

CHARACTERISTICS OF FOOD STAMP
WORK REGISTRANTS

Staff Working Paper
May 1987

The Congress of the United States
Congressional Budget Office

This study was prepared at the request of Congressman Leon E. Panetta, Chairman of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition of the Committee on Agriculture, United States House of Representatives. This analysis was prepared by Christine Ross of the Human Resources and Community Development Division, under the supervision of Nancy M. Gordon and Ralph Smith. Questions may be addressed to Christine Ross (226-2650).

CONTENTS

| | |
|---|----|
| Summary | 1 |
| Introduction | 3 |
| The Food Stamp Household and Work Registration Requirements | 5 |
| Characteristics of Food Stamp Households Containing Work Registrants | 8 |
| Residence | 8 |
| Family Composition | 8 |
| Income Sources | 11 |
| Characteristics of Work Registrants | 14 |
| Demographic Characteristics | 14 |
| Educational Attainment | 16 |
| Evidence From Employment and Training Programs and Unemployment Rates | 18 |
| Appendix: Defining the Food Stamp Household and Work Registrants in the SIPP | 20 |
| Defining the Food Stamp Household | 20 |
| A Comparison of SIPP With the Food Stamp Quality Control Data | 21 |
| Identifying Work Registrants in Food Stamp Households | 25 |

SUMMARY

The Food Security Act of 1985 requires each state to design and implement an employment and training program for able-bodied food stamp recipients by April 1, 1987. Options available to states include unassisted job search, job finding clubs, education, job training, workfare, or some combination of these activities. To assess the usefulness of any of these options in helping food stamp recipients find regular employment, it is important to know the characteristics of the population required to register for work programs, including age, sex, family composition, work history, education, and the length of time in the food stamp program.

This paper focuses on demographic characteristics, education, and sources of income of food stamp work registrants, using information about food stamp recipients from one month (August 1984) of the Survey of Income and Program Participation (SIPP). SIPP does not provide direct data about whether food stamp recipients are required to register for work programs; rather, it permits the information to be inferred from several characteristics that approximate the conditions for exemption under the current food stamp law. Under current law, food stamp recipients must register for work unless they fall into one of the exempt categories (disabled, elderly, caretaker, etc.)

Based on a simulation of current law that designated which food stamp recipients were work registrants:

- o About 14 percent of food stamp recipients would have been required to register for employment and training programs. The rest would have been exempt for various reasons.
- o One-third of food stamp households would have had at least one work registrant. Of these households, one-quarter would have contained more than one work registrant.
- o Nearly 80 percent of households simulated to have work registrants were families rather than single individuals; of these, most were either married-couple or female-headed families.
- o Simulated work registrant households were more likely than other food stamp households to contain nonelderly individuals or

married couples who were ineligible for most income transfer programs. These households were, therefore, more likely to receive General Assistance (which includes state and local means-tested cash transfer programs), but less likely to receive Aid to Families with Dependent Children, Supplemental Security Income, or Social Security.

- o Slightly more simulated work registrants were men (54 percent) than were women.
- o Slightly more than half of all persons simulated to be work registrants were white (52 percent). Most of the rest were black (45 percent).
- o Nearly one-third of all simulated registrants were ages 18 to 24, the ages at which most people begin their labor market careers. While this group was more likely than the older ones to have at least nine years of education, the percentage of the younger group completing high school was not significantly higher than that for older age groups.
- o Approximately 42 percent of all simulated work registrants had finished high school, and one in four of these individuals had at least one year of postsecondary education.

INTRODUCTION

The Food Security Act of 1985 requires each state to design and implement an employment and training program "for the purpose of assisting members of households participating in the food stamp program in gaining skills, training or experience that will increase their ability to obtain regular employment."¹ The programs were to be implemented by April 1, 1987. Unless food stamp recipients are exempted for various reasons, they are required to register for the work programs.

The potential scope for state employment and training activities is substantial. Some programs, such as unassisted job search, would involve relatively little supervision, effort, or cost. Others, such as assisted job search, work experience, education, or job training programs, could involve more substantial effort and supervision, as well as higher costs.

This analysis describes characteristics of the work registrant population that could be relevant in the design of employment and training activities. Data are drawn from a recent month (August 1984) of the Survey of Income and Program Participation (SIPP). The SIPP contains information about demographic characteristics, sources of income, participation in various government transfer programs, and labor market activity. Participation in the food stamp program is determined by recipients' reports about receiving food stamp benefits, rather than from administrative records. The SIPP does not provide direct data about whether recipients are required to register for work. But it does provide information to estimate whether participants should be exempt were the Food Security Act of 1985 to be perfectly enforced. Several variables that approximate the conditions for exemptions under the food stamp law were used to separate the exempt population from the work registrants, a procedure similar to that used by the caseworker. This procedure for identifying work registrants in the data, called a simulation, can lead to some discrepancies in assigning individuals to exempt categories based on the SIPP data. For example, the disability exemption is not clearly defined in the law, and so people qualifying for this exemption are even more difficult to identify using the SIPP. Similarly, status is identified by the case worker at the time of certification and is not likely to change during the certification period (which might last more than a month). The SIPP reports student status each month, and consequently,

1. 99 Stat. 1574.

for August, there are fewer student exemptions in the SIPP than in the administrative data. Finally, the SIPP sample may have different characteristics than the administrative sample, and this may lead to discrepancies in the number or characteristics of work registrants. Therefore, the sample of work registrants described here might not perfectly represent the actual work registrant population. The appendix discusses the details of constructing food stamp units and determining work registrant status from information available in SIPP. 2/

Some of the characteristics of work registrants described in this analysis may affect the efficacy of employment and training programs. For example, individuals who have less than a high school education may have difficulty finding work even though they are participating in a job search assistance program. Alternatively, it may be difficult to structure programs to serve some individuals, such as those living in rural areas. (Many other characteristics of interest, including prior work history and occupation, reason for being unemployed, past wage rates, and length of time on the Food Stamp program, are available in a longitudinal version of the SIPP that will be used for a subsequent analysis of work registrants.)

-
2. The other major source of data about food stamp recipients, the Food Stamp Quality Control Survey (QC) maintained by the U.S. Department of Agriculture's Food and Nutrition Service, is taken from administrative records. The QC Survey is probably superior to the SIPP in two ways. Since it is taken from administrative records, it is more likely to produce an accurate count of food stamp households and individuals than is the SIPP, which relies on self-reporting of food stamp receipt. Individuals may not remember receiving benefits a few months before the interview, or they may choose to report that they did not receive food stamps when they did. Second, the administrative records clearly indicate the work registrant status or reason for work exemption of each food stamp recipient. The SIPP data do not directly indicate work registrant status, but instead contain information on a number of characteristics (including age of recipient, age of youngest child, health status, and others) that may be used to estimate it. (See appendix for details.)

