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GAO

Report to the Ranking Minority Member, Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, Committee on Agriculture, House of Representatives

December 1988

FOOD STAMPS

Reasons for Nonparticipation

GAO/RCED-89-5BR

GAO

United States
General Accounting Office
Washington, D.C. 20548

Program Evaluation and
Methodology Division

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December 8, 1988

The Honorable Bill Emerson
Ranking Minority Member,
Subcommittee on Domestic Marketing,
Consumer Relations, and Nutrition
Committee on Agriculture
House of Representatives

Dear Mr. Emerson:

On April 30, 1986, you asked us to examine the reasons why some families that are eligible to participate in the Food Stamp program do not participate. In partial response, we provided you with a report, Food Stamps: Examination of Program Data and Analysis of Nonparticipation (GAO/PEMD-88-21), presenting results based on pre-1982 data (the most recent data available at that time). We also provided an oral briefing on trends in Food Stamp participation at the local and county levels. This report is the first of two new products presenting more recent information on the reasons why people in potentially eligible households do not participate in the Food Stamp program.

This report employs data from the 1980 and 1987 Panel Study of Income Dynamics (PSID). The nationally representative data were collected by the Survey Research Center of the University of Michigan and we analyzed them. The surveys requested information, among other things, on reasons for nonparticipation from households that were estimated as eligible for participation in the Food Stamp program but did not participate in 1979 and 1986. Data were collected from these households in 1980 and 1987 with respect to attitudes and behavior during the previous year (1979 and 1986).

Our preliminary findings indicate an estimated food stamp participation rate, based on annual data, of 43.8 percent in 1986, down slightly but not significantly from 46.1 percent in 1979. Thus, in both years slightly more than half of the households eligible for food stamps did not participate in the program.

In both 1979 and 1986, approximately half of the eligible nonparticipants did not think they were eligible for the Food Stamp program. Also, for both years, approximately one third of the 50 percent who did not think they were eligible thought their assets or income were too high to be eligible for the Food Stamp program.

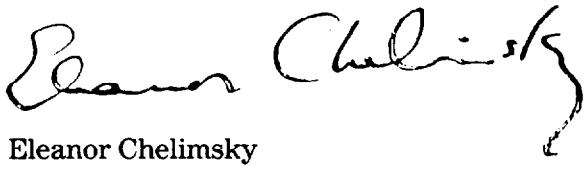
Just over two thirds of the eligible nonparticipants who thought they were eligible for benefits in both 1979 and 1986 did not try to get food stamps. The reason this group cited most frequently for not trying to get benefits was that they thought they did not need the benefits (25 percent of this group in 1979 and 30 percent in 1986). The second most cited reason (in 1986) was their concern about likely administrative "hassles" (17 percent of this group for 1979 and a statistically nonsignificant rise to 27 percent for 1986).

Among the survey respondents in eligible households that did try to get benefits, the most frequently cited reason for not getting food stamps was that they were declared ineligible by program officials (approximately 61 percent of the eligible nonparticipant households that attempted to get food stamps gave this reason for 1979 and 1986).

We intend in our next report to present in-depth analyses based on the 1986 PSID data, including the results of various statistical techniques used to analyze the association, if any, among the reasons reported for nonparticipation across various demographic factors.

The Department of Agriculture received a draft version of this report. We received oral agency comments, which are included in this report, and where appropriate their comments were reflected in modifications to our draft report. In general, the department agreed with the information presented in our report, although it expressed some concern about the participation estimates produced with PSID data. We are also forwarding copies to the secretary of the U.S. Department of Agriculture and the administrator of the Food and Nutrition Service. Further information can be obtained by calling me at 275-1854 or my associate director Michael J. Wargo at 275-3092.

Sincerely yours,



Eleanor Chelimsky
Director

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Abbreviations

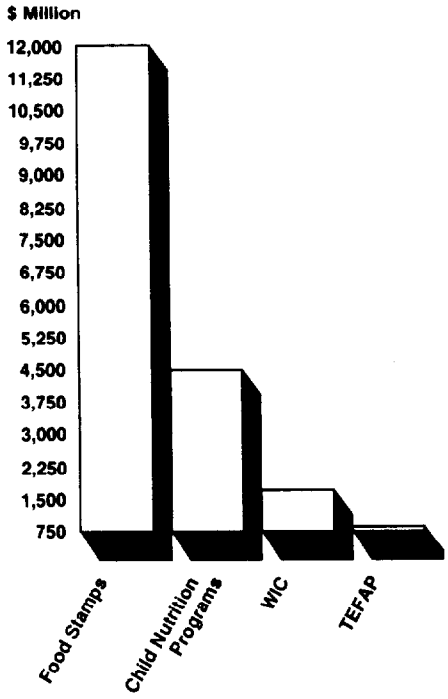
FNS	Food and Nutrition Service
PSID	Panel Study of Income Dynamics

Introduction

Background on the Food Stamp Program

The Food Stamp program provides food assistance to households with limited resources to feed themselves adequately. The Food Stamp program currently provides benefits to more than 7 million households, or approximately 19 million individuals monthly. It is the nation's largest food assistance program with federal expenditures of about $12 billion in fiscal year 1987 (see figure 1.1).

Figure 1.1: Major 1987 Food Assistance Expenditures



Source: U.S. Congress, House of Representatives, Rural Development, Agriculture, and Related Agencies Appropriations for 1988, Part 5, Agricultural Programs; Hearings Before a Subcommittee of the Committee on Appropriations, 100th Cong., 1st sess. (Washington, D.C.: U.S. Government Printing Office, 1987).

Objectives, Scope, and Methodology

Despite substantial outlays in the Food Stamp program, there is concern that some households eligible for the Food Stamp program and in need of its benefits are not participating in the program. This study addresses that concern in terms of the following objectives:

- determining the reported reasons why households eligible for food stamps fail to participate in the program and
- comparing reasons for nonparticipation reported by eligible nonparticipating households in 1979 with reasons reported by similar households for 1986.

The scope of our work was limited to the data collected for 1979 and 1986 by the Panel Study of Income Dynamics, a longitudinal survey of a nationally representative sample of families conducted by the Survey Research Center of the University of Michigan. Since 1968, PSID has been a source of information on a nationally representative sample of families on such broad issues as sources of family income, food expenditures, and work hours and more limited topics such as nonparticipation in the Food Stamp program.[1] The PSID represents the most recent data available on reasons for nonparticipation in the Food Stamp Program. The PSID data have some limitations, including small sample size. However, we believe their strengths heavily outweigh their limitations. (See section 9 for more details.)

Our methodology for the analysis of PSID data consisted of three steps. First, we identified households that we estimated to be eligible to participate in the Food Stamp program.[2] Given a set of specified characteristics (similar to work done earlier on 1979 PSID data), we reduced our sample of 7,061 households to 5,626 households by removing households most likely to have incomes that fluctuate monthly (for example, households with a change in the head of the household).[3] Applying eligibility criteria and using weighted percentages, we estimated that 15.8 percent of the 1986 nationally representative sample of households were eligible to receive food stamps.[4] Food Stamp eligibility is based on household characteristics. Although all information presented in this

[1]While data were collected during 1980 and 1987, all questions dealt with the previous years, 1979 and 1986. PSID has been supported by various federal agencies, including the Food and Nutrition Service (FNS) of the Department of Agriculture, which administers the Food Stamp program.

