23.0% |
| 41-50 | 24.1% |
| 51-60 | 12.1% |
| Over 60 | 4.8% |
| Mean (Standard deviation) | 37.8 (13.2) |
| Payee Gender | |
| Male | 37.2% |
| Female | 62.8% |
| Payee's Racial/Ethnic Background*** | |
| African American | 63.2% |
| Caucasian | 31.9% |
| Other | 4.9% |
| Payee's Marital Status | |
| Married | 8.9% |
| Never Married | 67.9% |
| Divorced/Separated/Widowed | 23.2% |
| Payee is pregnant | |
| | 4.5% |
| Age of Youngest Child | |
| Mean (Standard deviation) | 6.1 (5.1) |
| % with a child under 3 | 15.1% |

The 9,087 FS cases in our sample include 16,540 recipients. As shown in Figure 3, almost two-fifths (38.6%) of these recipients are children. An additional 3.4% are elderly and the remaining 58.0% are adults between the ages of 18 and 59. These proportions are markedly different from what has been reported for the FS caseload in general. According to a report on the characteristics of FS recipients receiving benefits in Fiscal Year 2007, 49% of participants were children and 9.8% were elderly (Wolkwitz & Leftin, 2008).

Figure 3. Age of FS Recipients.



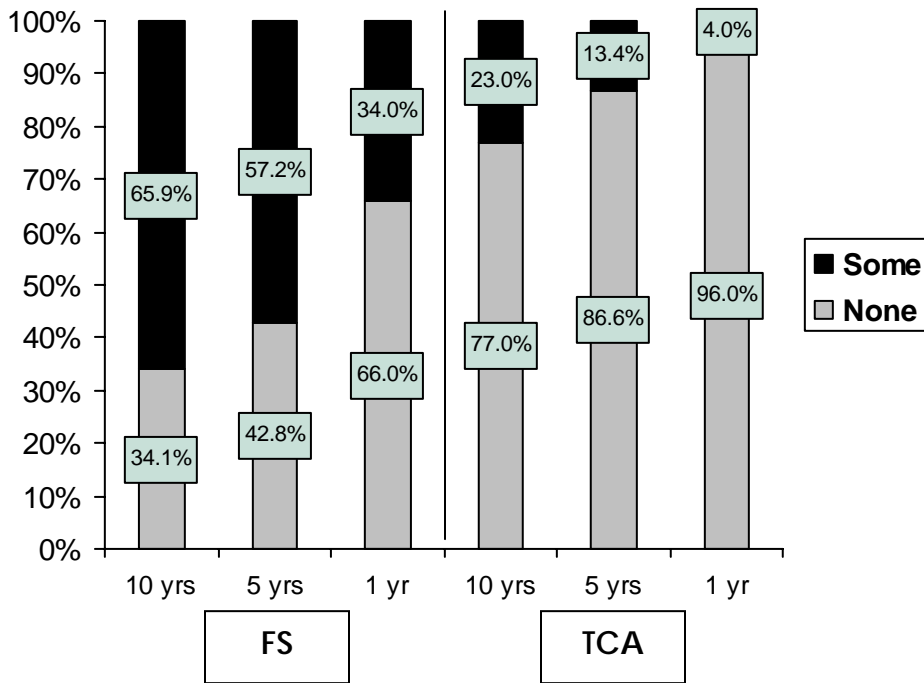
Our study sample consists of families who received FS in September 2008, but had not participated in the FS program in August 2008. However, the families could have received FS at some point before August 2008. Also, as mentioned previously, 8.9% of new FS cases were not concurrently receiving TCA in September 2008, but could have been on welfare previously. In this section, we explore FS entrants' historical participation in FS and TCA.

Figure 4, following, presents the percent of FS entrants with any FS and any cash assistance receipt in the previous one year, five years, and ten years. The data indicate that the majority of entrants had received FS benefits at some point in the past. Two-thirds (65.9%) had been on the FS rolls at some point in the previous ten years and almost three-fifths (57.2%) had received FS in the previous five years. However, it is also true that most entrants were returning to FS after a significant break in benefit receipt. In fact, only one-third (34.0%) of entrants participated in the FS program at any point in the 12 months preceding our study month.