Despite these shortcomings, the SIPP has a significant advantage over the QC in its rich information on individuals. Very little has been learned about turnover on the Food Stamp program from the QC; the SIPP, by contrast, contains information about job history, education, and changes in family composition that may indicate what events lead individuals to move on or off the program, and how long they tend to stay on the program. These possibilities will be explored in detail in a forthcoming analysis of the Food Stamp program's work registrants.

THE FOOD STAMP HOUSEHOLD AND WORK REGISTRATION REQUIREMENTS

Low-income individuals who live alone and those who live, purchase food, and prepare meals together constitute food stamp households.^{3/} The food stamp household must apply for food stamps together, and the income and assets of each member are counted to determine eligibility. Since eligibility for food stamps depends on the amount of income received by all members of the household and benefits per person decrease with household size, there is an incentive for individuals to report that they purchase and prepare meals separately when they actually share resources. Therefore, the law requires that--except for elderly and disabled individuals--parents, children, and siblings who live together be designated a food stamp household.^{4/} Otherwise, individuals who live together may apply separately if they purchase and prepare meals separately.

The current food stamp law requires that all able-bodied recipients ages 18 through 59 and family heads ages 16 and 17 register for employment. Exemptions are available for:

- o The disabled;^{5/}
- o Those currently subject to, and complying with, work registration through the Aid to Families with Dependent Children (AFDC) program (either a Work Incentive (WIN) program, a WIN demonstration program, or a Community Work Experience program) or through the federal-state unemployment insurance system;
- o A parent or other person responsible for caring for either a child under the age of six or a disabled person;

-
3. The group of people receiving food stamps may be smaller than the group that is living together in a particular household. For this reason, the term "food stamp household" is used to refer to individuals who are considered a household under the Food Stamp program. These individuals may be a subset of the group that is sharing a residence.
 4. In the Food Stamp program, "elderly" is defined as age 60 or older. A disabled person is one who receives disability payments under either the Social Security or Supplemental Security Income (SSI) programs.
 5. While disability for most provisions of the Food Stamp program is defined as receipt of Social Security Disability or SSI benefits, the regulations are more flexible in designating those eligible for a disability exemption from work registration.

- o Students enrolled at least half-time in a recognized school, training program, or institution of higher education; 6/
- o Residents of drug addiction or alcoholic treatment programs; and
- o Those employed 30 or more hours per week or receiving monthly earnings of at least \$432 (30 times the federal minimum hourly wage).

The August 1984 SIPP indicates that about 18 million persons in 6.4 million food stamp households participated in the Food Stamp program in that month (see Table 1). 7/ Based on simulations of the work registration requirements, approximately 2.6 million people (14 percent of all recipients) in 2 million households would have been work registrants if current law had been in effect then. 8/ Among those recipients who satisfied the age requirements for work registration, the most common exemptions would have been for caretakers and for persons registered under the AFDC Work Incentive (WIN) program. A large number would have been exempt because of disability or because they worked full-time. Very few people would have been exempt because of student status or receipt of unemployment insurance. 9/ Among work registrant households, one-fourth (500,000) would have had two or more work registrants; the rest would have had just one.

-
6. Most postsecondary students enrolled at least half-time are categorically ineligible for food stamps. Students who may be eligible include the disabled, parents caring for a child under the age of six, AFDC recipients, persons working 20 hours or more per week or enrolled in a federally-financed work-study program, and those under age 18 or over age 60.
 7. The QC data report 20 million people in 7.3 million households in the 50 states participating in the program in August 1984. The SIPP numbers are lower than those from the QC for several reasons. For example, some actual recipients may report on the SIPP that they did not receive food stamps, the sample may not be perfectly representative of the food stamp population, or a proxy respondent may have given an incorrect answer.
 8. The QC data report 1.4 million work registrants in August 1984 under prior law which, in addition to the exemptions listed above, also exempted caretakers of children between 6 and 12 years, caretakers of children under 18 if another household member is registered for work or employed full-time, and household heads ages 16 and 17.
 9. Residence in drug addiction or alcoholic treatment programs could not be determined from the SIPP data, but the number with this exemption reported in the Food Stamp Quality Control data is very small.

TABLE 1. FOOD STAMP RECIPIENTS: WORK REGISTRANTS AND EXEMPTIONS (Numbers in Thousands)

| | People | Households |
|---|-----------|------------|
| Recipients | 18,268 | 6,376 |
| Exempt From Work Registration <u>a/</u> | 15,639 | <u>b/</u> |
| Child | 8,742 | <u>b/</u> |
| Elderly <u>c/</u> | 1,784 | <u>b/</u> |
| Disabled | 795 | <u>b/</u> |
| Student | 4 | <u>b/</u> |
| Caretaker <u>d/</u> | 1,989 | <u>b/</u> |
| Registered for an AFDC Work Program <u>e/</u> | 1,377 | <u>b/</u> |
| Recipient of Unemployment Insurance | 128 | <u>b/</u> |
| Employed full-time <u>f/</u> | 818 | <u>b/</u> |
| Resident-alcohol or drug program | <u>g/</u> | <u>b/</u> |
| Work Registrants | 2,629 | 1,978 |

SOURCE: Congressional Budget Office simulations from the Survey of Income and Program Participation (SIPP), August 1984.

NOTE: Details may not add to totals due to rounding.

- a. Individuals are assigned hierarchically to the categories listed. Therefore, those included under earlier categories are not counted in any subsequent categories that may also apply to them.
- b. Not applicable.
- c. Elderly is defined in the food stamp program as age 60 or older.
- d. Those caring for children under 6.
- e. Most able-bodied recipients of AFDC with a youngest child over the age of 6 are required to register for a work program. Since information about work registration is unavailable in the data, all AFDC recipients who are not eligible for a caretaker exemption are included in this category. This overestimates the actual number of exemptions, since not all AFDC recipients are registered for a work program under the AFDC program.
- f. Employed at least 30 hours per week or receiving weekly earnings of at least 30 times the federal minimum hourly wage.
- g. This information is not available from the SIPP.

CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS CONTAINING WORK REGISTRANTS

Based on the simulated population of work registrants taken from the SIPP, a large proportion of the food stamp households containing work registrants was from the North Central region, while a smaller proportion was from the South and West. ^{10/} More than half lived in metropolitan areas. Among the work registrant households, 1.6 million were family households and 400,000 were unrelated individuals. Half of the family households were married-couple families, and 44 percent were female-headed families. Just over half of the families with work registrants had children under 18. Households with work registrants received an average of \$120 from food stamps during August 1984; many received other cash or in-kind government transfers, and about 40 percent had some earnings.

Residence

Thirty-seven percent of all households simulated to contain a work registrant lived in nonmetropolitan areas (see Table 2). Households with two or more work registrants were more likely to live in nonmetropolitan areas than were households with one work registrant. ^{11/}

Work registrant households were distributed by region in a similar manner as were all food stamp households. For example, the North Central region had 40 percent of all food stamp households and 40 percent of all households with work registrants. The Northeast and South had slightly higher proportions of work registrant households relative to their shares of all food stamp households, while the West had a somewhat smaller share.

