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Who's Left Out: Characteristics of Households in Economic Need Not Receiving Public Support

Vincent A. Fusaro

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The American welfare state is often referred to as a social safety net, yet many in economic need do not receive public benefits. This article examines the characteristics of low-income households in the United States that do not participate in any of several public cash or near-cash support programs. Using the Survey of Income and Program Participation (SIPP) 2008 panel—a representative sample of U.S. households—households below the federal poverty threshold but not participating in any of eleven different income support programs were identified. Over a third (38.02%) of households in poverty did not receive any assistance from the examined programs. Non-participating households differ from program participating households in such areas as racial and ethnic demographics, educational attainment, number and age of children, household employment status, and financial resources.

Key words: program participation; disconnection; poverty; social welfare; safety net

The American welfare state is composed of an array of programs intended to meet particular needs. Temporary Assistance for Needy Families (TANF) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), for example, target families with children, while Supplemental Security Income (SSI) is intended for those in old age or with a work-limiting disability and who are otherwise ineligible for other forms of assistance (Social Security Administration, 2014; U.S. Department of Health and Human Services Administration for Children & Families, 2014; United States Department of Agriculture Food and Nutrition Service, 2014). Many of these programs are designed to aid those...
experiencing or at-risk of poverty. Not all who are in poverty are eligible for all programs, however, and not all who are eligible actually enroll. This article uses the Survey of Income and Program Participation (SIPP) to describe low-income households not participating in common public support programs (U.S. Census Bureau, 2014). In contrast to previous research, which tends to focus on only one or a small number of programs, participation in any of eleven separate types of cash or near-cash support is considered. This broad view allows for examination of the "social safety net" as a whole, identifying who does and does not receive support from the fragmented American welfare state.

Using this definition of non-participation, over a third—38.02%—of households in poverty were not receiving public income support at the time of data collection. This finding is particularly striking given that the data were collected during the "Great Recession" following the 2008 global financial crisis. If one goal of public income support programs is to counteract adverse economic trends, then a notable proportion of households in economic need are left out, even during a period in which support should expand. In both bivariate and multivariate analyses, non-participating households were found to be quite different from households receiving public support, with contrasts in demographic makeup, employment status, educational attainment, household composition, income, and degree of economic need between non-participating and participating households. While many of these differences might be expected, this article provides a clear portrait of the population of households below the federal poverty threshold disconnected from public assistance.

Background

There have been a number of studies of disconnection from public supports. The most obvious reason a household might not receive support from public benefit programs is simple lack of eligibility—American anti-poverty programs are tailored to particular populations to address specific social and economic problems. An individual or family either does or does not meet the criteria for the given program. Further, authority in many social programs is at least partially devolved
from the federal to the state governments, creating geographic differences in eligibility and requirements. TANF presents the most well known example of cross-state variation. Though the program is broadly intended to provide time-limited assistance to and facilitate labor force participation among low-income families, states range in criteria for both initial and ongoing eligibility (Grogger & Karoly, 2005; Lim, Coulton, & Lalich, 2009; Teitler, Reichman, & Nepomnyaschy, 2007). These policy differences are, in turn, associated with variation in the likelihood of TANF enrollment (Stuber & Kronebusch, 2004; Teitler et al., 2007).

Even when eligible, potential claimants may not participate in a given public support program. Individuals may have limited information about the program and their eligibility, an issue exacerbated by language barriers (Algert, Reibel, & Renvall, 2006; Coe & Hill, 1998; Daponte, Sanders, & Taylor, 1999). Program application and subsequent participation may themselves incur costs, such as the hassle associated with recertification for the Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps), required participation in TANF activities, or administrative procedures that are off-putting (e.g., required fingerprinting) or error-prone (Brodkin & Majmundar, 2010; Hanratty, 2006; Kabbani & Wilde, 2003; MaloneBeach, Frank, & Heuberger, 2012; Ratcliffe, McKernan, & Finegold, 2008; Ribar, Edelhoch, & Liu, 2010; Shaefer & Gutierrez, 2013). More directly, sanctions for violation of program rules decreases participation (Wu, Cancian, & Wallace, 2014). Finally, attitudes toward receipt of public benefits, particularly the social stigma associated with use, is a deterrent to participation (Coe & Hill, 1998; Stuber & Kronebusch, 2004).