Figure 4 also shows that the majority of FS entrants have not received TCA in the past. Three-fourths (77.0%) of our sample did not receive TCA for even a single

month in the past ten years. Only 13.4% participated in the TCA program in the previous five years and a small minority (4.0%) received TCA at some point in the year before our study month.

Figure 4. Welfare and FS History of September 2008 FS Entrants.



More details on families' welfare and FS histories are presented in Table 2. The top half of the table presents the mean number of months of receipt, not necessarily consecutive, for all families. The bottom half only includes those with any welfare or FS history in that period.

On average, families entering the FS rolls in September 2008 had received FS in 20 of the previous 120 months. Among those with any history of FS receipt, the average number of months was higher at 30.1 months.

As a whole, our sample has spent very little time on the TCA rolls, receiving cash assistance for an average of only 5.5 months in the previous ten years. However, among those with a TCA history, families spent almost two of the previous ten years (mean = 23.8 months) on the welfare rolls.

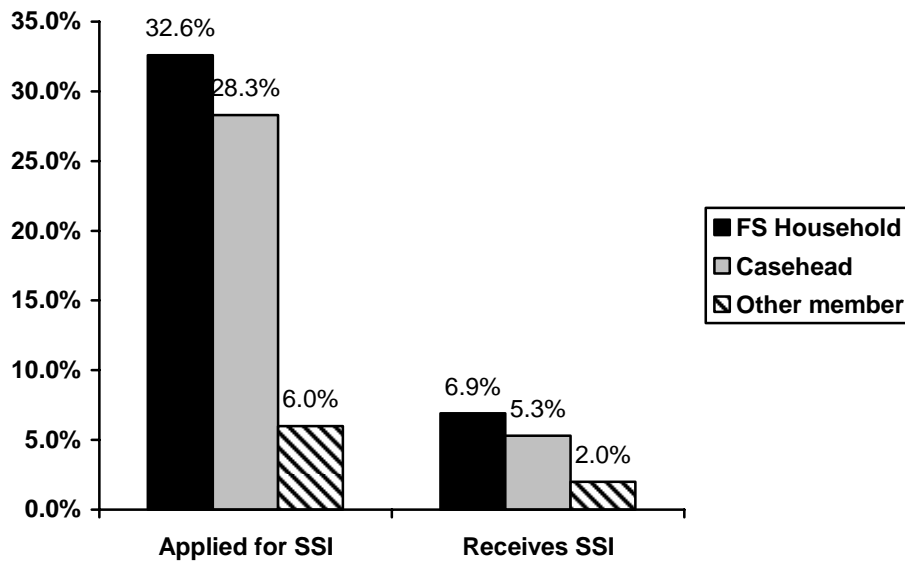
Table 2. Number of Months of TCA & FS Receipt.

| All Cases | |
|-----------------------------------|-------------|
| FS Participation | |
| Previous 10 years – Mean (median) | 19.9 (8.0) |
| Previous 5 years – Mean (median) | 11.1 (4.0) |
| Previous year – Mean (median) | 2.2 (0.0) |
| TCA Participation | |
| Previous 10 years – Mean (median) | 5.5 (0.0) |
| Previous 5 years – Mean (median) | 2.0 (0.0) |
| Previous year – Mean (median) | 0.2 (0.0) |
| Participants Only | |
| FS Participation | |
| Previous 10 years – Mean (median) | 30.1 (21.0) |
| Previous 5 years – Mean (median) | 19.4 (15.0) |
| Previous year – Mean (median) | 6.4 (6.0) |
| TCA Participation | |
| Previous 10 years – Mean (median) | 23.8 (15.0) |
| Previous 5 years – Mean (median) | 14.6 (10.0) |
| Previous year – Mean (median) | 5.8 (5.0) |

Supplemental Security Income (SSI) is another income source that families receiving FS may have. National data indicate that 28% of FS households receive SSI (Wolkwitz & Leftin, 2008). Figure 5, following, shows that among Maryland FS entrants, applications for SSI are fairly common while actual SSI income is rare. One-third (32.6%) of cases include someone who has applied for SSI benefits. Looking specifically at who applied for disability benefits, we find that a little more than one-quarter (28.3%) of FS caseheads applied. In 6.0% of cases, a household member other than the casehead applied for SSI.