Family Composition

Of the approximately 2 million households with a food stamp work registrant according to the simulation, 1.6 million were family households; the remaining 400,000 were single-person food stamp households (see Table 3). The family households were basically of two types: married-couple families (about 800,000) and female-headed families (about 700,000). Relatively few family households (84,000) were headed by single men.

-
10. In the general population, all families and unrelated individuals are distributed as follows: 21 percent in the Northeast, 25 percent in the North Central, 34 percent in the South, and 20 percent in the West.
 11. The metropolitan and nonmetropolitan classification is not strictly accurate. See Table 2, note a, for details.

TABLE 2. RESIDENCE OF FOOD STAMP HOUSEHOLDS (In percent)

| | Households With Work Registrants | | | All Food Stamp Households |
|---|-------------------------------------|------------------------------------|-----|---------------------------------|
| | One Work Registrant | Two or More Work Registrants | All | |
| Metropolitan Status a/ | | | | |
| Metropolitan | 66 | 56 | 63 | 69 |
| Nonmetropolitan | 34 | 44 | 37 | 31 |
| Region b/ | | | | |
| Northeast | 24 | 18 | 22 | 21 |
| North Central | 37 | 48 | 40 | 40 |
| South | 29 | 27 | 28 | 26 |
| West | 10 | 7 | 9 | 14 |
| Number of Households (in millions) | | | | |
| | 1.5 | .5 | 2.0 | 6.4 |

SOURCE: Congressional Budget Office simulations from the Survey of Income and Program Participation (SIPP), August 1984.

NOTE: Details may not add to totals due to rounding.

a. In the SIPP data, metropolitan is defined according to the definition of Metropolitan Statistical Areas as of June, 1983. To preserve confidentiality, in 21 states in which the nonmetropolitan sample was small, a fraction of the metropolitan cases were recoded to nonmetropolitan. Therefore, in these states, the metropolitan group is a subset of the actual metropolitan population, while the nonmetropolitan cases are somewhat overstated. In all, about 95 percent of the actual metropolitan cases are coded accurately, while the nonmetropolitan group has the remaining 5 percent of the metro cases added to it. If the cases that were recorded contained the same proportion of food stamp households as did the original metropolitan sample, approximately 73 percent of food stamp households would be metropolitan and 27 percent nonmetropolitan.

b. The Northeast, with 21 percent of all families and unrelated individuals, includes Maine, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania. The North Central has about 25 percent of all families and unrelated individuals, and includes Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, Nebraska, and Kansas. The South, which has 34 percent of all families and unrelated individuals, includes Delaware, Maryland, the District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma and Texas. The West has approximately 20 percent of all families and unrelated individuals, and includes Idaho, South Dakota, Wyoming, Colorado, New Mexico, Arizona, Washington, Oregon, California and Hawaii. In this panel of the SIPP, there are no sample persons from New Hampshire, Vermont, North Dakota, Montana, Utah, and Nevada.

TABLE 3. FAMILY COMPOSITION OF FOOD STAMP HOUSEHOLDS

| | Households With Work Registrants | | | All Food Stamp Households |
|---|-------------------------------------|------------------------------------|-----------|---------------------------------|
| | One Work Registrant | Two or More Work Registrants | All | |
| Single-Person Household | 406,000 | n.a. | 406,000 | 1,447,000 |
| Men | 191,000 | n.a. | 191,000 | 382,000 |
| Women | 215,000 | n.a. | 215,000 | 1,066,000 |
| Families | 1,071,000 | 500,000 | 1,572,000 | 4,929,000 |
| Percent with children | 59 | 56 | 58 | 73 |
| Married-couple families | 522,000 | 271,000 | 794,000 | 1,792,000 |
| Percent with children | 63 | 67 | 64 | 66 |
| Female-headed families, no spouse present | 502,000 | 193,000 | 694,000 | 2,976,000 |
| Percent with children | 59 | 43 | 54 | 80 |
| Male-headed families, no spouse present | 47,000 | 36,000 | 84,000 | 161,000 |
| Percent with children | 23 | 45 | 33 | 32 |
| All Households | 1,478,000 | 500,000 | 1,978,000 | 6,376,000 |

SOURCE: Congressional Budget Office simulations from the Survey of Income and Program Participation (SIPP), August 1984.

NOTE: n.a. = not applicable. Details may not add to totals due to rounding.

Among single-person food stamp households, half of the men and just 20 percent of the women were work registrants. Old age and disability were the most common reasons for single individuals to be exempt from work registration.

The proportion of families simulated to contain food stamp work registrants varied substantially with their composition. Only one-quarter of female-headed families with children were in units with a work registrant. By contrast, more than 40 percent of married-couple families who received food stamps and one-half of male-headed families with no spouse present had work registrants present. Many adult female family heads may have been exempt from work registration, either because they had children under six or because they were registered for the AFDC-WIN program. Thus, while they tended not to be registered for work under the food stamp program, they may have been registered under another employment program. Moreover, families headed by women were a relatively large percentage of food stamp work registrant households because they were a relatively large share (60 percent) of all families receiving food stamps.

About one-third of the food stamp families with a work registrant had more than one member registered. Most of the families with two or more work registrants were married couples, which is to be expected because both husband and wife are potentially eligible for work registration. Female-headed families also made up a large share of families with two or more work registrants, primarily because these families were such a large share of food stamp households overall.

Income Sources

Households estimated to contain work registrants under current law received an average of \$120 in food stamps during August 1984, which is slightly more than the average for all food stamp households (see Table 4). One-third received benefits from other nutrition programs, including the School Breakfast Program, the National School Lunch Program, and the Special Supplemental Food Program for Women, Infants and Children (WIC). Half were covered by Medicaid and 12 percent by Medicare. About 13 percent received housing subsidies. Approximately 10 percent received an average of \$190 from the Low Income Home Energy Assistance Program.

