

THE CHARACTERISTICS AND CIRCUMSTANCES OF ZERO-INCOME SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM HOUSEHOLDS - VOLUME I (SUMMARY)

Background

The proportion of Supplemental Nutrition Assistance Program (SNAP) households with zero gross income has increased at a faster rate than the growth in the overall SNAP caseload. Households with zero gross income have no reportable earnings and do not receive other cash benefits, but may have in-kind benefits from other nutrition assistance programs, Medicaid or Medicare, or subsidized housing.

This study describes the characteristics, circumstances, and participation and income dynamics of zero-income SNAP households and seeks to assess whether economic and policy changes may have affected this growth.

Methods

The study used Survey of Income and Program Participation (SIPP) data to conduct cross-sectional and longitudinal analyses. The cross-sectional analysis uses the 1993, 1996, 2001, 2004, and 2008 SIPP panels to examine the relationship between the number of spells of SNAP participation where the household has zero income and the macroeconomic context and SNAP policies in place at the time.

The longitudinal analysis uses the 2004 panel data to examine if entry into and exit out of the zero-income SNAP condition differs based on varying State economic circumstances and SNAP policies. The study also used the 2001, 2004, and 2008 panels to conduct analyses to assess the effect of SNAP policies on zero-income SNAP participation separate from other factors such as the economy.

Findings

Between 1993 and 2008, the growth in SNAP participants living in households with zero

income mirrors the growth of individuals in zero-income households in the non-SNAP population and in the overall U.S. population.

The proportion of SNAP participants in households with zero-income tripled from 2.4 percent in 1993 to 7.8 percent in 2008. This increase reflects trends in both the low-income population and the U.S. population overall. The proportion of the individuals in households below 200% of the Federal Poverty Level but not participating in SNAP more than doubled, and the proportion of the U.S. population in zero-income households grew during this time.

Characteristics of Zero-Income Participants

Children have increased as a share of the zero-income population, while the elderly remain a small proportion of those with zero-income.

The proportion of zero-income participants who are children has grown since 1993, peaking in 2004 and declining slightly in 2008. In 2004, about half of SNAP participants in zero-income families were children, while in 1993 less than one-third were children. In this same timeframe, 46.4 percent of positive-income SNAP participants were children in 2004 and 52.2 percent were children in 1993. Over the same period, elderly adults comprised a very small proportion of the zero-income SNAP population, likely due to Social Security benefits for the elderly.

The proportion of able-bodied adults without dependents (ABAWDs) among zero-income adults decreased sharply and then rebounded. Participation among zero-income SNAP participants ages 18–49 not caring for dependents decreased between 1996 and 2001, from 38.4 percent to 18.3 percent. The proportion then rebounded sharply in 2008 to 31.2 percent. These trends coincide with policy

changes associated with The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the suspension of time limits for ABAWDs not meeting work requirements during the economic downturn beginning in 2007.

More zero-income SNAP participants have some college education than ever before. The percent of zero-income SNAP adults over age 18 with some post-secondary education increased substantially from 1993 to 2008; 12.1 percent of zero-income SNAP adults had at least some college education in 1993, increasing to 30.4 percent in 2008. The proportion of zero-income SNAP adults with less than a high school diploma declined somewhat during this period, from 40.8 percent in 1993 to 35.6 percent in 2008.

Dynamics of Having Zero Income

Most SNAP households are zero income for only a short period of time. The median spell length in the zero-income status was 3 months for SNAP households. More than three-quarters of individuals (75.7 percent) had some income within 4 months. Additionally, most individuals did not cycle in and out of zero-income status while remaining in SNAP – more than two-thirds (67.4 percent) experienced only a single spell over the course of the 3-year panel, while 22 percent experienced two spells and 10.4 percent experienced three or more spells.

Most SNAP participants who experienced at least one zero-income spell spent relatively few months with no income. Of all individuals who experienced at least one zero-income SNAP spell, about 28 percent had a single spell lasting 1–2 months, and 23 percent had a single spell lasting 3–4 months. Approximately 12 percent of zero-income SNAP participants had a single spell lasting 5–12 months.

Zero-income SNAP spells tend to occur within a longer SNAP spell during which the household had income. Most zero-income

households were already in SNAP for a median of 6 months before entering the zero-income condition. Zero-income participants who gained income and remained in SNAP had a median SNAP spell length of 8 months.

Earnings was the most common source of income lost and gained. Among individuals with positive income before and after zero-income SNAP spells, 61.3 percent lost earnings when they entered the zero-income SNAP condition, and 65.2 percent gained earnings when leaving the condition.

High unemployment rates and short certification intervals are associated with more zero-income SNAP cases. Zero-income SNAP participation was three times as high in States with unemployment rates higher than 7 percent than it was in States with unemployment rates lower than 4 percent. Additionally, households with longer certification intervals were less likely to be zero-income SNAP participants, possibly due to the short nature of zero-income spells and the possibility that spells may have ended before a household recertified.

For More Information

Peterson, Anne, Brittany McGill, Betsy Thorn, Alexandra Suchman, & David Ribar, (2014). *Examining the Growth of the Zero-Income SNAP Caseload: Characteristics, Circumstances, and Dynamics of Zero-Income SNAP Participants. Volume I: Cross-Sectional and Longitudinal Findings, 1993–2008.* Prepared by Insight Policy Research for the U.S. Department of Agriculture, Food and Nutrition Service: Alexandria, VA. Available online at <http://www.fns.usda.gov/research-and-analysis>.