Figure 5 also shows that very few FS entrants have income from SSI in the study month. Only 6.9% of the cases had SSI income. For 5.3% of cases, the SSI income was for the casehead and in 2.0%, another household member received SSI.

Figure 5. SSI Applications and Receipt among FS Entrants.



In the final section of this research brief, we consider the extent to which FS entrants have worked for Maryland employers covered by Unemployment Insurance. Our data on quarterly employment and earnings come from the Maryland Automated Benefits System (MABS). MABS includes data from all employers covered by the state’s Unemployment Insurance (UI) law (approximately 93% of Maryland jobs). Independent contractors, sales people on commission only, some farm workers, federal government employees (civilian and military), some student interns, most religious organization employees, and self-employed persons who do not employ any paid individuals are not covered. “Off the books” or “under the table” employment is not included, nor are jobs located in other states.

In Maryland, out-of-state employment is quite common. According to the 2000 census, in some Maryland counties, more than one of every three employed residents worked outside the state. Overall, the rate of out-of-state employment by Maryland residents (17.4%) is roughly five times greater than the national average (3.6%)². Also notable is the fact that there are more than 124,900 federal jobs located within Maryland.

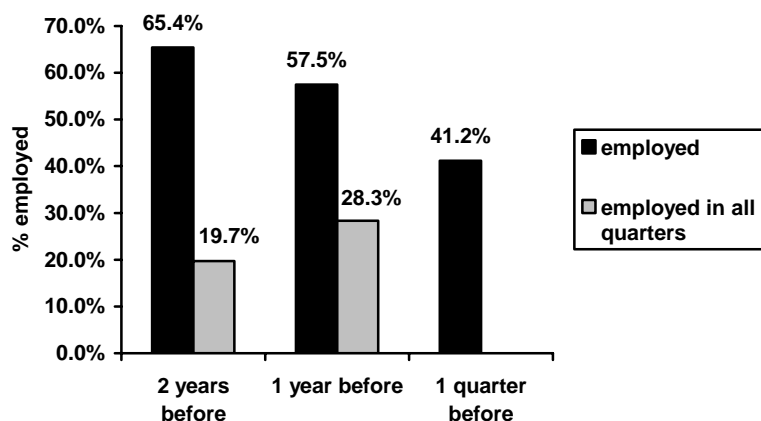
²Data obtained from U.S. Census Bureau website <http://www.factfinder.census.gov> using the Census 2000 Summary File 3 Sample Data Table QT-P25: Class of Worker by Sex, Place of Work and Veteran Status, 2000.

Finally, because UI earnings data are reported on an aggregated, quarterly basis, we do not know, for any given quarter, how much of that time period the individual was employed (i.e., how many months, weeks or hours). Thus, it is not possible to compute or infer hourly wages or weekly or monthly salary from these data. It is also important to remember that the earnings figures reported do not necessarily equal total household income.

Among our study sample, MABS indicates that the vast majority (90.1%) of new FS caseheads have worked for a Maryland UI-covered employer at some point. Figure 6, following, shows that two-thirds (65.4%) of entrants worked at some point in the two years before entering the FS rolls. Almost three out of five (57.5%) had UI-covered employment in the year before their FS entrance. Our most recent employment data cover the 2nd calendar quarter of 2008 (April to June 2008), the quarter before our study month. In that quarter, two-fifths (41.2%) of new FS caseheads had employment.