There are a number of differences between program participating and non-participating households. Greater education is associated with a lower probability of participation in a variety of programs (e.g., TANF, Food Stamps/SNAP, and the public health insurance program Medicaid) (Algert et al., 2006; Blank & Ruggles, 1996; Hanratty, 2006). Conversely, English language skills facilitate participation (Algert et al., 2006). Disability and adverse health conditions increase the likelihood of program participation, a finding that holds even
for programs such as Food Stamps/SNAP and TANF that are otherwise unrelated to disability (Coe & Hill, 1998; Hanratty, 2006; Houtenville & Brucker, 2014; Purtell, Gershoff, & Aber, 2012). Degree of economic need, asset ownership, employment stability, race and ethnicity, marital status, and number and age of children are also related to program participation (Cancian, Han, & Noyes, 2014; Hanratty, 2006; Huang, Nam, & Wikoff, 2012; Mabli & Ohls, 2012; Newman, Todd, & Ploeg, 2011; Pati et al., 2014; Purtell et al., 2012). Finally, issues of immigration and citizenship—such as whether children in a household were born in the United States—influence participation (Borjas, 2011; Fujiwara, 2008; Purtell et al., 2012; Skinner, 2012; Speiglman, Castaneda, Brown, & Capps, 2013).

Existing research suggests that, between categorical exclusion and non-participation among those who are eligible, a sizeable portion of those in economic need are likely to be disconnected from public support. These studies generally address participation in a single program or a small number of programs (e.g., Food Stamps/SNAP and TANF), however. The current investigation uses a representative sample of U.S. households to describe households below the poverty level disconnected from a variety of support programs. Winicki (2003) pursues a similar question, using the Current Population Survey (CPS) to examine households in poverty with children and their participation in a variety of cash assistance programs, Food Stamps, WIC, and free school lunch. In contrast to Winicki (2003), the current study examines all households in poverty, not just those with children. It also reflects participation patterns following the "Great Recession," when demand for assistance may have been elevated.

**Data & Methods**

The study utilized the fourth, fifth, and sixth waves of the Survey of Income and Program Participation (SIPP) 2008 panel. The SIPP is fielded by the United States Census Bureau to provide a national profile of the income and economic well-being of the non-institutionalized U.S. population. The core survey gathers monthly data on factors such as labor force participation and receipt of monetary and non-monetary government assistance. Respondent households are selected using
a multistage stratified sampling procedure with data gathered on every member of the household. Sampling techniques are designed such that, with weighting to correct for stratification, the data are representative of all U.S. households (U.S. Census Bureau, 2006). The SIPP is ideal for studying program non-participation, as it oversamples low-income households. Additionally, while under-reporting of program participation is an issue across economic surveys, comparison of survey results with administrative data suggests that SIPP participation rates are more accurate than those of similar surveys such as the Panel Study of Income Dynamics or Current Population Survey (Meyer, Mok, & Sullivan, 2009).

Data were examined at the household level. New variables were generated, where needed, to aggregate individual-level information to the household (e.g., to determine the number of full-time workers in a household, a variable not available natively in the SIPP, a count of full-time workers was calculated). Economic data (e.g., income, level of need) were produced by taking a monthly average over an entire year (Waves 4, 5, and 6). Other household and individual characteristics were obtained from the fourth month of Wave 6, the month closest to the time of interview. The full 2008 SIPP Wave 6 sample includes 34,891 households (Wong & Mack, 2013); only the subset in economic need was of interest in this analysis. The data set was therefore restricted to those households with income, from all sources, at or below the federal poverty threshold. The relevant threshold for a given household is included in the SIPP. Households headed by an elderly individual (age 65 or over) were also excluded from analysis. Finally, given the stratified sampling design, strata with only a single household meeting the previous two criteria were dropped. Final sample size was 3,823 households.

Analysis was conducted in two stages. The first stage was a characteristic-by-characteristic comparison of non-participating and program participating households. Statistical tests (F-tests for categorical and t-tests for continuous variables) were used to assess the degree to which observed differences could be due to chance. Note that Tables 1 and 2 present only the proportion of households with a given characteristic. The reported F-tests are based on complete crosstabulations, which are not
presented. F-statistics are calculated from Pearson $\chi^2$ statistics corrected to account for the stratified sampling design (Rao & Thomas, 1989). The second stage examined multiple characteristics simultaneously by estimating logit models predicting the probability of a household not participating in public support programs. Degree of economic need was considered in the bivariate but not the multivariate analysis to avoid collinearity.

