Food Stamp Program Entry and Exit: Participation Trends in the 1990s
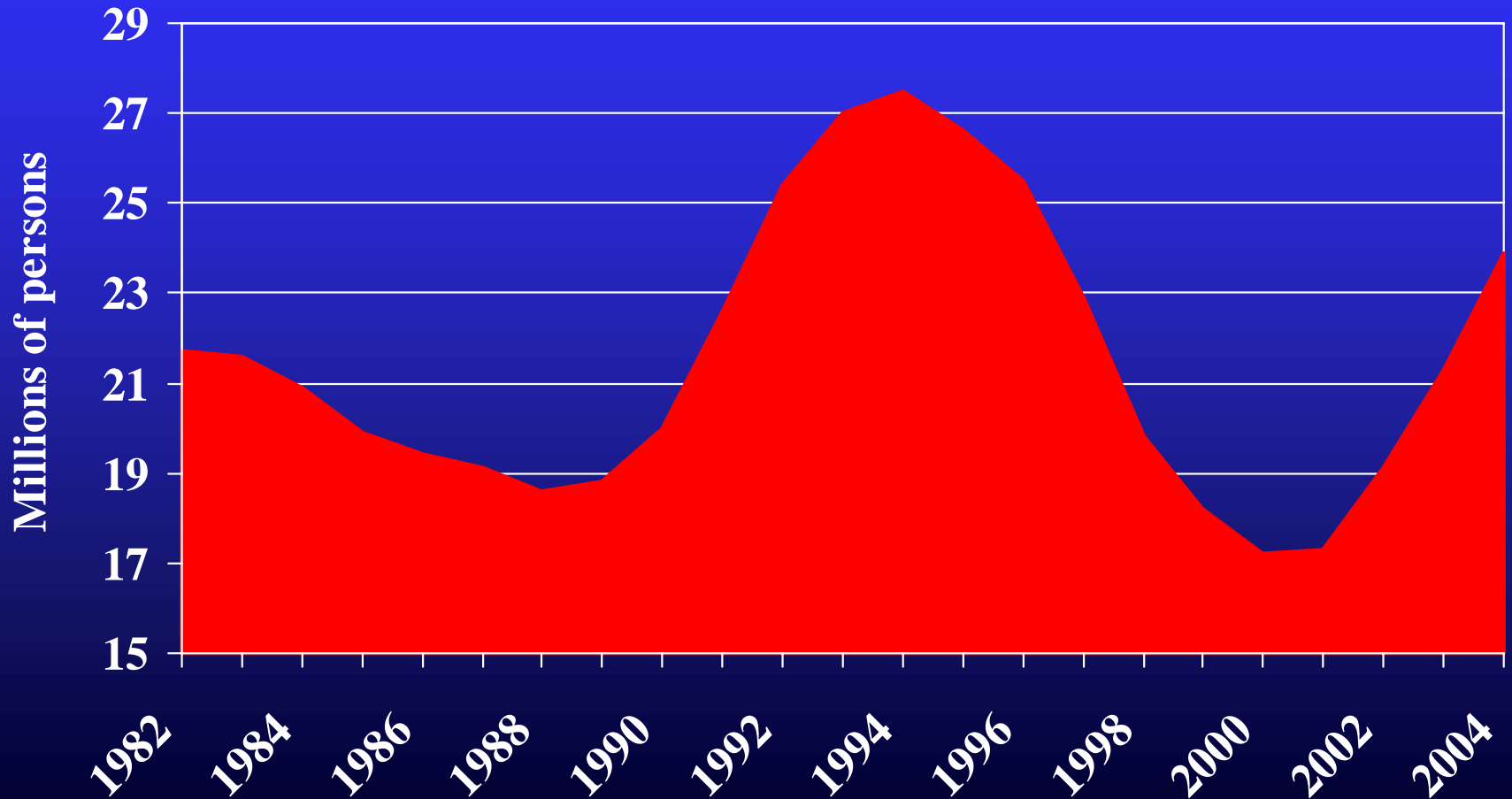
2005 Food Assistance Research Conference
USDA, ERS