[2]Our method for estimating whether a household was eligible to participate in the Food Stamp program is described in appendix I.

[3]Richard D. Coe, "Participation in the Food Stamp Program, 1979," in Greg Duncan and James N. Morgan (eds.), Five Thousand American Families—Patterns of Economic Progress. Vol. 10. Analyses of the First Thirteen Years of the Panel Study of Income Dynamics (Ann Arbor: Survey Research Center, University of Michigan, 1983).

[4]Because of the sampling design of PSID, households are selected in a random but nonequal manner. To reflect the unequal probability of selection, weights are assigned to each household. In order to analyze the data properly, these weights must be taken into account. All analyses are therefore based on weighted data.

report deals with data at the household level, it was reported by one individual in each household. Thus, we present our information by referring to survey respondents, but our unit of analysis is the household. For example, we refer to eligible, nonparticipating households as eligible nonparticipants.

Second, our analysis subdivides those who are eligible into participants and nonparticipants.[5] Focusing exclusively on the reasons reported by eligible nonparticipants, we subdivided eligible nonparticipants into two categories—depending upon whether they (1) thought they were or might be eligible for food stamps or (2) did not think they were eligible for food stamps (see section 3). For those who thought they were ineligible for food stamps, we tabulated their reasons for nonparticipation (see section 4). Regarding the respondents who reported that they thought they were or might be eligible, we tabulated the percentage who tried to get food stamps (see section 5). For those who did not apply, we report the reasons they did not participate in the Food Stamp program (see section 6). For the respondents who did apply, we report the reasons they did not receive food stamps (see section 7).

Finally, for each of these categories, we compare our 1986 findings with data published for 1979.[6] When comparing the results for 1979 and 1986, we followed the same procedures as those used earlier in 1979 for estimating households as eligible for food stamps in 1986 (see appendixes I and II).[7]

[5]See section 2. Appendix II presents the sequencing logic on questions asked in PSID.

[6]In both years, respondents were asked whether they thought they were eligible; if they thought they were ineligible, why they were ineligible; if they thought they were eligible, whether they tried to get food stamps; if they thought they were eligible and tried to get food stamps, what reasons were given for not receiving food stamps; and if they thought they were eligible and did not try to get food stamps, what reasons were given for not trying to get food stamps.

[7]When contrasting two percentages based on separate samples, it is important to consider the sample size of each sample. For example, the difference between 50 percent and 55 percent based on samples of 500 households is bigger than the same difference based on samples of 30 households. We note in the text where comparisons of specific reasons for nonparticipation are statistically significant between 1979 and 1986. The standard t-test was used to determine statistical significance.

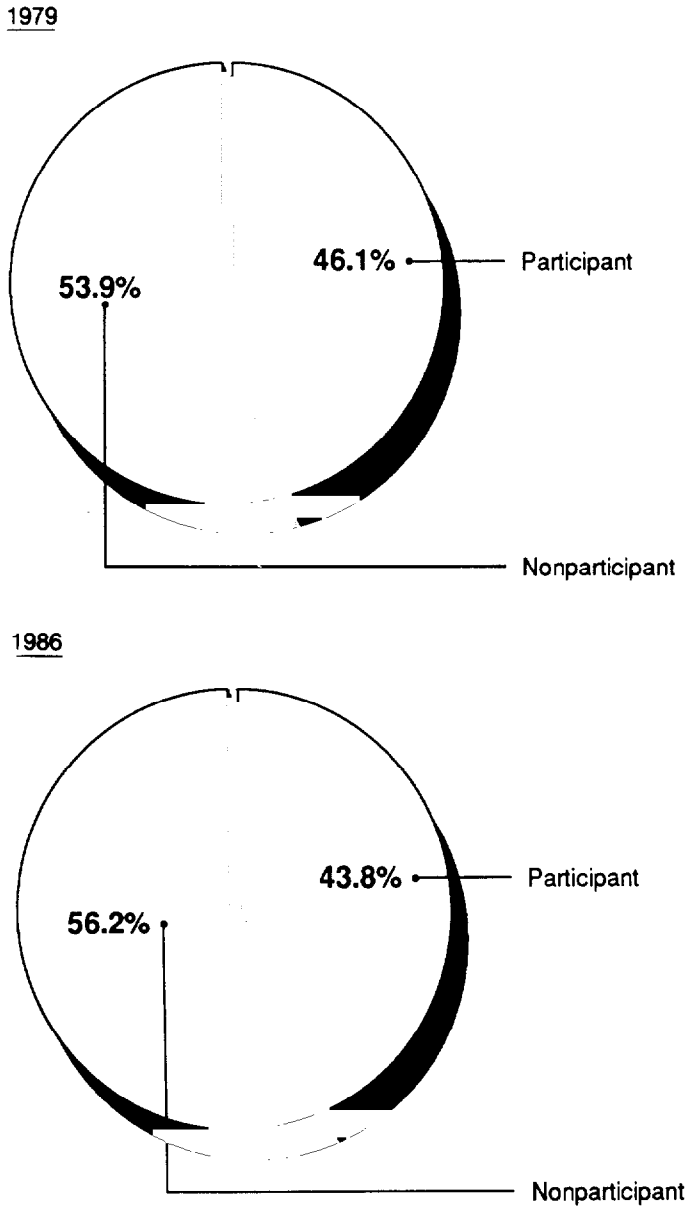
Participation

Figure 2.1 illustrates the participation rates for food stamps for 1979 and 1986. In 1979, individuals in 46.1 percent of the eligible households received benefits, while 53.9 percent of the eligible households did not. These percentages are similar to those reported in 1986 when individuals in 43.8 percent of the eligible households participated in the Food Stamp program, while 56.2 percent did not participate.

The main focus of this report is the examination of reasons for nonparticipation in the Food Stamp program. Given our use of the annual definition of eligibility, participation rates must be considered approximate. In order to estimate exact participation rates, monthly counts of participants must be matched with monthly counts of eligible households, something that cannot be calculated while using PSID.[1] However, for the categorization of reasons for nonparticipation over the course of a given year, the PSID data are appropriate.

[1]Section 9 details some limitations of PSID. Specifically our estimate of participation rates based on annual data may be underestimated.