**Rate of Non-Participation**

"Non-participation" was defined as a household receiving no income from Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Social Security, cash veteran’s benefits, unemployment insurance, or General Assistance, no assistance from SNAP/Food Stamps, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), energy assistance, or rental assistance, and not residing in government-owned housing. If any member of the household reported receiving assistance from any of these programs, the household was categorized as program participating. Government health insurance programs, such as Medicaid, Medicare, or the Children's Health Insurance Program (CHIP), were not considered. Using this definition of non-participation, 38.02% ($n = 1,350$) of households in poverty did not participate in any public support program. While a majority of households did receive some type of assistance, a notable proportion—over one third—were disconnected from support.

Given the timing of data collection, the size of the non-participating population is noteworthy. Wave 6 SIPP interviews were conducted between May 2010 and August 2010, the aftermath of the global recession often referred to as the "Great Recession" (U.S. Census Bureau, 2014). The largest economic downturn since the Great Depression saw increases in both unemployment and poverty (Danziger, Chavez, & Cumberworth, 2012). Further, the federal government temporarily expanded some social support programs. The American Recovery and Reinvestment Act (2009), for example, increased SNAP benefits and extended unemployment insurance. While program coverage did increase following the downturn, many households in economic need went without assistance even
in this expanded service environment. This finding calls into question the American welfare state’s ability to act as a countercyclical safety net in the face of severe economic adversity.

Table 1. Household Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Non-participating Weighted Percent (obs)</th>
<th>Participating Weighted Percent (obs)</th>
<th>F(1,112)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Race/ethnicity of household head</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>58.68 (811)</td>
<td>43.57 (1,127)</td>
<td>69.76***</td>
</tr>
<tr>
<td>Black, non-Hispanic</td>
<td>13.65 (182)</td>
<td>28.01 (702)</td>
<td>71.56***</td>
</tr>
<tr>
<td>Asian, non-Hispanic</td>
<td>5.62 (80)</td>
<td>1.27 (37)</td>
<td>58.61***</td>
</tr>
<tr>
<td>Hispanic</td>
<td>19.45 (235)</td>
<td>22.59 (463)</td>
<td>4.35*</td>
</tr>
<tr>
<td><strong>Other characteristics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1+ non-citizens</td>
<td>20.53 (257)</td>
<td>14.23 (327)</td>
<td>19.49***</td>
</tr>
<tr>
<td>Ling. isolated</td>
<td>11.31 (140)</td>
<td>9.61 (204)</td>
<td>2.16</td>
</tr>
<tr>
<td>At least one child</td>
<td>41.34 (552)</td>
<td>63.94 (1515)</td>
<td>131.06***</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001

**Demographics of Non-participating Households**

Racial and ethnic makeup of the sample was determined by examining the racial/ethnic identity of the household head. While this procedure does not account for households of mixed ethnicity, it does provide a rough descriptive sketch of respondent households. Differences in racial and ethnic identity were found between non-participating and program participating households. Heads of non-participating households were more likely to identify as White (58.68%, n = 811) or Asian (5.62%, n = 80) than heads of program participating households (43.57%, n = 1,127 and 1.27%, n = 37). Conversely, heads of non-participating households were less likely to identify as Black (13.65%, n = 182) than participating households (28.01%, n = 702). Finally, non-participating households were slightly less likely to be headed by someone identifying as Hispanic/Latino (19.45%, n = 235) than participating households (22.59%, n = 463).
**Citizenship Status & Linguistic Isolation**

Non-participating households were more likely (20.53%, n = 257) to include at least one non-citizen than program participating households (14.23%, n = 327). A linguistically isolated household, as defined in the SIPP, is one in which English language ability is limited in members ages 14 and older (U.S. Census Bureau, 2006). Though a larger proportion of non-participating households—11.31% (n = 140)—were linguistically isolated than program participating households (9.61%, n = 204), the difference was not statistically significant at $\alpha=0.05$. Previous research suggests a connection between language and program participation, so the lack of a relationship in the current study is notable (Algert et al., 2006).