Work registrant households were less likely to receive income from AFDC, Social Security, or SSI than food stamp households in general, because these households are more likely to contain nonelderly single individuals or married couples who would be ineligible for income under

TABLE 4. INCOME SOURCES FOR FOOD STAMP HOUSEHOLDS,
AUGUST 1984

| Average Income for Recipients | Households with Work Registrants | | | All Food Stamp Households |
|--|----------------------------------|------------------------------------|-----|---------------------------------|
| | One Work Registrant | Two or More Work Registrants | All | |
| Percent Receiving Income from Source | | | | |
| In-Kind Government Transfers | | | | |
| Food stamps | 100 | 100 | 100 | 100 |
| Other nutrition subsidies <u>a/</u> | 32 | 49 | 36 | 39 |
| Medicare | 11 | 13 | 12 | 22 |
| Medicaid | 48 | 52 | 49 | 70 |
| Subsidized housing | 14 | 12 | 13 | 23 |
| Energy assistance <u>b/</u> | 12 | 9 | 11 | 13 |
| Cash Government Transfers | | | | |
| AFDC | 11 | 14 | 11 | 36 |
| General assistance | 26 | 28 | 27 | 12 |
| SSI | 8 | 6 | 7 | 21 |
| Social Security | 17 | 20 | 18 | 24 |
| Unemployment Insurance | 2 | 1 | 1 | 2 |
| Private Sources | | | | |
| Earnings | 35 | 51 | 39 | 27 |
| Property <u>c/</u> | 9 | 6 | 8 | 9 |
| Average Amount Received for Those Receiving Income from Source (monthly income in dollars) <u>d/</u> | | | | |
| In-Kind Government Transfers | | | | |
| Food stamps | 110 | 160 | 120 | 110 |
| Other nutrition subsidies <u>a/</u> | na | na | na | na |
| Medicare | na | na | na | na |
| Medicaid | na | na | na | na |
| Subsidized housing | na | na | na | na |
| Energy Assistance | 160 | 300 | 190 | 160 |
| Cash Government Transfers | | | | |
| AFDC | 300 | 350 | 310 | 350 |
| General assistance | 300 | 220 | 200 | 210 |
| SSI | 230 | 280 | 240 | 220 |
| Social Security | 360 | 510 | 400 | 350 |
| Unemployment Insurance | 320 | 250 | 310 | 360 |
| Private Sources | | | | |
| Earnings | 660 | 650 | 660 | 680 |
| Property <u>c/</u> | 10 | 170 | 40 | 30 |
| Total | 500 | 680 | 550 | 520 |

SOURCE: Congressional Budget Office simulations from the Survey of Income and Program Participation (SIPP), August 1984.

NOTE: na = not available.

- a. Includes the National School Lunch Program, the School Breakfast Program, and the Special Supplemental Food Program for Women, Infants and Children (WIC).
- b. Low Income Home Energy Assistance Program.
- c. Includes income from savings accounts, interest-earning checking accounts, money market funds, U.S. government securities, municipal or corporate bonds, stocks, rental property, mortgages, royalties and other financial investments.
- d. Amounts rounded to the nearest \$10.

these programs.^{12/} While AFDC was the most commonly received cash transfer for all food stamp households, work registrant households were more likely to receive General Assistance (which includes state and local means-tested cash transfer programs). Eighteen percent of work registrant families received income from Social Security (compared with 24 percent of all Food Stamp households), with an average amount of \$400. While 21 percent of all food stamp households received income from SSI, only 7 percent of work registrant households did so, with an average amount of \$240. Just one percent of the households with a work registrant received Unemployment Insurance. In general, households with one work registrant were about as likely as households with more than one work registrant to receive income from public sources, but they tended to receive smaller monthly amounts, on average.

Households estimated to have a work registrant were more likely to contain earners than were food stamp households in general.^{13/} Almost 40 percent of all work registrant households had at least one earner, compared with 27 percent of all food stamp households. Among households with two or more work registrants, half had income from earnings. Because work registrant households contain able-bodied, nonelderly people, it is reasonable to find many with earners, although a countervailing factor is that many exemptions from work registration are given because individuals work full-time. On the other hand, many food stamp households contain both low-paid workers and other adults who are required to register for work.^{14/} Similarly,

-
12. Some food stamp work registrant households do receive income from AFDC and Unemployment Insurance because they contain more than one able-bodied adult. For example, in the case of a married couple, the wife may receive Unemployment Insurance, which exempts her from food stamp work registration, but her husband would still be required to register. Similarly, a woman receiving AFDC may live with a relative--a parent under age 60 or a child over age 18--who would be required to register for work under the Food Stamp program.
 13. The percent with earnings and the average earned are both higher than what is reported on the Food Stamp QC data for that month. There are several possible reasons for this discrepancy. Errors in coding earnings could lead to a higher reported level of earnings (for example, coding \$4,000 rather than \$400). Erroneous responses could put earners in a food stamp household who don't belong (for example, unrelated individuals or family members who actually moved into the household at a later date), or could attribute earnings to the wrong month. Finally, editing or imputing responses to individuals or households might result in inconsistencies in earnings or Food Stamp program participation for particular food stamp households. The appendix discusses these issues in more detail.
 14. Threshold earnings for a full-time work exemption are \$432 per month; if an individual earning slightly more than this has a family, he or she is still likely to qualify for the Food Stamp program. (The threshold for eligibility for a family of three in 1984 was countable income of \$685 per month.)

many low-paid, part-time workers have some earnings but are still required to register. Finally, a family with more than one work registrant contains at least two able-bodied adults, thus increasing the probability that at least one of them has earnings.

CHARACTERISTICS OF WORK REGISTRANTS

This section examines the demographic characteristics and educational attainment of the group of food stamp recipients designated as work registrants by the simulation. Since a food stamp household often leaves the program if just one work registrant finds a full-time job, this analysis also contrasts those who are the only household member designated registered with those in households with more than one work registrant. For households with multiple work registrants, the analysis compares three types: those who are heads of households, those who are spouses or other adult household members, and those who are children of household heads (but age 18 or older).

Demographic Characteristics

Those designated to be work registrants were about evenly split by gender, with 54 percent of them men (see Table 5). Approximately the same proportion of those who were the only household member registered were men. In households with two or more work registrants, slightly more of the heads of households and other adults were women. Children who were work registrants because they were 18 or older, on the other hand, were disproportionately male.

Slightly more than half of all work registrants were white, while 45 percent were black. Households with one work registrant were more likely to be white (57 percent). By contrast, households with two or more work registrants were somewhat more likely to be black (52 percent). Among households with more than one work registrant, those who were either head of household or spouse or other adult were more likely to be white, while those who were children of the family head were more likely to be black.

Based on the simulation, about 30 percent of all work registrants were between 18 and 24, the ages at which most people begin their labor market careers. These individuals were, therefore, likely to have had little prior job experience, although, as the next section shows, they tended to have more years of schooling than did older work registrants. About 42 percent of all work registrants were between 25 and 44. The remaining 27 percent were between 45 and 59.