Figure 2.1: Food Stamp Eligible Household Participation in 1979 and 1986[a]



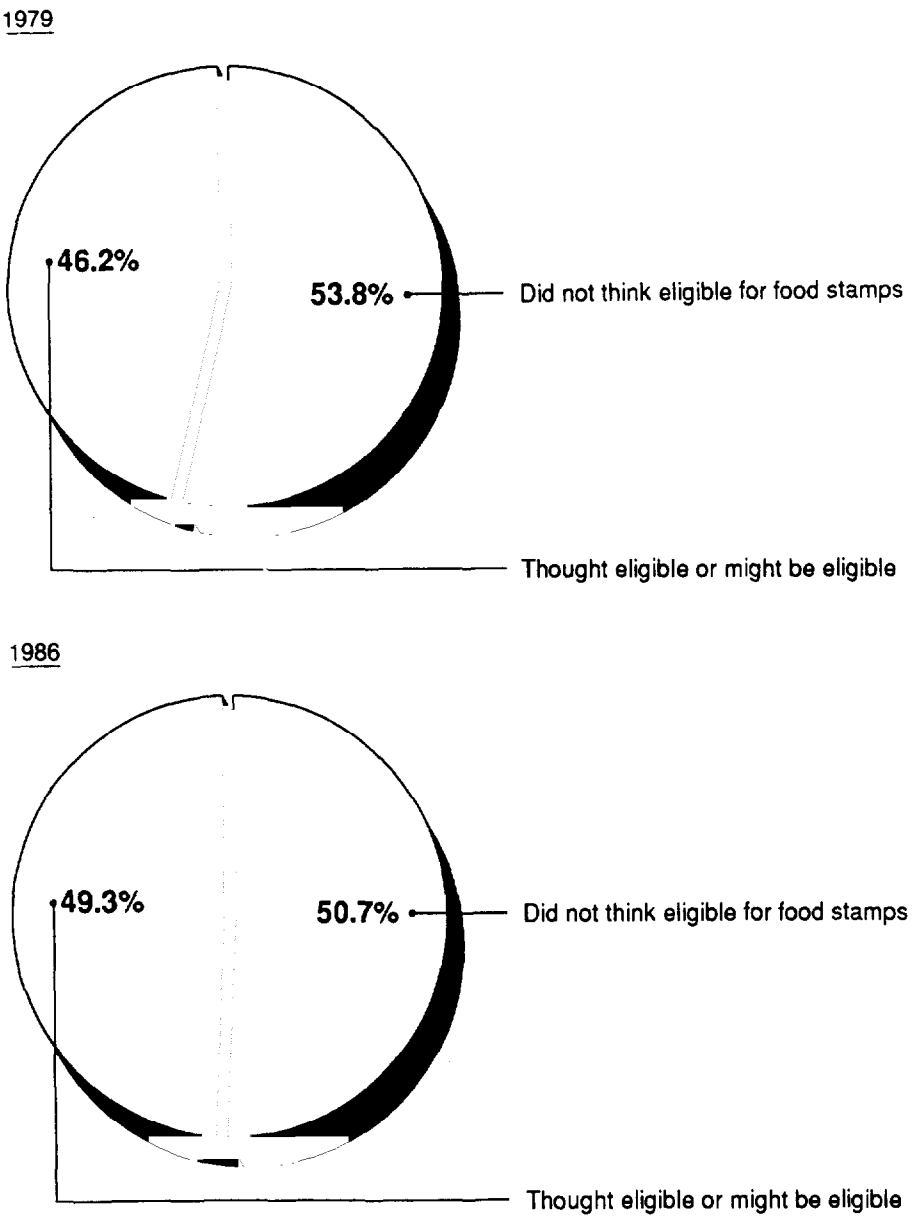
[a]Weighted percent. Sampling error for 1979 = 5.4 percent. Sampling error for 1986 = 4.7 percent.

Source: Richard D. Coe, "Participation in the Food Stamp Program, 1979," in Greg Duncan and James N. Morgan (eds.). Five Thousand American Families—Patterns of Economic Progress. Vol. 10. Analyses of the First Thirteen Years of the Panel Study of Income Dynamics (Ann Arbor: Survey Research Center, University of Michigan, 1983).

Perceived Ineligibility

Figure 3.1 indicates that the percentage of eligible nonparticipants who did not apply for benefits because they did not think they were eligible was 53.8 percent in 1979 and 50.7 percent in 1986. About half the eligible nonparticipants may thus have misperceptions regarding their eligibility for the program.

Figure 3.1: Nonparticipant Beliefs About 1979 and 1986 Food Stamp Eligibility[a]



[a]Weighted percent. Sampling error for 1979 = 8.2 percent. Sampling error for 1986 = 6.8 percent.

Source: Richard D. Coe, "Participation in the Food Stamp Program 1979," in Greg Duncan and James N. Morgan (eds.). Five Thousand American Families—Patterns of Economic Progress. Vol. 10. Analyses of the First Thirteen Years of the Panel Study of Income Dynamics (Ann Arbor: Survey Research Center, University of Michigan, 1983).

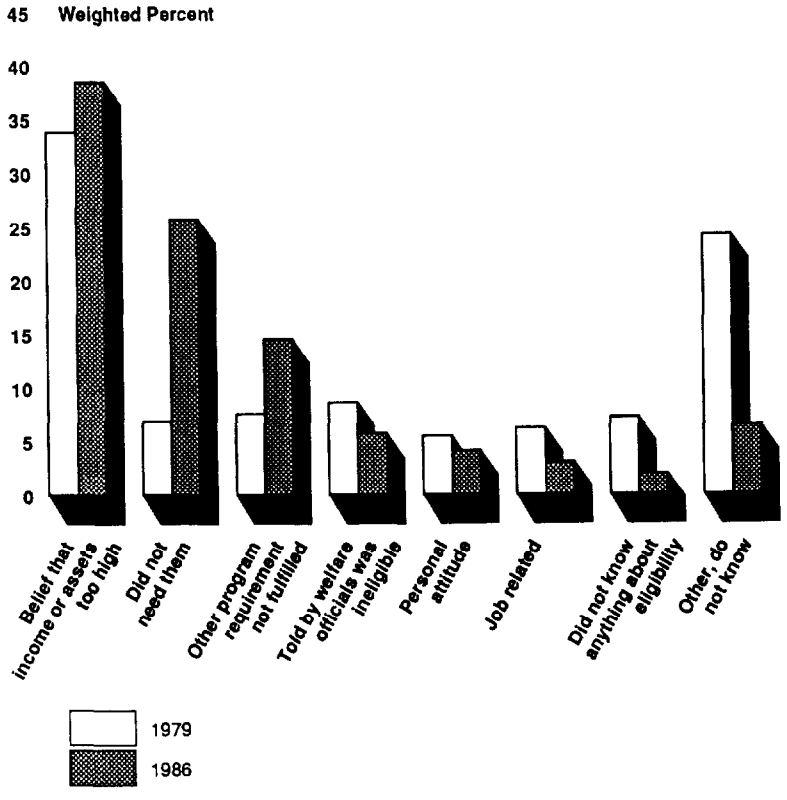
Perception of Need and Eligibility

Figure 4.1 shows that in 1986, 53 percent of the eligible nonparticipants who thought they were ineligible believed their income or assets were too high to entitle them to receive food stamp benefits (39 percent) or that other program requirements precluded their participation (14 percent). That is, more than half the eligible nonparticipants who did not think they were eligible may have misperceived food stamp eligibility requirements.

Figure 4.1 also indicates that in 1986, 25.7 percent of the eligible nonparticipants who thought they were ineligible reported that they did not need food stamps. This is a significant increase from 7 percent responding this way in 1979.[1]

[1] Also, for 1986, 6.4 percent of the eligible nonparticipants who thought they were ineligible answered "do not know" or "other" to the question regarding why they believed they were ineligible. This is a statistically significant decrease from 24.1 percent for 1979.