Table 2: Household Employment & Education

<table>
<thead>
<tr>
<th></th>
<th>Non-participating</th>
<th>Participating</th>
<th>F(1,112)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Weighted % (obs)</td>
<td>Weighted % (obs)</td>
<td></td>
</tr>
<tr>
<td>At least one worker</td>
<td>72.51 (981)</td>
<td>49.35 (1195)</td>
<td>191.12***</td>
</tr>
<tr>
<td>At least one full-time worker</td>
<td>46.20 (626)</td>
<td>26.57 (644)</td>
<td>119.36***</td>
</tr>
<tr>
<td>Disabled adult present</td>
<td>1.15 (21)</td>
<td>6.94 (197)</td>
<td>65.34***</td>
</tr>
<tr>
<td>Retirees present</td>
<td>7.15 (105)</td>
<td>8.02 (213)</td>
<td>0.84</td>
</tr>
<tr>
<td>Recent layoff</td>
<td>5.79 (80)</td>
<td>9.00 (213)</td>
<td>9.45**</td>
</tr>
<tr>
<td>Less than high school</td>
<td>10.67 (149)</td>
<td>21.15 (509)</td>
<td>36.79***</td>
</tr>
<tr>
<td>High school/GED</td>
<td>42.58 (584)</td>
<td>48.06 (1181)</td>
<td>6.86*</td>
</tr>
<tr>
<td>Bachelor’s+</td>
<td>25.86 (341)</td>
<td>7.73 (183)</td>
<td>166.92***</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001

**Household Composition**

Differences between non-participating and program participating households were found in the number and age of children, but no difference was found in number of
working-age adults. Non-participating households were much less likely to have at least one child present (41.34%, n = 552) than their program participating peers (63.94%, n = 1,515). Among households with children, non-participating households had fewer children (mean = 2.01) than program participating households (mean = 2.38) (t = -5.36; p < .0001). Non-participating households with children also tended to have older children than program participating households—a mean age of youngest child of 6.86 versus 5.35 (t = 5.43; p < .001). Non-participating households had, on average, about the same number of working-age adults as program participating households (mean = 1.41 for both categories).

**Household Employment Status**

Non-participating households have more labor force engagement than participating households. A clear majority, 72.51% (n = 981), of non-participating households had at least one currently employed worker, compared to 49.35% (n = 1195) of program participating households. Despite the ubiquity of employment, particularly in non-participating households, a majority in both participation categories had no full-time workers. Among non-participating households, 46.20% (n = 626) had at least one full-time worker, greater than for program participating households (26.57%, n = 644). The differences were smaller, though still present, when examining reliance on part-time workers in a household. In 26.32% (n = 355) of non-participating households and 22.78% (n = 551) of program participating households, the only workers present are part-time. These findings indicate that a number of households both lack a full-time worker and are disconnected from support. Even if these households receive the Earned Income Tax Credit (EITC), neither the labor market nor the welfare state seems to meet their economic needs.

Households may have reduced labor force participation and greater reliance on public benefits if a working-age adult has a work-limiting disability, has retired, or has a recent layoff. Consistent with expectations, non-participating households were less likely to include an adult with a work-limiting disability (1.15%, n = 21) than program participating households (6.94%, n = 197). Similarly, non-participating
households were less likely to include a member with a recent (any time during the four months of Wave 6) layoff. In contrast, no meaningful difference was found in the presence of retirees in non-participating (7.15%, n = 105) and program participating (8.02%, n = 213) households.

**Education**

To examine educational attainment, a variable indicating the highest level of education among all household members was created. The modal value was a high school diploma or equivalent for both participation categories. There was variation, however, in the overall distribution of educational attainment. In general, non-participating households had a higher level of education than program participating households. Non-participating households were considerably more likely (25.86%, n = 341) to have a member possessing a bachelor’s degree or higher than program participating households (7.73%, n = 183). Conversely, the program participants group was more likely to have no member with at least a high school diploma or equivalent (21.15%, n = 509 of participating vs. 10.67%, n = 149 of non-participating households).

**Income & Economic Need**

Economic need was first judged by expressing a household’s income from all sources as a percentage of its relevant poverty threshold. Findings support the existence of a difference between non-participating and program participating households in degree of need, with non-participating households having deeper economic need than program participating households. The mean percent of poverty among non-participant households was 46.42%, compared to 58.44% for program participating households. Differences between groups also emerged when expressing level of need as dollar figures. Non-participating households had a mean monthly earned income of $587.80, which was more than that of program participants ($452.70). The latter value is influenced by the subset of households using Social Security or SSI as their primary source of income, many of which report zero earned income. Including all cash income (earned income, property income, and cash program benefits) produced contrasting results.
Non-participating households had a mean monthly total income of $687.44 compared to $918.62 for program participating households. When considering only earned income, non-participating households were economically better off. The inclusion of program benefits and asset-generated revenue in the income calculation, meanwhile, indicates that program participating households actually had greater economic resources. These households are, however, below the poverty threshold even with receipt of assistance.