February 16, 2005
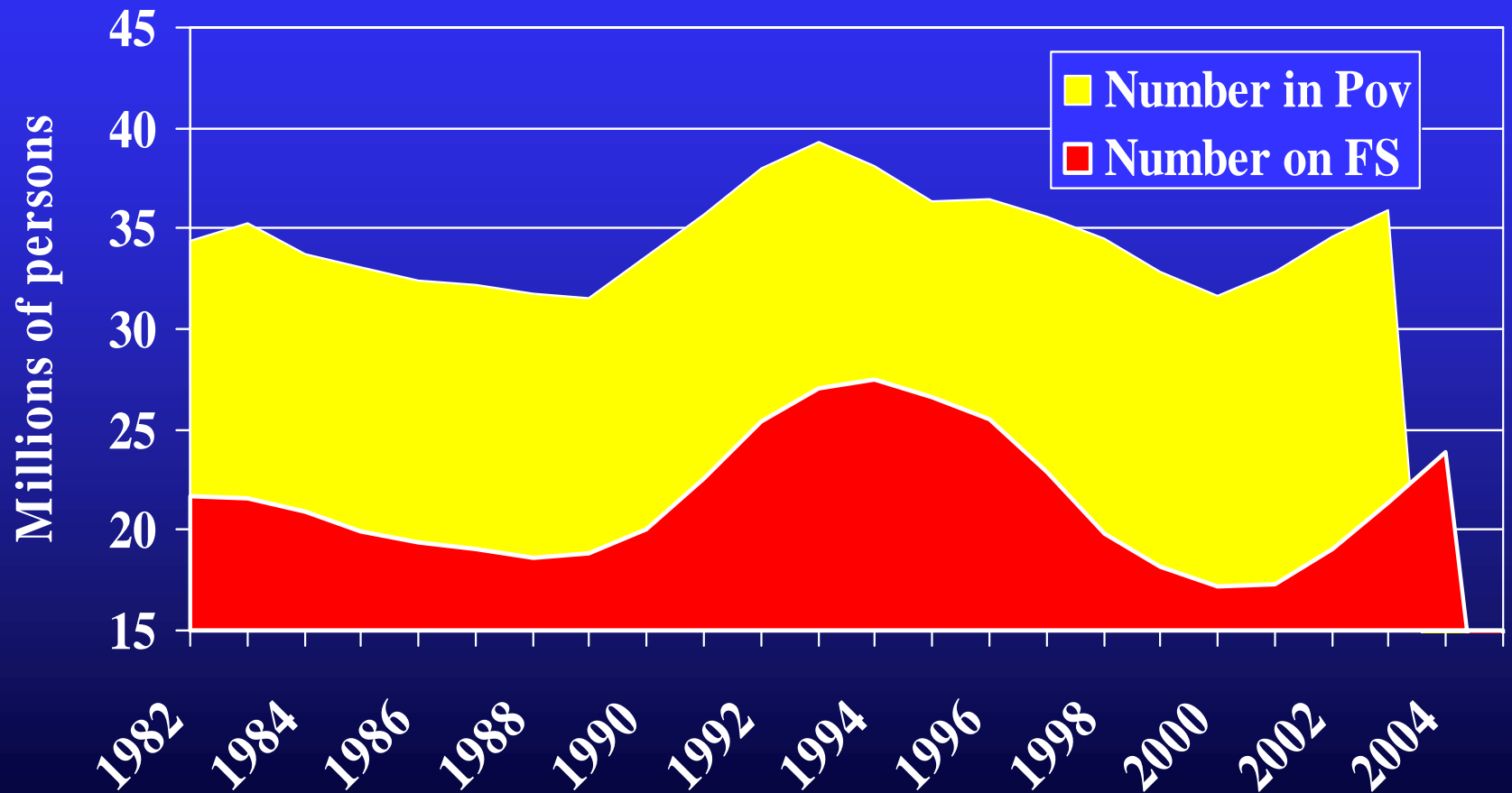
Scott Cody
Phil Gleason
Bruce Schechter
Miki Satake
Julie Sykes

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Food Stamp Caseload, 1982 - 2004

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Food Stamp Caseload, 1982 - 2004

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Research on Caseload Dynamics