TABLE 5. CHARACTERISTICS OF WORK REGISTRANTS (In percent)

| Characteristic | Sole Work Registrant in Household | Two or More Work Registrants | | | All Work Registrants | |
|--|-----------------------------------|------------------------------|-------------------|---------------------------------|----------------------|-------------------------|
| | | All | Head of Household | Spouse or Other Adult <u>a/</u> | | Child of Head <u>b/</u> |
| Gender | | | | | | |
| Men | 53 | 56 | 45 | 48 | 54 | |
| Women | 47 | 44 | 55 | 52 | 46 | |
| Race | | | | | | |
| White | 57 | 46 | 56 | 61 | 52 | |
| Black | 39 | 52 | 41 | 37 | 45 | |
| Other | 3 | 2 | 3 | 2 | 3 | |
| Age | | | | | | |
| 16-17 | <u>c/</u> | <u>c/</u> | <u>c/</u> | <u>c/</u> | <u>c/</u> | |
| 18-24 | 22 | 43 | 3 | 22 | 31 | |
| 25-44 | 49 | 34 | 55 | 42 | 42 | |
| 45-59 | 29 | 23 | 42 | 36 | 27 | |
| Years of Education | | | | | | |
| 0-8 | 23 | 22 | 28 | 37 | 23 | |
| 9-11 | 31 | 40 | 31 | 32 | 35 | |
| 12 | 33 | 29 | 38 | 21 | 31 | |
| 13 or More | 12 | 9 | 3 | 11 | 11 | |
| Number of Work Registrants (in millions) | 1.5 | 1.1 | 0.4 | 0.3 | 0.5 | 2.6 |

SOURCE: Congressional Budget Office simulations from the Survey of Income and Program Participation (SIPP), August 1984.

NOTE: Details may not add to totals due to rounding.

- a The category includes spouses or other adults who are not children of household heads.
- b Child of household head refers to the relationship to the household head, rather than to age.
- c Food Stamp household heads ages 16 and 17 must register for work unless exempt. Only four cases of 16- and 17-year-old household heads were included in the SIPP sample, and all of them were exempt.

Work registrants who were household heads in families with more than one registrant tended to be older--42 percent were ages 45 to 59, while only 3 percent were 18 to 24. Work registrants who were children of the household head in multiple work registrant families tended to be in the younger age group--87 percent were ages 18 to 24. People who were the only work registrant in the household were likely to be over 25, with 49 percent being age 25 to 44, and 29 percent being age 45 to 59.

Educational Attainment

The majority of those designated as work registrants by the simulation had not finished high school--35 percent had some high school education, but did not complete it, while 23 percent had attended school for eight or fewer years. (see Table 5). Approximately 42 percent of all work registrants had finished high school, and one in four of this group had at least one year of postsecondary education. Education is clearly related to earnings and employment in the general population; therefore, job assistance programs might be needed to help the large proportion of work registrants with less than a high school education to find jobs with earnings sufficiently high to remove them from the program. 15/

Men tended to have somewhat more education than women (see Table 6). For example, 44 percent of the men, compared with 38 percent of the women, had completed 12 or more years of schooling. Fourteen percent of the men, but just 6 percent of the women, had some postsecondary education. At the other extreme, 26 percent of the women and 21 percent of the men had attended school for eight years or less.

A similar percentage of white and nonwhite work registrants had completed high school (43 percent and 41 percent, respectively), but a much larger percentage of nonwhites had education beyond high school--14 percent compared with 8 percent.

The sole work registrant in the household had similar educational attainment to the average for all work registrants described above--based on the simulation, 45 percent had a high school diploma or more, 31 percent had some high school education, and 23 percent had 8 years of schooling or

15. If a family of four had no other income except earnings and took only the standard and earned income deductions, annual earnings would have to be \$13,260 (the gross income standard) to remove them from the program in 1984. Working full time and full year, the individual would have to earn \$257 per week or \$6.42 per hour. If the family had income from other sources, earnings could be lower. If the family took other deductions, however, earned income would have to be somewhat higher to remove them from the program.

less. In households with multiple work registrants, 41 percent of those who were household heads had completed high school. By contrast, 32 percent of the work registrants who were spouses or other adults had completed high school. Children of household heads had relatively more education than the other work registrants--91 percent had at least some high school education--but they did not have a higher rate of high school completion, as just 38 percent had graduated.

Age is clearly related to educational attainment, with older registrants tending to have less. For example, nearly 40 percent of work registrants age 45 to 59 had eight or fewer years of education, compared with 11 percent of those aged 18 to 24. At the other extreme, 45 percent of the youngest group and 49 percent of the age 25 to 44 group had 12 or more years of education. Just 28 percent of the older group (age 45 to 59) had completed high school.

TABLE 6. EDUCATIONAL ATTAINMENT OF WORK REGISTRANTS
BY DEMOGRAPHIC GROUP (In percent)

| Years of Education | Gender | | Race | | Age | | |
|--|--------|-------|-------|----------|-------|-------|-------|
| | Men | Women | White | Nonwhite | 18-24 | 25-44 | 45-59 |
| 0 - 8 | 21 | 26 | 30 | 16 | 11 | 23 | 38 |
| 9 - 11 | 35 | 35 | 27 | 44 | 45 | 29 | 35 |
| 12 | 30 | 32 | 35 | 27 | 34 | 36 | 21 |
| 13 or more | 14 | 6 | 8 | 14 | 11 | 13 | 7 |
| Number of Registrants (millions) | 1.4 | 1.2 | 1.4 | 1.2 | .8 | 1.1 | .7 |

SOURCE: Congressional Budget Office simulations from the Survey of Income and Program Participation (SIPP), August 1984.

NOTE: Percents may not add to 100 due to rounding.

EVIDENCE FROM EMPLOYMENT AND TRAINING PROGRAMS AND UNEMPLOYMENT RATES

The characteristics described above may be important in determining how easily food stamp work registrants find regular employment. Evaluations of employment and training programs offer some evidence that such programs are often more effective in increasing the earnings of women than of men; this effect appears to be related mainly to the extent of prior work experience. For other characteristics, such as age, race, education, and geographic location, there is no reliable evidence from the employment and training programs, but there are indications that some groups have more success in the labor market than others, shown by relative rates of unemployment.

Evaluations of job search, training, and work experience programs for recipients of AFDC and the AFDC Unemployed Parent (UP) program suggest that these programs yield higher employment and earnings for women, but generally have no statistically significant effects on employment or earnings for men.^{16/} These evaluations generally attribute this result to a lack of prior work experience for women, and a greater attachment to the labor force for men. If men on the Food Stamp program have more limited work experience than those in the AFDC-UP program, then there may be positive effects on employment and earnings for both men and women work registrants.^{17/} An analysis of the Food Stamp Work Registration and Job Search Demonstration found that both male and female work registrants in the experimental group who participated in various job search programs had higher earnings than those in the comparison group.^{18/}

Younger work registrants may have a more difficult time finding employment on their own, since, in the general population, this group is characterized by a higher unemployment rate (11 percent for those ages 18

-
16. These findings are documented in Patricia Auspos, "Bibliography and Review of Research Findings Relevant to Employment and Training Programs for Food Stamp Recipients," in *Food Stamp Employment and Training Resource Guide* (Washington, D.C.: Center on Budget and Policy Priorities, September 1986).
 17. There is currently no evidence of a difference in the relative work experience of men in the food stamp and the AFDC-UP programs. The forthcoming analysis of the food stamp program's work registrants will address this issue.
 18. Brandeis University, the Center for Human Resources and Abt Associates, Inc., *Food Stamp Work Registration and Job Search Demonstration: Final Report*. (Prepared for U.S. Department of Agriculture, Food and Nutrition Service, Office of Analysis and Evaluation, July 1986).

to 24 in March 1985, which was double the rate for those age 25 and older).^{19/} Because younger people generally face higher unemployment rates than older people, and because within an age group unemployment rates decline as years of education increase, the absence of a high school diploma may leave a younger person particularly disadvantaged in the labor market. Young people (ages 18 to 24) with some high school (9 to 11 years of schooling) had an unemployment rate of 14 percent in March 1985, while only 9 percent of young people with 12 years of education were unemployed. By contrast, the next older group (ages 25 to 44) with less education (9 to 11 years) also had an unemployment rate of 9 percent.^{20/} Thus, additional years of schooling can improve the employment prospects for individuals relative to their age group, whereas those with fewer years of schooling may find their employment prospects improving as they age.