Figure 4.1: Reasons for 1979 and 1986 Food Stamp Perceived Ineligibility[a]



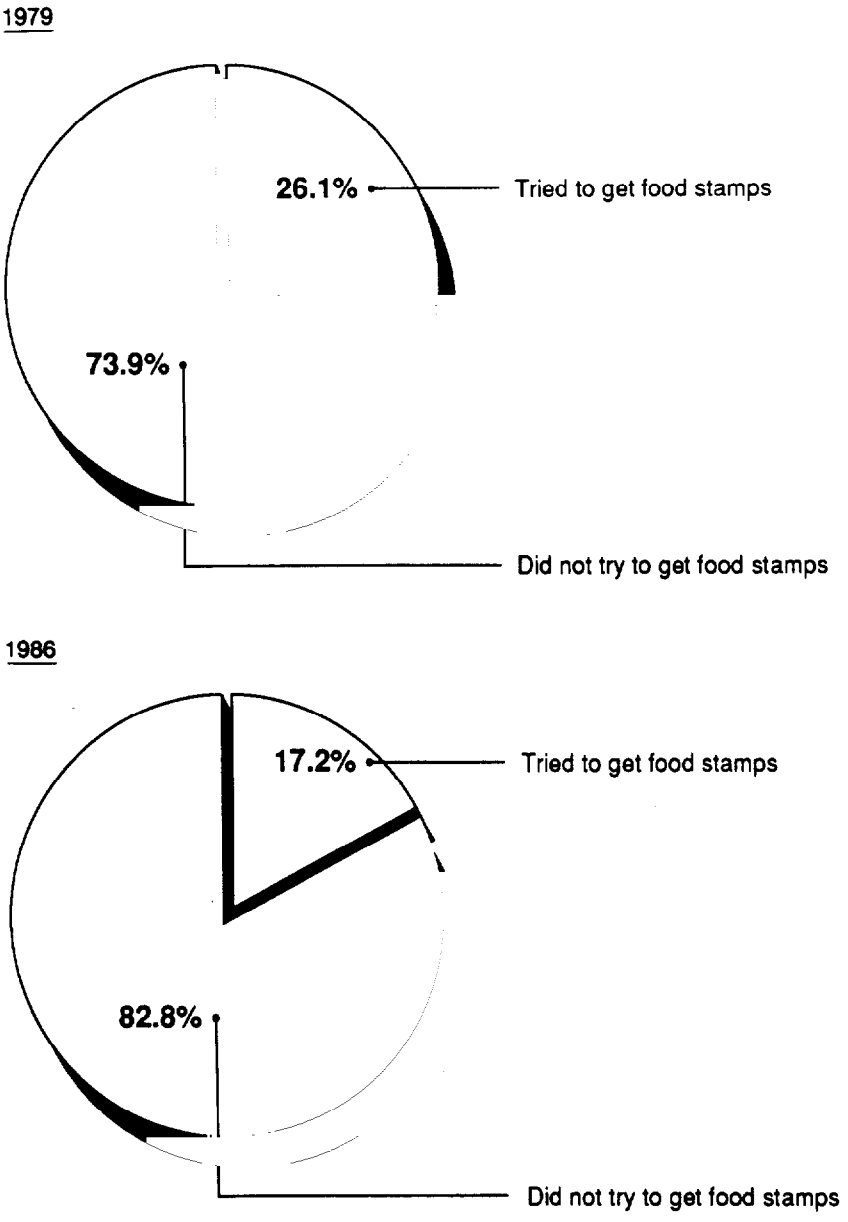
[a]Sampling errors for response categories are reported in appendix III.

Source: Richard D. Coe, "Participation in the Food Stamp Program, 1979," in Greg Duncan and James N. Morgan (eds.), Five Thousand American Families—Patterns of Economic Progress. Vol. 10. Analyses of the First Thirteen Years of the Panel Study of Income Dynamics (Ann Arbor: Survey Research Center, University of Michigan, 1983).

Failure to Apply

As indicated by figure 5.1, 73.9 percent of eligible nonparticipants who thought they were or might be eligible did not try to get food stamps in 1979. This percentage increased slightly (but not significantly) to 82.8 percent for 1986. Most eligible nonparticipants who think they are eligible do not even attempt to participate in the Food Stamp program. The reasons they gave for not applying are discussed in section 6. Section 7 presents reasons why those attempting to receive food stamps did not receive them.

Figure 5.1: Food Stamp Eligible Nonparticipant Attempts to Participate in Food Stamp Program 1979 and 1986[a]



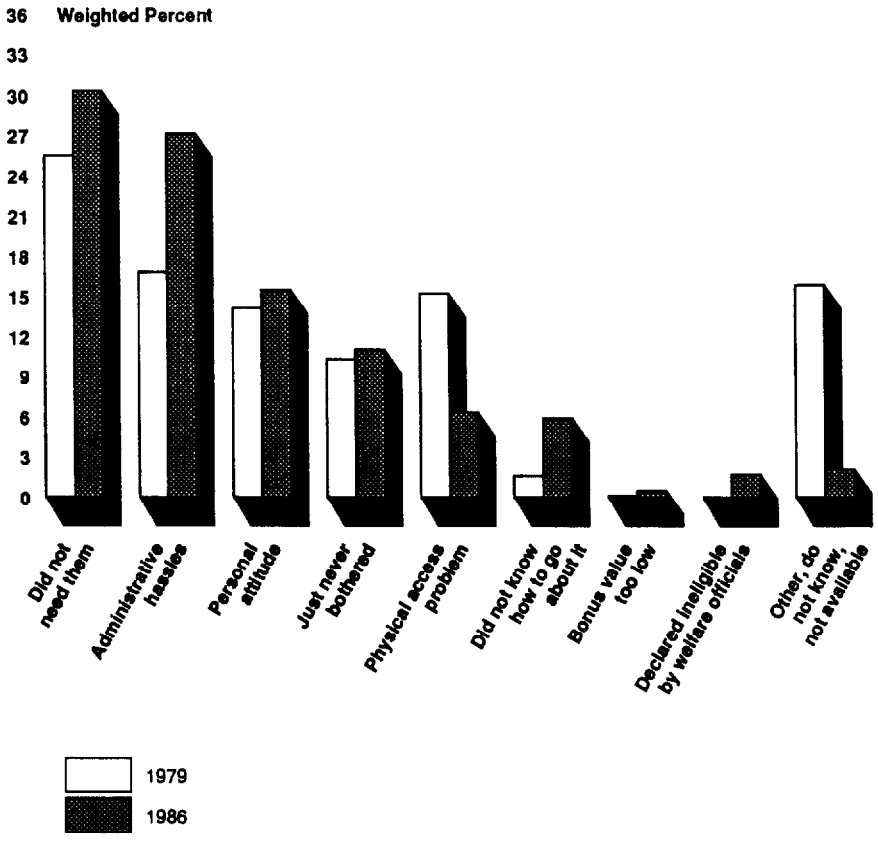
[a]Weighted percent. Sampling errors for 1979 = 10.4 percent. Sampling errors for 1986 = 7.0 percent.

Source: Richard D. Coe, "Participation in the Food Stamp Program, 1979," in Greg Duncan and James N. Morgan (eds.), Five Thousand American Families—Patterns of Economic Progress. Vol. 10. Analyses of the First Thirteen Years of the Panel Study of Income Dynamics (Ann Arbor: Survey Research Center, University of Michigan, 1983).