Table 3: Economic Need

<table>
<thead>
<tr>
<th></th>
<th>Non-participating Mean (SD)</th>
<th>Participating Mean (SD)</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent poverty threshold</td>
<td>46.42 (33.25)</td>
<td>58.44 (29.12)</td>
<td>-9.15***</td>
</tr>
<tr>
<td>Monthly earned income</td>
<td>587.80 (588.67)</td>
<td>452.70 (608.98)</td>
<td>5.65***</td>
</tr>
<tr>
<td>Monthly total income</td>
<td>687.44 (596.98)</td>
<td>918.62 (587.84)</td>
<td>-9.30***</td>
</tr>
</tbody>
</table>

*p<0.05; **p<0.01; ***p<0.001

**Multivariate Analysis**

Non-participating and program participating households have, to this point, been compared on only one variable at a time. Given the SIPP’s representative sample, this simple analysis provides a descriptive overview of population characteristics. To account for potential covariance between factors, however, a multivariate model is needed. Two logit models—one for all households in the sample and one for only households with children—were estimated predicting the probability of non-participation as a function of descriptive characteristics. White non-Hispanic served as the base category for race/ethnicity and high school graduate served as the base category for highest level of education in the household. The households with children model included age of youngest child in addition to the variables used in the full sample model.
Results

Results of the two models are presented in Table 4 and are expressed as mean marginal effects to facilitate interpretation. These values represent the average effect, using the sample values for the other covariates, of a one-unit change in the given variable or, for categorical variables, the effect of having the given characteristic on the probability of household non-participation.

Demographically, model results generally support the previous analysis. Non-participant household heads were much less likely to identify as Black, with a marginal effect of -0.148 in the all households model and -0.200 in the households with children model, than program participant household heads. While non-participant household heads were more likely to identify as Asian (marginal effect of 0.120) than program participant household heads in the all households model, no statistically significant relationship was found in the households with children only model. The Hispanic/Latino indicator did not achieve statistical significance at $\alpha=0.05$ in the all households model, but was significant in the households with children model (marginal effect -0.090) Households with any non-citizens present were more likely to be non-participating (mean marginal effect of 0.136 in the all households model). Linguistic isolation, however, was not related to participation status.

The multivariate models suggest education and employment are strongly related to non-participation. In the all households model, a household with at least one college-educated individual had a 0.213 greater probability of non-participation than an otherwise identical household in which the highest level of education was high school. Conversely, a household in which the highest level of education was less than high school had a 0.097 lower probability of being non-participating. Employment status similarly sustains the bivariate patterns. Presence of any full-time workers was strongly predictive of non-participation, associated with a 0.291 greater probability in the all households model. Presence of part-time workers was not statistically significant in the multivariate models.
Table 4. Logit Models of Household Non-Participation