The ill effects on employment prospects of being young and lacking a high school diploma can be further compounded by the fact that unemployment rates are generally higher for blacks than for whites. For example, the unemployment rate for 18- to 24-year-old whites with 9 to 11 years of education was 12 percent; for their counterparts with 12 years of education, the unemployment rate was 8 percent. By contrast, the unemployment rate for young blacks with 9 to 11 years of schooling was 25 percent, while the unemployment rate for those with 12 years of schooling was 18 percent.

Finally, since employment and training programs are easier to administer where work registrants are geographically concentrated, it is significant that 37 percent of all households simulated to contain a work registrant lived in nonmetropolitan areas.

19. Figures are based on CBO computations from the March 1985 Current Population Survey, which reports incomes for calendar year 1984, in order to be as consistent as possible with the August 1984 SIPP.

20. Figures are based on CBO computations from the March 1985 Current Population Survey, which reports incomes for calendar year 1984, in order to be as consistent as possible with the August 1984 SIPP.

APPENDIX: DEFINING THE FOOD STAMP HOUSEHOLD AND WORK REGISTRANTS IN THE SIPP

This appendix describes how food stamp households were constructed using the Survey of Income and Program Participation (SIPP), compares the resulting estimates with information from the Food Stamp Quality Control Survey (QC), and details how each individual's work registration status was simulated. The SIPP sample for the 1984 panel contains about 21,000 sample households interviewed at four-month intervals over a period of two and one-half years. Of these sample households, 1,320 (for a weighted count of 6,200,000) received food stamps in August 1984.

DEFINING THE FOOD STAMP HOUSEHOLD

Identifying food stamp units is relatively straightforward in the SIPP.^{21/} For cases in which everyone in the household constitutes a single food stamp unit, the primary recipient indicates the total amount of food stamps received per month, as well as the fact that everyone in that household is covered. If some subset of the household constitutes a single food stamp unit, the primary recipient indicates who in the household is covered and the monthly amount of food stamps received. Finally, in the case of multiple food stamp units in the household, the primary recipients each indicate who in the household is covered by his or her allotment, and the monthly amount of food stamps received. There were 1,361 food stamp units (for a weighted count of 6,376,000).

The data do not always identify food stamp recipient units in a consistent way, however, because of errors of either coding or response. In 26 out of 1,320 sample households, more than one individual reported being the primary recipient; at the same time, one or both of them reported that everyone in the household (including the other primary recipient) was covered under his or her allotment. These inconsistent cases conformed to three basic types described below. For each type, three questions were

21. Since this section discusses how the food stamp recipient unit was identified within households on the SIPP, the term "unit" is used to refer to food stamp households, while the term "household" is reserved for the group of people living together. In the balance of the paper, the distinction is relatively unimportant, so the group of recipients is referred to as a food stamp household.

addressed: How many food stamp units are in each household? Which household members are included in each unit? How much food stamp income should be assigned to each unit?

In the majority of cases (15), a household head and spouse both reported being primary recipients. The data were adjusted to include both spouses in the same unit. When the same food stamp amount was reported, the unit was assigned that amount (rather than the sum). When different amounts were reported, the higher amount was assigned.

In four more cases, one primary recipient was an unrelated individual who reported that he or she alone was covered, while another primary recipient reported that everyone in the household was covered under his or her allotment. In these cases, the unrelated individuals were made into single-person food stamp units, receiving their reported allotments. In a similar case, an elderly relative reported receiving his own allotment, while another recipient reported that everyone in the household was covered under his allotment. Since elderly household members can receive their own food stamp allotments, this one case was treated in the same way as were unrelated individuals.

Six three-generation families (all nonelderly) reported receiving two separate allotments per family, which is difficult to explain since the food stamp law requires that parents, children, and siblings apply together as a single unit. Explanations may include one group moving in with the other after the month in which they received separate allotments, or errors in response or imputation. In these cases, the household was split into two units, with a nuclear family receiving the smaller reported amount and an extended family (all other members) receiving the higher reported amount.

A COMPARISON OF SIPP WITH THE FOOD STAMP QUALITY CONTROL DATA

The number of food stamp units found in the August 1984 SIPP (using Census Bureau weights) is lower than the number found in the August 1984 QC--6.4 million compared with 7.3 million. Thus, the SIPP counts approximately 88 percent of the number of recipient units found in administrative records. Similarly, the aggregate amount of food stamp income reported in SIPP in the third quarter of 1984 is about 85 percent of the total found in administrative records. Since income from government transfers is generally not reported or is underreported in income surveys such as the SIPP, this result is not surprising.

The SIPP sample of food stamp households thus represents a subset of the households found in the Food Stamp QC data. Nevertheless, this sample seems to represent the Food Stamp population fairly well, as shown in Table A-1. The table compares several characteristics of the SIPP and QC samples from August 1984. The proportions of food stamp recipients by sex and age are very close. Nearly 60 percent of both samples are female; about 50 percent are less than 18, and the same proportion of the children are boys as are girls. Among adults (age 18 and over), there are twice as many women as men.

Greater discrepancy exists between the two samples in reported sources of income, although the differences are greater with private income than with transfer income. In the SIPP sample, about 36 percent of food stamp households reported receiving AFDC compared with 42 percent in the QC. Twelve percent of each sample received General Assistance. Approximately 20 percent of each sample received Social Security, and about 20 percent received SSI, although in both cases, the percent reporting income in the SIPP sample was higher than that in the QC. In contrast, the SIPP shows nine percent of food stamp households receiving income from property, while the QC reports only one percent with income from this source. Similarly, 27 percent in the SIPP sample reported earnings, while 19 percent of those on the QC did so.

Earnings levels among those households with some earnings are different as well, as shown by a comparison of the distribution of monthly earnings for households with earnings in the two data sets (see Table A-2). The QC data show a larger proportion of households with low monthly earnings (\$1 to \$300) and fewer with high earnings (\$1,000 and above) than are found in the SIPP. Between those extremes, however, the two samples are relatively similar.

While the discrepancies in the number of households with earnings and their average amounts are relatively large, these findings are consistent with earlier work with the SIPP data.^{22/} Several possible errors of response, imputation, or coding may account for these differences.