Perceived Need and Administrative Barriers

Figure 6.1 indicates that 26 percent in 1979 to 30 percent in 1986 of the eligible nonparticipants who thought they were or might be eligible did not try to get food stamps because they thought they did not need them. Similar percentages—32 percent in 1979 and 33 percent in 1986—reported that perceived administrative "hassles" and physical access problems accounted for their failure to participate in the program. Although the percentage of respondents who cited physical access problems decreased between 1979 and 1986, the percentage of respondents who cited administrative "hassles" increased between 1979 and 1986.

Figure 6.1: Reasons Why 1979 and 1986 Eligible Nonparticipants Did Not Try to Enter the Food Stamp Program[a]



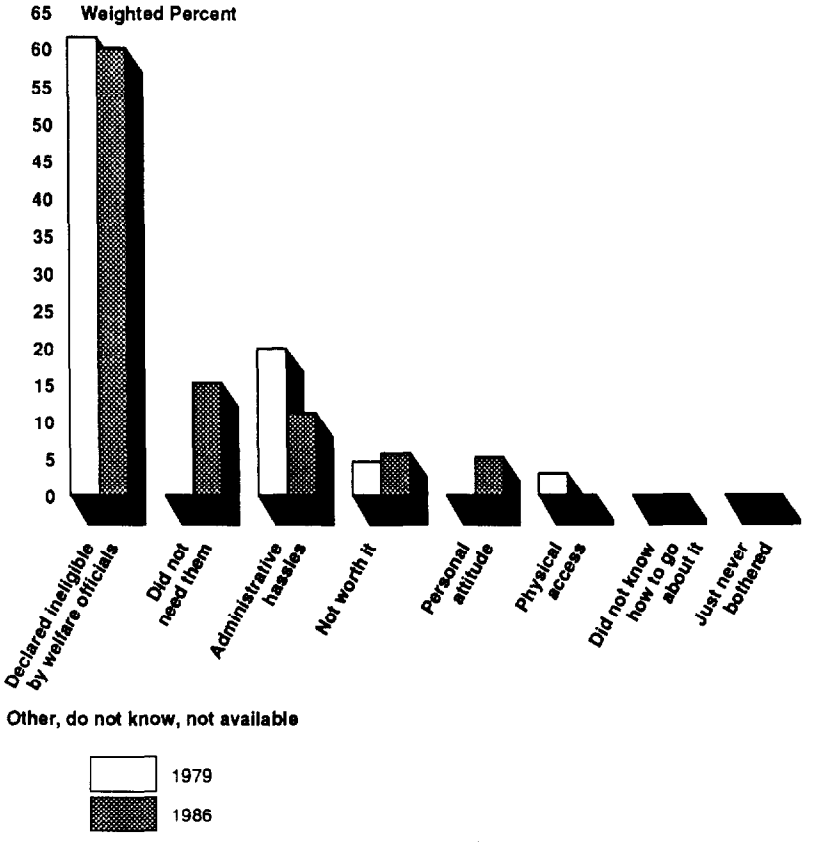
[a]Sampling errors for response categories are reported in appendix III.

Source: Richard D. Coe, "Participation in the Food Stamp Program, 1979," in Greg Duncan and James N. Morgan (eds.), Five Thousand American Families—Patterns of Economic Progress. Vol. 10. Analyses of the First Thirteen Years of the Panel Study of Income Dynamics (Ann Arbor: Survey Research Center, University of Michigan, 1983).

Estimated Eligible Nonparticipants Who Report Being Declared Ineligible

Figure 7.1 illustrates that of eligible nonparticipants who attempted to get food stamps, the major reason cited for not receiving benefits in both 1979 and 1986 was that they were declared ineligible by Food Stamp officials (approximately 61 percent). Other reasons include that the food stamps were not needed (less than 1 percent in 1979 but 15.3 percent in 1986) and that respondents thought the administrative "hassles" were too great (20.0 in 1979 but 11.2 percent in 1986).

Figure 7.1: Reasons for 1979 and 1986 Nonreceipt of Food Stamps by Eligible Nonparticipants[a]



[a]Sampling errors for response categories are reported in appendix III.

Source: Richard D. Coe, "Participation in the Food Stamp Program, 1979," in Greg Duncan and James N. Morgan (eds.), Five Thousand American Families—Patterns of Economic Progress. Vol. 10. Analyses of the First Thirteen Years of the Panel Study of Income Dynamics (Ann Arbor: Survey Research Center, University of Michigan, 1983).

Summary

Our preliminary findings indicate an estimated food stamp participation rate based on annual data of 43.8 percent in 1986, down slightly but not significantly from a participation rate based on annual data of 46.1 percent in 1979. In both years, approximately 50 percent of the eligible nonparticipants did not think they were eligible for the Food Stamp program. Also for both 1979 and 1986, approximately one third of the respondents to the survey who lived in households that were estimated as being eligible for food stamp benefits did not believe they were eligible because they thought their assets or income were too high. But in both 1979 and 1986, over 70 percent of the eligible nonparticipants who realized they were eligible did not try to get benefits. The reason most frequently cited by this group for not trying to get benefits (in both 1979 and 1986) was that they thought they did not need the benefits (25 percent in 1979 and 30 percent in 1986). The reason second most cited was concern about likely administrative "hassles" (17 percent for 1979 and 27 percent for 1986). Among the survey respondents in eligible households that did try to get benefits, the most frequently cited reason for not getting food stamps was that they were declared ineligible (approximately 61 percent of the respondents gave this reason for 1979 and 1986).

Agency Comments and Our Response

Representatives of the Department of Agriculture's Food and Nutrition Service reviewed an earlier draft of this report and provided oral comments on it. FNS had one general concern and several technical issues. The technical issues have been resolved where appropriate in the final version of our report. We discuss only the general concern in this section.

FNS Comments

FNS agrees that understanding the reasons for nonparticipation among those eligible for assistance is important. It believes, however, that the simulation of food stamp eligibility with PSID is a rough approximation of actual program rules and operations. In the opinion of FNS, the result is a serious understatement of participation rates and an overstatement of the number of eligible nonparticipants compared to estimates based on surveys more appropriate for estimating eligibility. Consequently, the interpretation of the reasons given for nonparticipation in PSID needs to consider potential limitations in the accuracy of the identification of eligible nonparticipants. FNS believes that our earlier draft did not make these limitations explicit.

FNS points to several aspects of PSID that make the determination of eligibility and participation difficult. First, FNS is concerned about a tendency to underreport food stamp receipt; that is, some people report they do not receive food stamps when they in fact do. FNS noted that the current population survey uses a set of questions similar to those in PSID and finds only two thirds of all food stamp participants. FNS also is concerned about underreporting income in surveys such as PSID. That is, there is a tendency for some people to report their income as being lower than it actually is, thus making them appear eligible for food stamps when in actuality they are not. Each factor tends to produce participation rates that are too low and overstates the number of eligible nonparticipants.

Second, FNS suggests there is a conceptual inconsistency in the participation rate reported by GAO. The numerator is a count of those who reported participation in any month of 1986. The denominator, however, is not a similar count of those eligible in any month. It is, instead, a count of those with annual income less than 12 times the program's monthly limits. As a result, it is not entirely clear who the "eligible" nonparticipants really are.

Finally, FNS suggests that the reliance on annual, rather than monthly, income and deductions, and the absence of complete information on

some deductions and countable assets, can introduce some error to determinations of eligibility.