- **Burstein (1993)**
  - **SIPP, covers 1983-86**
  - **Median spell = 6 months**
  - **80% of spells end within 2 years.**
- **Gleason, Schochet, & Moffitt (1998)**
  - **SIPP, covers 1990-93**
  - **Median = 9 months, 71% end within 2 years**
  - **Caseload increase due to lower exit rate**
- **Wilde (2001)**
  - **FSPQC, covers 1990-97**
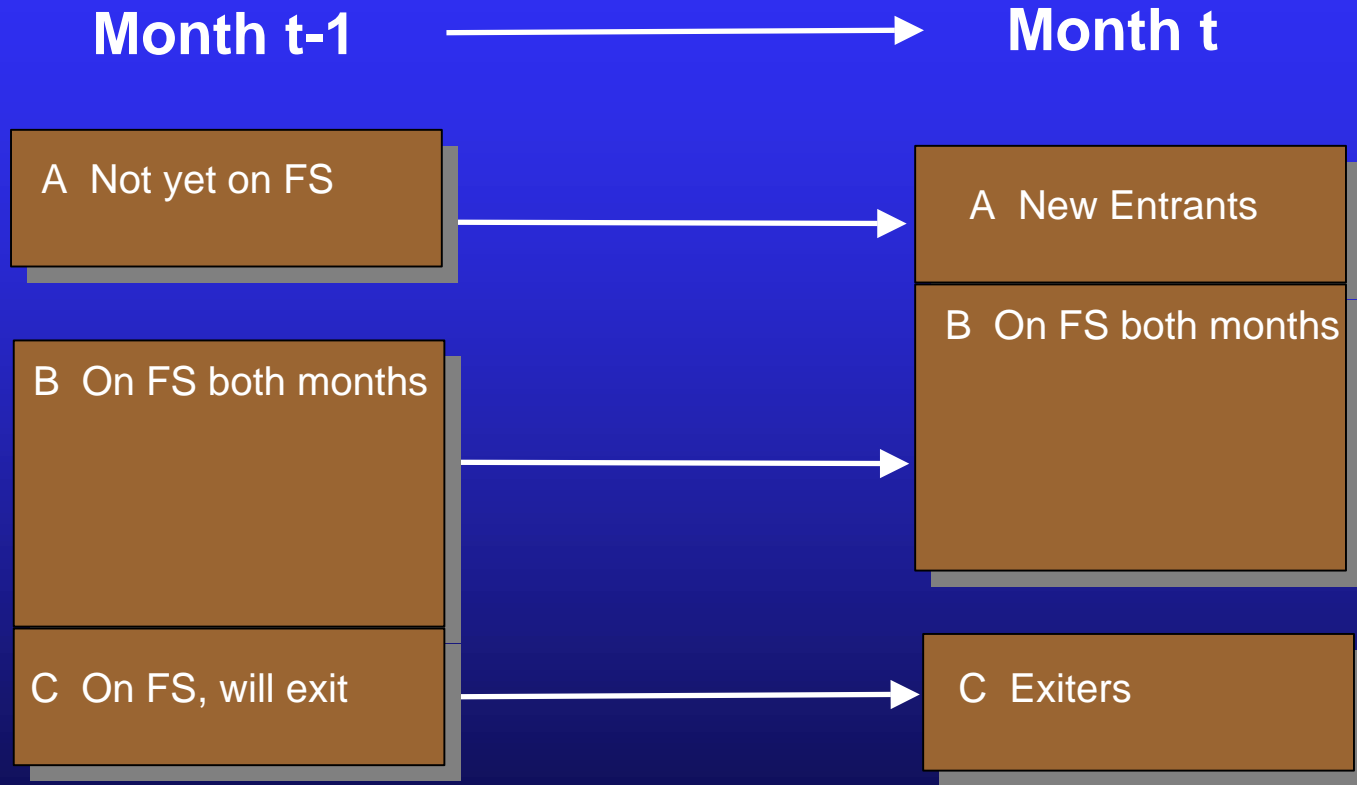
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Study Objectives

- **Update FSP caseload dynamics through 90s**
  - **Entry and exit rates**
  - **Spell lengths**
  - **Subgroups**

