

WHY FOOD STAMP PARTICIPATION
WILL NEVER REACH 93-94%

93-94% is the participation now in the AFDC program. The food stamp program is very different from AFDC in a number of ways.

1. The eligible population is different.

The eligible population for AFDC consists of mothers alone with their kids. They have little opportunity to make a substantial earned income. For this reason they will participate in AFDC (and food stamps) at a very high rate. Even though AFDC recipients are automatically eligible for food stamps, only 75% participate.

The eligible population for food stamps contains not only this group, but also elderly, and working families. Right now, participation in SSI among the eligible elderly is only about 60%. The elderly do not participate in the food stamp program at a higher rate than they do in SSI.

Working families, because their income is so variable, participate at an even lower rate. They usually only need food stamps for a few months at a time, so it may not be worth their while to go through the time and trouble of applying.

2. Food stamps are not cash.

Food stamps can only be used for food so are not as useful to a family as a straight cash grant. Using food stamps also carries a stigma since participants can be readily identified in the grocery store. This is not the case with cash.

3. The benefits under the food stamp program are not as great as under AFDC.

The average AFDC benefit now is \$71.46 per participant per month. For food stamps it is only \$24.52 per participant per month on average. Because benefits are lower, there is not as great an incentive to participate in food stamps as in AFDC.

It should be noted that no official estimate, either CBO or USDA has ever proposed a participation rate as high as 93-94%.