Figure 6 also shows the percentage of FS caseheads with Maryland UI-covered employment in all quarters of the previous two years and the previous year. Notably, more than one-quarter (28.3%) of adults entering the FS rolls in September 2008 had worked in each quarter of the previous year. One-fifth (19.7%) had employment in all of the eight previous quarters. These findings suggest that a significant minority of FS entrants have a history of fairly stable employment.

Figure 6. Maryland UI-Covered Employment of New FS Caseheads.

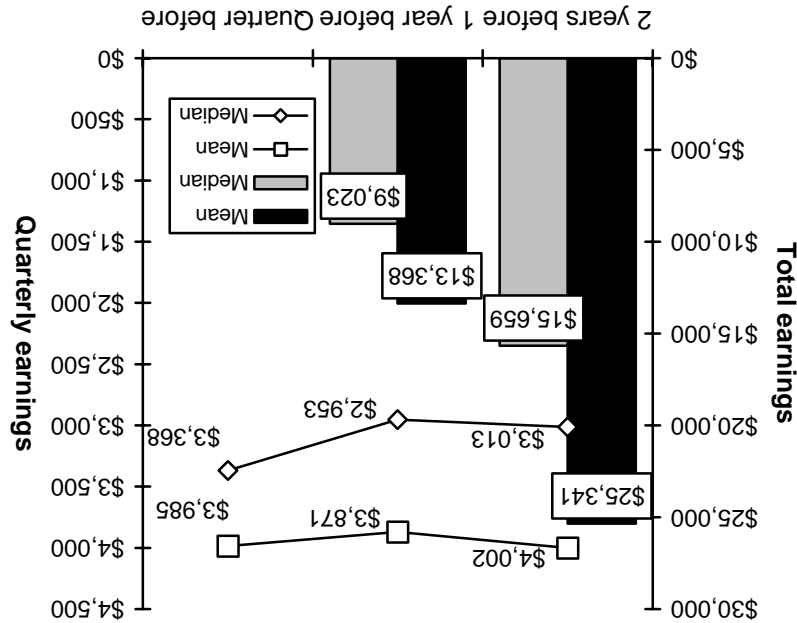


While the data in Figure 6 suggest a strong work ethic among FS entrants, the fact that they applied and qualified for FS benefits suggests that their earnings are low. Figure 7, following, shows that, among those working, UI-covered earnings in the previous two years totaled, on average, \$25,341. However, the

median is much lower indicating that half of those working in that period earned \$15,659 or less in those two years. Considering the year immediately preceding their FS entrance, working caseheads earned an average of \$13,368 (median = \$9,023).

Figure 7 also includes data on average quarterly earnings. In the most recent quarter of data available, the one immediately preceding our study month, working FS entrants earned an average of \$3,985, very similar to their average quarterly earnings in the previous year (\$3,871) and the previous two years (\$4,002).

Figure 7. UI-Covered Earnings for New FS Caseheads.



Note: The data in Figure 7 are for those who are working in each time period.

In sum, this profile has revealed considerable diversity among Maryland's FS entrants. This diversity is not surprising given the breadth of the FS program in terms of eligibility. Compared to the FS caseload in general, children, the elderly, and those receiving SSI benefits appear to be underrepresented among new FS recipients. Notably, most new caseheads have recent UI-covered employment and for a significant minority, that employment appears to have been relatively stable. A final important point is that many families in our sample are new to public programs. Almost eight out of ten have no history of cash assistance receipt and one out of every three has not received FS in Maryland in the past ten years. In addition, two-thirds of all entrants did not participate in the FS program at all in the previous year. It is beyond the scope of this research

brief to delve into the reasons behind these trends. However, common sense suggests that the recent economic downturn is causing people who have been “getting by” to no longer be able to do so without help from the FS program.

Reference:

Wolkwitz, K. & Leftin, J. (2008). Characteristics of Food Stamp households: Fiscal year 2007. Washington, DC: Mathematica Policy Research, Inc. Available online:

<http://www.fns.usda.gov/oane/MENU/Published/snap/FILES/Participation/2007Characteristics.pdf>