- **Explain shift from rising to declining caseload**
  - **Driven by declining entry rate or rising exit rate?**

- **Explore trends using multiple data sources**

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Data Sources

- ## SIPP, 1990-93 & 1996 panels
    - ### Covers 1990-99
    - ### Total sample of more than 300,000

- ## 1990-2002 FSPQC
    - ### Repeated monthly cross-sections
    - ### Sample size = 3,600 – 5,600 per month

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Entry & Exit Rates: Definitions

Month t-1 → **Month t**

Month t-1:

- A Not yet on FS
- B On FS both months
- C On FS, will exit

Month t:

- A New Entrants
- B On FS both months
- C Exiters

Entry Rate = A / (B+C)
Exit Rate = C / (B+C)

FSP Entry & Exit in the 1990s

- **Both were 4% to 7% throughout period**

- **As caseload fell:**
  - **Entry rates declined**
  - **Exit rates increased**
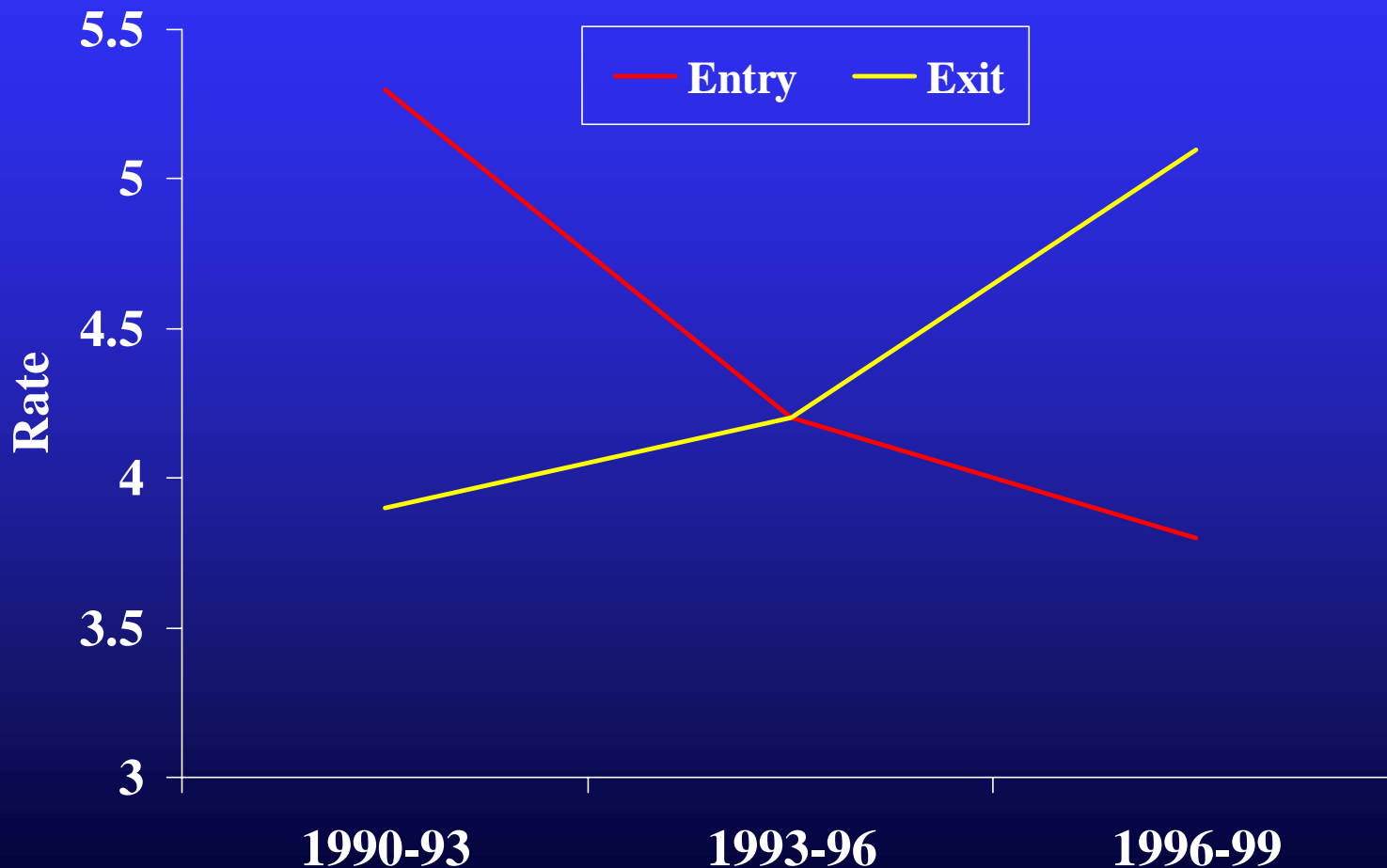
- **Entry/exit rates higher according to FSPQC**

