

Conclusion

This report has examined the relationship between eligibility and the take-up decision in Illinois among an important component of the working poor—those families that leave cash assistance. This is a group for whom the FSP is believed to play an important role in facilitating the transition from welfare to independence. Our basic research question has been to ask who among TANF leavers does not participate in the FSP when eligible to do so. First, mirroring much of the current literature, we have analyzed how individual- and family-level socioeconomic and demographic characteristics affect the participation decision. Second, and a primary contribution of this work, we addressed how neighborhood characteristics and the local district office responsible for administering the FSP affect whether an eligible family will take up benefits. Finally, we extend existing research by considering how knowledge of food stamp eligibility while employed and attitudes toward the welfare system affect the take-up decision. To gain a more holistic view of the determinants of FSP take-up among TANF leavers, we have combined administrative data with survey evidence.

We offer three broad conclusions. The first is that the primary predictors in whether eligible people will use food stamps are those related to poverty and its link to higher rates of participation. Specifically, the unmarried, those with long histories of TANF receipt, and those with poor work histories, and being African American lead to greater take-up. These results mirror those in the literature, and offer considerable support for the simple model that individuals compare their needs with the costs of applying and of receipt, and those who stand to benefit the most choose to participate. These results probably constitute a relatively optimistic view of the FSP, in that although not all those eligible are signed up, it is disproportionately those who are better off who choose not to participate.

Our second finding is that there is some evidence that community-level variables play a role in predicting take-up, even after individual controls are included. One might expect, once individual-level characteristics are controlled for, that community level effects will lose their significance. This does not happen in the city, where we assume there is active social interaction between people on a daily basis. We find that the proportion of people in poverty in a census tract is an important influence on food stamp take-up in Chicago. In counties outside Chicago, community-level factors did not exert a consistent independent effect.

Third, in all models, we find significant variation in food stamp take-up at the district office, suggesting considerable variation in the efficacy of implementing program objectives. This points to the importance of the district office in facilitating take-up and disseminating information on the program. We further find that, at the district office level, knowledge of eligibility rules is an important influence on participation, although only in Chicago. This lends support to our theory that the density of social networks among the food stamp-eligible population in DHS office areas, which we assume to be greater in Chicago than in the remainder of the state, may mediate the effects of DHS office outreach and communication strategies.

Finally, our use of UI wage records to estimate food stamp eligibility allows us to more effectively use administrative data to monitor nonparticipation. Administrative data records on program receipt have traditionally been limited in monitoring nonparticipation, given that they only contain information on eligible participants. By using UI wage records on all household members to estimate eligibility, and by linking those wage records to program participation

records, we can more successfully use administrative data to shed light on the participation decision. This has important implications for future research. A reliance on point-in-time survey data severely limits the ability of government agencies to monitor participation on a regular basis and at the local level. Administrative data records can be used to monitor nonparticipation at the local level on a “real-time” basis, enabling state and local administrators to ensure that those who need it use the FSP.