<table>
<thead>
<tr>
<th>Variable</th>
<th>All Households Mean Marginal Effect (se)</th>
<th>All Households Mean Marginal Effect (se)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household head</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>-0.148 (0.021)***</td>
<td>-0.200 (0.032)***</td>
</tr>
<tr>
<td>Asian</td>
<td>0.120 (0.052)*</td>
<td>0.015 (0.073)</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>-0.045 (0.025)#</td>
<td>-0.090 (0.028)**</td>
</tr>
<tr>
<td>other</td>
<td>-0.132 (0.033)**</td>
<td>-0.141 (0.048)**</td>
</tr>
<tr>
<td>Any non-citizens</td>
<td>0.136 (0.031)**</td>
<td>0.134 (0.034)**</td>
</tr>
<tr>
<td>Linguistic isolation</td>
<td>0.017 (0.030)</td>
<td>0.028 (0.034)</td>
</tr>
<tr>
<td>Highest level education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>less than high school</td>
<td>-0.097 (0.027)**</td>
<td>-0.041 (0.033)</td>
</tr>
<tr>
<td>associates/certificate</td>
<td>0.018 (0.020)</td>
<td>0.044 (0.024)#</td>
</tr>
<tr>
<td>bachelors or greater</td>
<td>0.213 (0.025)**</td>
<td>0.189 (0.032)**</td>
</tr>
<tr>
<td>Any full-time workers</td>
<td>0.291 (0.019)**</td>
<td>0.227 (0.027)**</td>
</tr>
<tr>
<td>Any part-time workers</td>
<td>-0.007 (0.037)</td>
<td>-0.038 (0.035)</td>
</tr>
<tr>
<td>Only workers are part-time</td>
<td>0.181 (0.040)**</td>
<td>0.133 (0.045)**</td>
</tr>
<tr>
<td>Any retirees</td>
<td>-0.056 (0.032)#</td>
<td>-0.031 (0.056)</td>
</tr>
<tr>
<td>Any recent layoff</td>
<td>-0.106 (0.031)**</td>
<td>-0.113 (0.034)**</td>
</tr>
<tr>
<td>Disabled adult</td>
<td>-0.316 (0.051)**</td>
<td>-0.302 (0.083)**</td>
</tr>
<tr>
<td>One child</td>
<td>-0.178 (0.024)**</td>
<td></td>
</tr>
<tr>
<td>Two children</td>
<td>-0.285 (0.020)**</td>
<td>-0.085 (0.025)**</td>
</tr>
<tr>
<td>Three or more children</td>
<td>-0.320 (0.024)**</td>
<td>-0.104 (0.032)**</td>
</tr>
<tr>
<td># working age adults</td>
<td>-0.011 (0.014)</td>
<td>0.042 (0.016)**</td>
</tr>
<tr>
<td>Age youngest child</td>
<td></td>
<td>0.009 (0.002)**</td>
</tr>
<tr>
<td>Observations</td>
<td>3823</td>
<td>2060</td>
</tr>
<tr>
<td>F</td>
<td>33.30 (19.94)**</td>
<td>16.71 (19.91)**</td>
</tr>
</tbody>
</table>

*p<0.10 *p<0.05; **p<0.01; ***p<0.001

However, a household in which the only workers are part-time was more likely to be non-participating than an otherwise equivalent household (marginal effect of 0.181 in the all households model). Presence of a working-age adult with a work-limiting disability was strongly associated with a decreased likelihood of non-participation. In the all households model, these households had a 0.316 lower probability of...
non-participation. Concurring with the bivariate analysis, the indicator for retirees in the household did not reach statistical significance at \( \alpha = 0.05 \) in either model.

Finally, differences in household composition are related to differences in rates of non-participation. While number of working-age adults in the household was not statistically significant in the all households model, reflecting bivariate findings, it was statistically significant and positively signed in the households with children model (marginal effect of 0.042). Among households with children, then, an increase in the number of working-age adults is associated with a higher probability of non-participation. In both the all households model and the households with children model, an increasing number of children was related to a lower probability of non-participation. In the all households model, a Wald test of equality of coefficients indicates that the coefficients on the indicator variables for two children and three or more children are equivalent (F (1,112) = 1.81). Both two children (F (1,112) = 18.27) and three or more children (F (1,112) = 20.52) are significantly different from only one child in the household, however. In the households with children model, households with two children (marginal effect of -0.085) and three or more children (marginal effect of -0.104) were less likely to be non-participating than households with one child. A one year increase in age of youngest child was associated with a 0.009 increase in the probability of non-participation.

Discussion

While the majority of U.S. households experiencing poverty receive some public assistance, many are left out. Analysis of the SIPP data suggests non-participating households differ systematically from program participating households. Indeed, with some exceptions (e.g., presence of retirees), non-participating and program participating households differed in nearly every aspect examined. The racial and ethnic demographics, education, employment status, and household composition of the two groups were all dissimilar. These differences, however, generally parallel what might be
expected—groups with some type of social or labor market disadvantage or with children, particularly young children, in the household are more likely to receive assistance.

While the expected groups generally benefit from the American welfare state, contextualizing the study’s findings also brings pause. Employed households—even those with only part-time workers—are less likely to receive public assistance of some form. However, all households included in the sample are in economic need, falling below the federal poverty threshold. Merely by inclusion in the sample, earned income is not sufficient to bring these households out of poverty, yet they are not receiving cash or near-cash assistance. It is likely that many of these households do benefit from the Earned Income Tax Credit (EITC), a refundable tax credit available to low-income workers and with relatively high participation rates (Scholz, Moffitt, & Cowan, 2009). The EITC is, unfortunately, not explicitly included in the core SIPP survey, and the lack of this very large program is a major limitation of this study. Even if employed households are receiving the EITC, however, it is unclear whether this boost is sufficient for all households. The typical household in this study is well below the poverty threshold, while the average EITC benefit in 2013 was $2,335 (equivalent to approximately $195 per month) (Internal Revenue Service, 2014). Findings therefore raise questions not only about who participates in the American welfare state, but also about the adequacy of social programs, even in concert with employment, to lift households out of poverty.