FNS believes that some of those questioned by PSID about their reasons for not participating may have been truly ineligible for assistance. To the extent this ineligibility colored their responses, FNS thinks the distribution of reasons for nonparticipation may be in error.

Our Response

We are encouraged by FNS's acknowledgement that it is important to understand the reasons for nonparticipation in the Food Stamp program. This area has long been neglected and misunderstood, and our report is intended to shed light on this issue.

As we have stated in the report, we believe that no data base, including PSID, exactly replicates the population eligible to participate in the Food Stamp program. We are fully aware of the limitations of the PSID data base, and we listed what we consider to be the major limitations in our draft report. After discussion with FNS officials, we further explained the methodological limitations. However, we think FNS overstates the case; there is no reason to believe that the reasons for nonparticipation, cited among those estimated by PSID as eligible for the program, are misestimated.

While the major focus of our report is on reasons for nonparticipation in the Food Stamp program, FNS's major concern is focused on estimating participation rates. We agree with FNS that PSID produces only an estimate of participation and one in which annual and monthly data are commingled. The conceptually optimum method of estimation would compare monthly data with monthly data, as we have already pointed out in an earlier report.[1] However, working within the constraints of currently available data, we believe we have produced informative and useful estimates of food stamp eligibility and reasons for nonparticipation.

With respect to the idea of the conceptual inconsistency in our calculation of participation rates, we must point out that we made several adjustments to our estimate of the number of people eligible for the Food Stamp program to allow it to better reflect a monthly number. For example, we removed from the pool of eligible households those with a

[1]See Food Stamps: Examination of Program Data and Analysis of Nonparticipation, GAO/PEMD-88-21 (Washington, D.C.: July 5, 1988).

change in the head of the household. These households would be more likely to have fluctuating incomes and, in general, less likely to be accurately estimated as either eligible or ineligible based on annual data.

Further, the index of participation we estimated uses in the numerator the number of persons who said they participated in the Food Stamp program at any time during the year. This is not an estimate for a single month; it is a number higher than it most likely would be for any individual month. Thus, while there may be some income underreporting and participation underreporting, as suspected by FNS, there also may be a participation overestimate because of the way our numerator is estimated.

In the final analysis, the participation rate estimated from the PSID data is very close to that reported historically in the literature.[2] Further, our estimate of a 43.8-percent participation rate is almost identical to the 41-percent participation rate estimated in an unpublished report by the Congressional Budget Office, using another data base, the SIPP data base, for August 1984.[3]

Regarding FNS's last issue, on the absence of complete information on deductions and assets, we do not believe that this limitation drastically affects the major observations of our study. Our study results have proven rather stable when sensitivity analyses were performed. (See appendix I.)

In conclusion, we agree with FNS that the limitations of the PSID data base should be considered when interpreting the results of our analyses. We believe, however, that we have most carefully considered them and that the major objective of determining the reasons for nonparticipation in the Food Stamp program is not affected in a way that would jeopardize the results of the study.

[2]See footnote 1.

[3]SIPP is a nationally representative survey conducted by the Bureau of the Census and contains monthly income and program participation information, among other things. This data base is cited by FNS as being superior to PSID for estimating participation rates in the Food Stamp program. In most analyses using the SIPP data CBO used FNS administrative data with SIPP data resulting in a participation rate close to 60 percent. Using only SIPP data resulted in a participation rate of 41 percent.

Estimating Eligibility

PSID asks respondents questions relating to the previous calendar year. Therefore, the 1987 PSID reports data for 1986 and the 1980 PSID reports data for 1979. The 1987 PSID sample includes 7,061 households. Since PSID cannot be used to establish Food Stamp eligibility precisely (for that matter, no existing national data base can), eligibility must be estimated.[1] Our approach is consistent with work done earlier on the 1979 data.[2] We applied two categories of screening tests to identify the households eligible to receive food stamps. First, we excluded some households because of specified characteristics noted below. Second, we excluded households whose (1) income exceeded either of two income tests (food stamp gross and net income thresholds adjusted for household size) or (2) assets based on type of household (elderly or nonelderly) exceeded asset limits.

As to the first category of exclusion, we used the same set of exclusion criteria used in the 1979 PSID analysis. That is, we excluded households that during 1986 (1) were not in the contiguous United States, (2) had implausible responses, such as no answer to whether the household participated in the Food Stamp program or not, (3) had a change in the head of the household (for example, newly married or divorced), or (4) contained a household member other than the head or spouse who earned at least $5,000 in income (for 1979, this test was applied at the $3,000 level).

By excluding households with a change in the head of the household, we eliminated households that would have a higher probability of fluctuating income. Since our eligibility determination is based on an annual income definition and the exact Food Stamp eligibility is based on monthly income, we attempted to remove households with income that would tend to deviate over the course of the year. By excluding households that contain members other then the head or spouse having earned $5,000 or more, we attempted to remove households with a second family unit present, such as a second food stamp household all within one physical household. After these exclusions, our sample contained 5,626 households.

[1] For a discussion on the difficulty in making these estimates, see Food Stamps: Analysis of Program Data and Reasons for Nonparticipation, GAO/PEMD-88-21 (Washington, D.C.: July 5, 1988).

[2] Richard D. Coe, "Participation in the Food Stamp Program, 1979," in Greg Duncan and James N. Morgan (eds.), Five Thousand American Families—Patterns of Economic Progress. Vol 10. Analyses of the First Thirteen Years of the Panel Study of Income Dynamics (Ann Arbor: Survey Research Center, University of Michigan, 1983).

The second set of criteria we applied were the income and asset tests that are used to determine eligibility in the Food Stamp program. Annual gross income calculated for each household was tested against the annual threshold, based on household size, by multiplying the monthly gross income threshold by 12. Households with gross income in excess of the annual income threshold were excluded.

A net income test was also applied. We calculated the standard deduction, excess shelter deduction, and earned income deduction for each household. We did not have data available to test for the dependent child care deduction or the medical expenses deduction. After adjusting gross income by these deductions, we had a net income estimate. Again, households whose net income estimate exceeded the threshold estimate, based on FNS regulations reflecting household size, were excluded from consideration because they were estimated as not being eligible to receive food stamps. For an approximation to assets, we adjusted the annual dividends and interest by an 8-percent rate of return and tested this value against the asset limits.[3] Households with assets above the threshold were excluded from our analysis.

The PSID is not without some limitations. It has been suggested that for some categories of responses to the questions on reasons for nonparticipation the sample size is small, and sampling errors large. We limit our discussions of these categories in our report for the more robust estimates. Use of the PSID data base to estimate food stamp participation has also been questioned because PSID does not have data on all characteristics required to estimate eligibility. As we have pointed out, there are two categories of deductions—dependent child care and medical—for which data do not exist. However, most major deductions are included in our calculations and child care and medical deductions would be expected to cause only a few additional households to be eligible for food stamps.

Because exact Food Stamp eligibility is based on monthly income levels, this approach is only an approximation to eligibility. Nevertheless, given time and financial constraints, we believe the reasons for nonparticipation are unbiased estimates. In order to test the reasonableness of our analysis and data base, we conducted internal and external validity checks. For example, applying our tests yielded 1,285 households that were considered eligible for food stamps. This represents 15.8 percent of

[3]Changing the interest rate to 5 percent, for example, makes no statistically significant change in the results of the analysis.

the nationwide PSID sample (of 5,626 households) deemed eligible, which is similar to a Congressional Budget Office estimate of approximately 14 percent of those households as eligible nationwide from the August 1984 wave of the Survey on Income and Program Participation. Of the 1,285 eligible participants in the PSID, 662 actually participated, while 623 did not (see table I.1).