22. The 27 percent of households with earnings found in the August 1984 SIPP is similar to the 28 percent found by Carlson and Dalrymple (1986) in the September 1983 SIPP. See Steven Carlson and Robert Dalrymple, "Food Stamp Participation: A Comparison of SIPP with Administrative Records." Paper presented at the Bureau of the Census' Second Annual Research Conference, March 1986.

TABLE A-1. CHARACTERISTICS OF FOOD STAMP RECIPIENTS IN AUGUST 1984, BY DATA SOURCE

| | SIPP | | QC | |
|-------------------------------|--------------------------|---------|--------------------------|---------|
| | Number (in thousands) | Percent | Number (in thousands) | Percent |
| Personal Characteristics | | | | |
| Female, All Ages | 10,691 | 59 | 11,651 ^{a/} | 58 |
| 0-17 years | 4,373 | 24 | 4,959 | 25 |
| 18-35 years | 3,247 | 18 | 3,633 | 18 |
| 36-59 years | 1,813 | 10 | 1,854 | 9 |
| 60 or more years | 1,258 | 7 | 1,193 | 6 |
| Male, All Ages | 7,577 | 41 | 8,292 ^{a/} | 42 |
| 0-17 years | 4,387 | 24 | 5,103 | 25 |
| 18-35 | 1,720 | 9 | 1,651 | 8 |
| 36-59 | 944 | 5 | 1,034 | 5 |
| 60 or more years | 526 | 3 | 493 | 2 |
| All | 18,268 | 100 | 19,943 ^{a/} | 100 |
| Household Income by Source | | | | |
| Earnings | 1,739 | 27 | 1,411 | 19 |
| Property ^{b/} | 540 | 9 | 37 | 1 |
| AFDC | 2,311 | 36 | 3,050 | 42 |
| General Assistance | 732 | 12 | 838 | 12 |
| SSI | 1,346 | 21 | 1,343 | 18 |
| Social Security ^{c/} | 1,540 | 24 | 1,465 | 20 |
| Unemployment Insurance | 118 | 2 | 172 | 2 |

SOURCE: Congressional Budget Office computations from the Survey of Income and Program Participation (SIPP), August 1984, and U.S. Department of Agriculture Food and Nutrition Service, *Characteristics of Food Stamp Households August 1984*, Table 32, p. 76, Table 7, p. 51, and Table 8, p. 52.

NOTE: Details may not add to totals because of rounding.

- a. This number includes individuals of unknown age.
- b. Includes income from savings accounts, interest-earning checking accounts, money market funds, U.S. government securities, municipal or corporate bonds, stocks, rental property, mortgages, royalties, and other financial investments.
- c. The number receiving income from this source in the QC Survey also includes those with income from the Railroad Retirement program.

First, response errors can be of several types. A household may include an unrelated individual who prepares meals separately from the household and earns income. The household head may have mistakenly reported that "everyone in the household is covered" by the Food Stamp program when he or she meant to refer only to the immediate family. Or, a

TABLE A-2. DISTRIBUTION OF EARNINGS OF FOOD STAMP HOUSEHOLDS IN AUGUST 1984, BY DATA SOURCE ^{a/}

| Earnings (in dollars) | SIPP | | QC | |
|--------------------------|--------------------------|---|--------------------------|---|
| | Number (in thousands) | Percent of Households With Earnings | Number (in thousands) | Percent of Households With Earnings |
| 1 - 99 | 77 | 4.4 | 159 | 11.3 |
| 100 - 199 | 152 | 8.7 | 186 | 13.2 |
| 200 - 299 | 185 | 10.6 | 189 | 13.4 |
| 300 - 399 | 191 | 11.0 | 125 | 8.9 |
| 400 - 499 | 158 | 9.1 | 140 | 9.9 |
| 500 - 599 | 148 | 8.5 | 141 | 10.0 |
| 600 - 699 | 157 | 9.0 | 136 | 9.6 |
| 700 - 799 | 134 | 7.7 | 104 | 7.4 |
| 800 - 899 | 123 | 7.1 | 93 | 6.6 |
| 900 - 999 | 72 | 4.1 | 51 | 3.6 |
| 1000+ | 341 | 19.7 | 87 | 6.2 |
| All Earners | 1,739 | 100.0 | 1,411 | 100.0 |

SOURCE: Congressional Budget Office simulations from the Survey of Income and Program Participation (SIPP), August 1984, and U.S. Department of Agriculture, Food and Nutrition Service, *Characteristics of Food Stamp Households August 1984*, Table 7, p. 51.

NOTE: Details may not add to totals because of rounding.

a. This table includes only food stamp households with earnings (27 percent of all food stamp households in the SIPP, and 19 percent of all food stamp households in the QC).

relative who earned income in August may have moved into the household in September, but mistakenly reported moving in before August. Respondents also tend to report that the conditions existing at the survey date were true over the entire four-month response period. For example, an individual may actually have been unemployed in July and August, but obtained a job in September. When surveyed in December for the period August through November, he or she may have forgotten when the job began and so reported earnings for all four months. The timing of the two surveys might also affect the number with reported earnings. Food stamp eligibility, and therefore the data in the QC, are based on prospective income. If a person is unemployed and expects to be unemployed all month, he or she will report zero earnings in the QC. If he or she finds a job during the month, that information will be reported in the SIPP, which asks about past income. It will not be reported in the QC if it was not anticipated.

Alternatively, the Census Bureau imputes information to individuals who do not respond to questions asked in a particular interview wave. The procedure fills in the missing data with information taken from a person with similar demographic characteristics. It may, therefore, impute earnings or Food Stamp reciprocity to individuals or households who did not actually receive them.

Finally, coding errors can lead, for example, to a monthly income of \$400 mistakenly being entered as \$4,000.

IDENTIFYING WORK REGISTRANTS IN FOOD STAMP HOUSEHOLDS

The group of potential work registrants includes all persons in food stamp units who are ages 18 through 59 and heads of food stamp units ages 16 and 17, but many of them are exempt. The SIPP data contain information that can be used to approximate the exemptions, but in general, they cannot identify them exactly as the caseworker would, so the result may not match the QC data. This section describes how each exempt category was approximated using the SIPP. For these simulations, it is assumed that the provisions in the Food Security Act of 1985 defining work registrant status were perfectly applied. There were 18.3 million food stamp recipients; with 10.5 million either too young or too old for work registration. Of the remaining 7.7 million, 5.1 million were estimated to be exempt from registration if the Food Security Act of 1985 had been in effect.

For most purposes of the Food Stamp program, "disabled" is defined as receiving disability payments under Social Security or SSI, but the work regulations are more flexible. Caseworkers decide whether the individual should receive a disability exemption. Since the SIPP data do not provide the information available to the caseworkers, this analysis underestimates the number with an exemption for disability. Those simulated to be exempt because of disability include all those who received Social Security and reported that the reason for receiving it was disability, all those who received SSI, and those who reported working part-time or not at all because of disability--795,000 persons in all.