A few specific findings warrant additional discussion. First, households with only part-time workers are more likely to be non-participating. Some households are both disconnected from public supports and do not participate fully in the labor force. Further investigation of this group is warranted to develop appropriate policy solutions. Are these households merely passing through a temporary phase, or do they represent a unique subpopulation that is chronically underserved by both the welfare state and the labor market? If non-participation in conjunction with part-time work is merely a temporary state, it suggests a short-term consumption-smoothing program to bridge periods of more complete labor force participation would be useful. If these households instead are part
of a distinct subgroup that is engaged with the labor force but unable to obtain full-time employment, expansion of job opportunities and human capital enhancement are needed.

Two findings conflict, at least superficially, with previous scholarship. No relationship was found between linguistic isolation and program participation, a contrast to research suggesting English language ability influences participation (Algert et al., 2006). Algert and colleagues (2006) used a sample drawn from Los Angeles food pantry clients. Perhaps some characteristic of that service environment, such as state or local policies, made English language skills a more potent moderator of program participation in that locale than it is elsewhere. Alternatively, some aspect of Food Stamps/SNAP, the focus of the Algert et al. (2006) study, might make facility with the dominant language particularly important for that program. If so, the dependent variable constructed for this study, which combines multiple programs that could vary in the influence of linguistic isolation, would mask the relationship.

Similarly, in this study, households with one or more non-citizens were more likely to be non-participating. This finding seemingly contradicts Borjas (2011), who found immigrant children were more likely than native children to live in a household receiving some type of public benefit. The sample here includes only households below the federal poverty threshold, while the earlier study imposed no such restriction. A possible explanation for the discrepancy, then, is that citizenship status has a different relationship with receipt of support among the poorest households than it does for households more broadly.

The present study also did not examine the citizenship status of various household members, only whether non-citizens were included in the household. As found by Borjas (2011), it is reasonable to expect variation in program participation depending on the immigration status of both the child and the parent(s). Further research examining the interaction between degree of economic need and citizenship/immigration status would provide a degree of clarity to these contrasting findings.

Finally, the study suggests that neither the labor market nor the welfare state meet the economic needs of many U.S. households. For those able to work, employment opportunities not only need to be available, but must also offer both
adequate hours and wages to provide a basic standard of living. Gaps in the safety net, meanwhile, affect both those with reduced work capacity and those for whom employment opportunities are unavailable. Policy action in recent decades, such as the end of welfare as an entitlement and the scaling back or elimination of state General Assistance programs, has tended to weaken the safety net even as transfers to workers have increased through programs such as the EITC. Temporary expansions of programs such as Unemployment Insurance in response to the Great Recession are an exception to this trend, but still left coverage gaps.

Two limitations warrant mention. First, this analysis examined households cross-sectionally. Simply because a household is not participating at the time of the survey interview does not indicate the household has never participated or will never participate in public support programs. Second, the analysis was descriptive, with inferential statistics used only to ascertain whether a difference existed between groups or if the results could have been produced by random chance. Findings should therefore not be interpreted causally. This study does, however, provide a representative cross-sectional overview of households in economic need at a particular point in time, one in which engagement with the welfare state should be relatively high.

Conclusion

Ostensibly, the American system of social welfare and social insurance is intended to provide assistance to those in or at risk of poverty. More than a third of poor households do not receive any of eleven forms of public support examined in this article, however. Considering that these data were collected in the wake of the Great Recession, a time when many households were thrust into economic adversity, it is difficult to consider the American welfare state a true social safety net. Whether through policy design or personal preference, disconnection is widespread, leaving many without economic protection. This article identified systematic differences between non-participating and program participating households, with contrasts in racial/ethnic demographics, educational attainment, labor force participation, household composition, and degree of
economic need. Given both a high degree of need and disconnection from support programs, the economic survival strategies and material well-being of households not receiving assistance should be the subject of continuing research. This study also suggests a need to fill service gaps in the American welfare state and to improve employment prospects for low-income households. Until the labor market and the welfare state together meet the financial needs of all households, many will remain economically left out.

References


Low