Table I.1: Estimated Household Participation in Food Stamp Program by Eligibility[a]

	Participant		Nonparticipant		Total	
	Number	Percent	Number	Percent	Number	Percent
Eligible	662	6.9%	623	8.9%	1,285	15.8%
Ineligible	108	1.2	4,233	83.0	4,341	84.2
Total	**770**	**8.1**	**4,856**	**91.9**	**5,626**	**100.0**

[a]Weighted percentages.

Even when decreasing the number of households from 5,626 by excluding households with members other than head or spouse earning annually at least $3,000 (arriving at a new total of 5,412 households) or increasing the total number of households by using all households from the 1987 PSID (7,061 households) or eliminating the exclusive test of annual earned income by members other than head or spouse (thus reaching 6,374 households), we found only very small differences in any weighted percentage of the cells listed in table I.1. Differences ranged from less than 1 percent to less than 10 percent of any weighted percentage in the cells listed in table I.1. Therefore, our data base has several desirable properties—it conforms rather closely to the results from other external data sources and is robust to internal sensitivity analyses.

Sequence of Questions Asked of Nonparticipants in 1986

The sequence of questions asked and the categories used in tabulating reasons for nonparticipation for 1986 are presented in this appendix. First respondents were asked,

- Did you think you were eligible for food stamps at any time in 1986?

If the response was "yes," "maybe," or "don't know," the following questions were asked:

- Did you try to get the stamps last year (in 1986)?
- Why couldn't you get them? and
- Can you tell me why you didn't try? (Any other reasons why?)

Responses to these questions included

- declared ineligible by welfare officials ("Didn't fulfill work registration requirement," "Didn't have proper forms or validations"),
- administrative hassles ("Had to wait in line too long," "Went once, didn't have proper forms, didn't go back," "They embarrassed me, so I didn't go back"),
- physical access problem ("Couldn't get to the food stamp center," "No transportation," "Inconvenient hours"),
- personal attitude ("I was too embarrassed to use them," "Don't like welfare"),
- didn't need them ("Could have gotten them but didn't," "Other people need them worse," "As long as I can get along without them, I will"),
- didn't know how to go about it; don't know requirements,
- just never bothered; never thought about it. Didn't have time.

If the response to the question of eligibility was "no," the following question was asked.

- Can you tell me why you thought you weren't eligible? (Any other reasons why?)

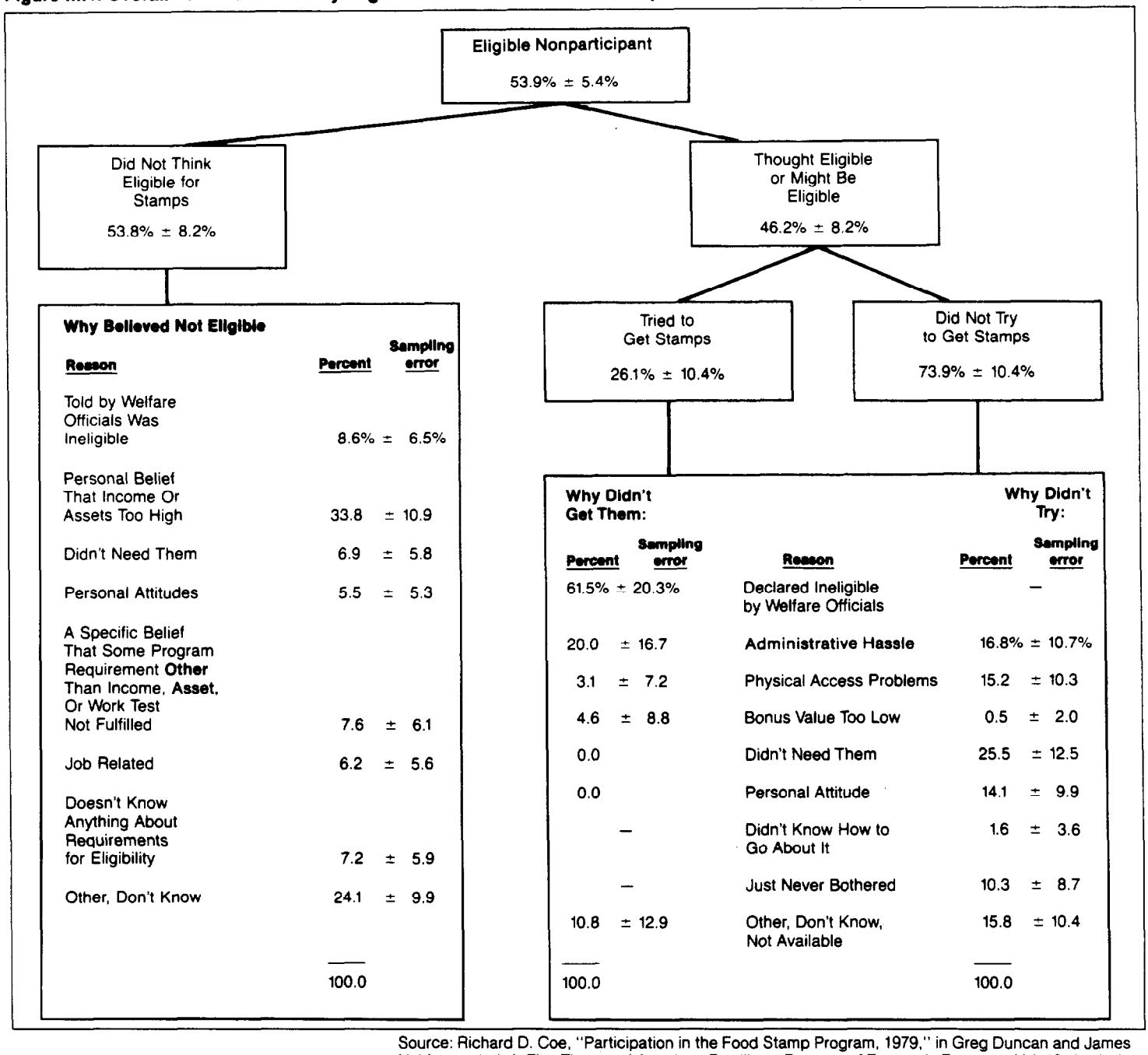
Responses to this question included

- told by welfare officials was ineligible ("Income or assets too high," "Turned down or refused in the past"),
- personal belief that income or assets too high. Income of the wrong type, such as Supplemental Security Income,
- didn't need them; told by someone other than welfare officials not eligible,

- personal attitudes ("Too embarrassed to use them," "Don't like welfare"),
- other requirements (other than income, assets, or work) not met ("No kids," "A student," "Own home"),
- does have a job; doesn't have a job,
- doesn't know anything about the requirements for eligibility,
- other ("Never thought about it," "Just didn't think of it").