Student exemptions were assigned to those who reported that they did not work during the month because they were attending school. There were 4,000 student exemptions found in the sample, which is consistent with the fact that relatively few people attend school in August. By contrast, the QC data show more students in that month, probably because student status is not verified monthly, but rather at each certification.

Caretaker exemptions are available for persons responsible for either children under six or incapacitated persons. It was not possible to determine whether someone was caring for a disabled person, nor was it possible to determine with certainty who was actually caring for a young child. Therefore, caretaker exemptions were given to the mothers of children under six and, in the absence of a mother, to the father. This procedure may occasionally designate the wrong person as caretaker, and it completely misses exemptions for caretakers of disabled family members. The number of persons with a caretaker exemption, about 2 million, is therefore likely to be lower than the actual number of caretakers. Of all food stamp recipients, 11 percent were exempt for this reason.

Those in compliance with other work registration programs were identified by receipt of benefits under either Aid to Families with Dependent Children (AFDC) or the Unemployment Insurance (UI) program. (People receiving either state UI or Supplemental UI benefits were designated as UI recipients.) Anyone receiving UI must be in compliance with work registration, but some rural AFDC recipients with older children may not have access to a Work Incentive (WIN) program, and therefore would not be registered for WIN. Consequently, this procedure somewhat overstates the number of exemptions due to WIN registration. There were 1.5 million individuals included in this category of exemptions--8 percent of the food stamp recipients.

Individuals who worked at least 30 hours each week of the month or whose monthly income was at least 30 times the minimum wage times 4.3 (the average number of weeks per month) were designated as exempt. The number of persons assigned to this exempt category was 818,000, or 4 percent of food stamp recipients.

The exemption for residents of drug addiction or alcoholic treatment programs could not be approximated in the SIPP data, since there are no variables that indicate whether individuals are in such programs. The number of individuals who are exempt under this category is low, however--0.2 percent of adult food stamp recipients in 1982, according to the Food and Nutrition Service.

In sum, although the SIPP data do not contain variables that unambiguously identify individuals who are exempt from the work registration requirement of the Food Stamp program, the available information should enable CBO to estimate the exempt population fairly well. There should be almost no error in identifying those registered for work under the Unemployment Insurance program. A small amount of error is likely in defining those exempt because they are students, residents of drug and alcohol treatment programs, working 30 hours or more, or WIN registrants. The greatest amount of error occurs when estimating the caretaker and disability exemptions. In general, the errors underestimate the number in most exempt categories except in the case of WIN exemptions, which are somewhat overestimated. The net effect is to overestimate the work registrant population.

To compare the SIPP estimates of work registration and exemptions with the administrative data, it was necessary to reestimate the exemptions assuming that the law prior to the Food Stamp Security Act of 1985 was in effect. The exempt categories are those which were effective in August 1984, which are reflected in the exemptions shown in the QC data (and are different from those in Table 1 of this paper). There are some differences between the two: heads of families who are 16 or 17 years old are exempt and women with children under 12 or children under 18 with another adult working full-time or registered are exempt. The variables used to assign exemptions from work registration to food stamp recipients on the SIPP seem to perform fairly well, as shown by a comparison of exemptions by reason in Table A-3. Since it is possible to be exempt for more than one reason, individuals from the SIPP are assigned to exempt categories hierarchically. Thus, individuals included under earlier categories are not counted in any subsequent categories that may also apply to them. In the QC data, individuals are assigned exemptions by the caseworkers, who may not be as systematic in classifying those exempt for more than one reason.

TABLE A-3. FOOD STAMP RECIPIENTS: WORK REGISTRANTS
AND EXEMPTIONS IN AUGUST 1984, BY DATA SOURCE a/

| | SIPP | | QC | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Number (in thousands) | Percent of Recipients | Number (in thousands) | Percent of Recipients |
| All Food Stamp Recipients | 18,268 | 100 | 20,173 | 100 |
| Exempt from Work Registration | 16,022 | 88 | 17,828 | 93 |
| Child <u>b/</u> | 8,760 | 48 | 9,550 | 50 |
| Elderly or disabled <u>c/</u> | 2,580 | 14 | 2,670 | 14 |
| Student | 4 | <u>d/</u> | 373 | 2 |
| Caretaker <u>e/</u> | 3,040 | 17 | 2,832 | 15 |
| Registered for an AFDC work program <u>f/</u> | 868 | 5 | 1,547 | 8 |
| Recipient of Unemployment Insurance | 100 | 1 | 135 | 1 |
| Employed full time <u>g/</u> | 670 | 4 | 684 | 4 |
| Resident alcohol or drug program | <u>h/</u> | <u>h/</u> | 38 | <u>d/</u> |
| Work Registrant | 2,246 | 12 | 1,402 | 7 |

SOURCE: Congressional Budget Office computations from the Survey of Income and Program Participation (SIPP), August 1984, and U.S. Department of Agriculture Food and Nutrition Service, *Characteristics of Food Stamp Work Registrants: 1984*, Table 2, p. 6.

NOTE: Details may not add to totals because of rounding.

- a. The tabulations of the SIPP data differ from those shown earlier in the analysis because these exemptions from work registration are assigned according to the Food Stamp Act of 1977, prior to amendments under the Food Security Act of 1985. Again, individuals are assigned hierarchically to the categories listed. Therefore, those included under earlier categories are not counted in any subsequent categories that may also apply to them.
- b. Under age 18.
- c. Elderly is defined in the food stamp program as age 60 or older.
- d. Less than 1 percent.
- e. Those caring for incapacitated persons or for children under age 12, and caretakers of children under age 18 where another able-bodied parent is registered for work or exempted because of employment.
- f. For the numbers from the SIPP data, all AFDC recipients who are not eligible for a caretaker exemption are included here, which overestimates the actual number of work exemptions, since not all AFDC recipients are registered for work under that program. Most able-bodied recipients of AFDC with a youngest child over the age of six are required to register for a work program.
- g. Employed at least 30 hours per week or receiving weekly earnings equal to or greater than 30 times the federal minimum wage.
- h. This information is not available from the SIPP.

Under the prior law's definition of work registrants, the QC finds that 7 percent of food stamp recipients were required to register for work in August 1984, while the SIPP finds 12 percent in this category. The discrepancy is explained by differences in the proportions of children, students, and caretaker-WIN exemptions. The QC sample has 9 percent more children and many more students than the SIPP, although the latter group is probably more accurately recorded on the SIPP. Finally, the combined number of caretaker and WIN exemptions is larger in the QC than in the SIPP by 12 percent. (The discrepancy between the caretaker and WIN exemptions considered separately is unimportant, as many individuals were probably eligible for both exemptions. These individuals would be included in the caretaker category on the SIPP because the counts are hierarchical, but they may be included in either category on the QC.)

