

## REACHING THOSE IN NEED: HOW EFFECTIVE IS THE FOOD STAMP PROGRAM

Office of Research and Analysis

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### Background

This pamphlet provides estimates for Food Stamp Program participation rates by States. It will be the first widely-released document showing the percentage of eligible people, by State, who actually participate in the program. Because the data are from January 1994, prior to the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, they provide baseline data on participation rates prior to the enactment of welfare reform.

### Findings

In January 1994, an estimated 71 percent of eligible people living in the United States received food stamps. However, participation rates varied widely from State to State. Estimated rates ranged from 38 percent in Alaska to 100 percent in Vermont and Maine. All of the estimated participation rates presented are based on fairly small samples of households in each State, and the uncertainty associated with the estimates for some States is large. Nevertheless, the estimates do show whether a State's participation rate is likely to be high, average, or low.

Looking at the States with the largest food stamp caseloads, Pennsylvania, Michigan, and Ohio had relatively high participation rates (80, 80, and 79 percent respectively). Low-income individuals living in New York, Texas, and Illinois participated at average rates (70 percent). Participation rates were low in Florida and California (at 65 and 57 percent respectively). In general, participation rates tended to be higher in the mountain regions, the Midwest, and the middle-Atlantic States. Participation rates were lowest in the Western States.

The estimates are derived using a statistical approach known as shrinkage estimation that draws on data from the Current Population Survey, the Survey of Income and Program Participation, the Decennial census, and administrative records. The shrinkage estimator averages direct sample estimates of food stamp eligibles in each State with predictions from a regression model, based on indicators of socio-economic conditions. Shrinkage estimates are substantially more precise than direct sample estimates from the Current Population Survey or the Survey of Income and Program Participation.

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