Reasons Why Eligible Households Did Not Participate in Food Stamp Program

Figure III.1: Overall 1979 Reasons Why Eligible Households Did Not Participate in Food Stamp Program



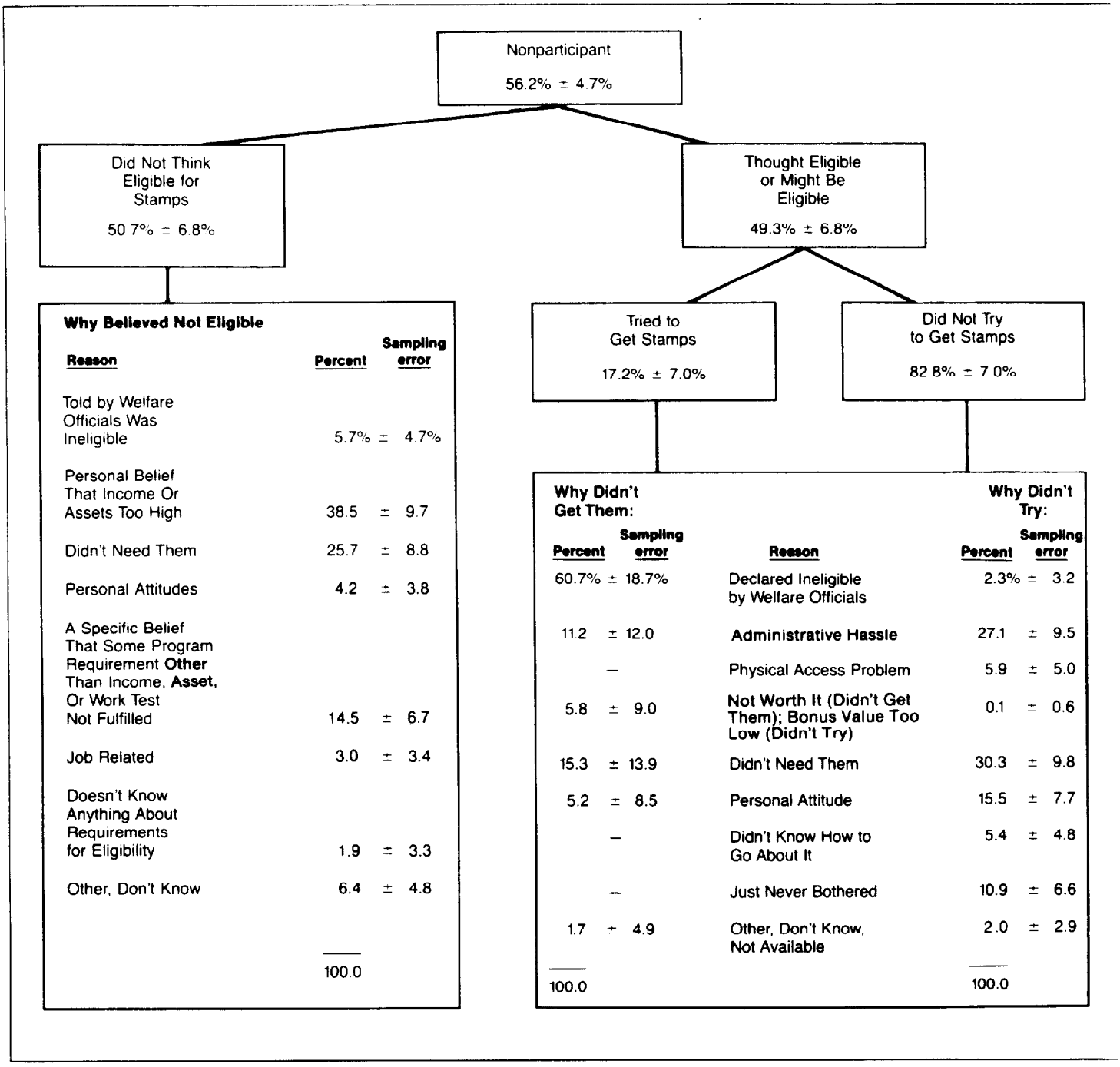
Why Believed Not Eligible

Reason	Percent	Sampling error
Told by Welfare Officials Was Ineligible	8.6%	± 6.5%
Personal Belief That Income Or Assets Too High	33.8	± 10.9
Didn't Need Them	6.9	± 5.8
Personal Attitudes	5.5	± 5.3
A Specific Belief That Some Program Requirement **Other** Than Income, **Asset**, Or Work Test Not Fulfilled	7.6	± 6.1
Job Related	6.2	± 5.6
Doesn't Know Anything About Requirements for Eligibility	7.2	± 5.9
Other, Don't Know	24.1	± 9.9
	100.0	

Why Didn't Get Them: Percent	Sampling error	Reason	Why Didn't Try: Percent	Sampling error
61.5%	± 20.3%	Declared Ineligible by Welfare Officials		—
20.0	± 16.7	Administrative Hassle	16.8%	± 10.7%
3.1	± 7.2	Physical Access Problems	15.2	± 10.3
4.6	± 8.8	Bonus Value Too Low	0.5	± 2.0
0.0		Didn't Need Them	25.5	± 12.5
0.0		Personal Attitude	14.1	± 9.9
	—	Didn't Know How to Go About It	1.6	± 3.6
	—	Just Never Bothered	10.3	± 8.7
10.8	± 12.9	Other, Don't Know, Not Available	15.8	± 10.4
100.0			100.0	

Source: Richard D. Coe, "Participation in the Food Stamp Program, 1979," in Greg Duncan and James N. Morgan (eds.), Five Thousand American Families—Patterns of Economic Progress, Vol. 10. Analysis of the First Thirteen Years of the Panel Study of Income Dynamics (Ann Arbor: Survey Research Center, University of Michigan, 1983).

Figure III.2: Overall 1986 Reasons Why Eligible Households Did Not Participate in Food Stamp Program



Why Believed Not Eligible

Reason	Percent	Sampling error
Told by Welfare Officials Was Ineligible	5.7%	± 4.7%
Personal Belief That Income Or Assets Too High	38.5	± 9.7
Didn't Need Them	25.7	± 8.8
Personal Attitudes	4.2	± 3.8
A Specific Belief That Some Program Requirement **Other** Than Income, **Asset**, Or Work Test Not Fulfilled	14.5	± 6.7
Job Related	3.0	± 3.4
Doesn't Know Anything About Requirements for Eligibility	1.9	± 3.3
Other, Don't Know	6.4	± 4.8
	100.0	

Why Didn't Get Them: Percent	Sampling error	Reason	Why Didn't Try: Percent	Sampling error
60.7%	± 18.7%	Declared Ineligible by Welfare Officials	2.3%	± 3.2
11.2	± 12.0	Administrative Hassle	27.1	± 9.5
	—	Physical Access Problem	5.9	± 5.0
5.8	± 9.0	Not Worth It (Didn't Get Them); Bonus Value Too Low (Didn't Try)	0.1	± 0.6
15.3	± 13.9	Didn't Need Them	30.3	± 9.8
5.2	± 8.5	Personal Attitude	15.5	± 7.7
	—	Didn't Know How to Go About It	5.4	± 4.8
	—	Just Never Bothered	10.9	± 6.6
1.7	± 4.9	Other, Don't Know, Not Available	2.0	± 2.9
100.0			100.0	

Source: GAO Analysis

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