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Entry & Exit Rates, 1990-2002 (FSPQC)

Period	Entry Rate	Exit Rate
1990-93 (growth)	7.5	6.7
1993-96 (decline)	6.8	7.2
1996-99 (decline)	6.7	7.6
1999-02 (growth)	6.8	6.4

Entry & Exit Rates, 1990-1999   (SIPP)

Period	Entry Rate	Exit Rate
1990-93 (growth)	5.3	3.9
1993-96 (decline)	4.2	4.2
1996-99 (decline)	3.8	5.1

Entry & Exit Rates, 1990-1999   (SIPP)

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Why Did Caseload Decline?

- **Declining entry & rising exit rates both play role**

- **Early to mid-1990s**
  - **Declining entry rates explain 56-77%**

- **Mid- to late 1990s**
  - **Rising exit rates explain 70-72%**

- **Declining exit rates explain most of 1999-2002 caseload growth**

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Caseload Dynamics in Late 1990s

- **Among those starting spells (1996-99)**
  - **Median spell = 8 months**
  - **69% end within 1 year**
  - **86% end within 2 years**

- **Among those on FS in March 1996**
  - **Median spell = 4.5 years**
  - **16% end within 1 year**
  - **One-third last more than 8 years**

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Change in Entry Cohort Spell Lengths: 1983-1999   (SIPP)

	Burstein 1983-86	Gleason et al. 1990-93	Cody et al. 1996-99
Average monthly caseload (millions)	20,200	25,600	20,700
Median spell (months)	6	9	8
% no longer than 6 months	51%	42%	46%
% longer than 2 years	20%	29%	14%

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Change in Cross-Sectional Cohort Spell Lengths: 1991-1996   (SIPP)

	Gleason et al. Feb 1991	Cody et al. March 1996
Monthly caseload (millions)	23,139	26,093
Median spell (years)	8	4.5
% no more than 1 year	11%	16%
% longer than 5 years	62%	47%

How Did Spells Change Between Early and Late 1990s?

- **Typical FSP entrant has only slightly shorter spell**

- **Fewer very long spells**

- **Average FSP recipient (at point in time) has shorter spell**

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FSP Dynamics Among Subgroups

Median Spell Lengths

Subgroup	1990-93 FSP Entrants	1996-99 FSP Entrants
Elderly	20	12
Single Mothers	13	8
Noncitizens	12	8
ABAWDs	4	4
All FSP Entrants	**8**	**8**

FSP Dynamics Among Subgroups

- **Elderly have longest spells; ABAWDs shortest**

- **Spells of single mothers & noncitizens:**
  - **Longer than average in early 1990s**
  - **Average in late 1990s**

- **ABAWDs' spell lengths constant through 1990s**

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Notes on Methods

- **Most—but not all—results similar in FSPQC and SIPP**

- **Key limitation of FSPQC:**
    - **Not truly longitudinal; so admin churning, household changes may look like FSP turnover**

- **Key limitations of SIPP**
    - **Underreports FSP receipt**
    - **Differences between 1996 panel and earlier panels**

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FSP Caseload Dynamics: Main Findings

- **Both entry & exit played role in FSP caseload decline of 1990s**

- **Most entrants have short spells; most FSP recipients are in midst of long spells**

- **Higher exit rates in late 1990s mainly affected long spells**

- **Single mothers became less likely to be long-term FSP recipients**