

The Complex Livelihood Strategies of Low-Income Oregonians: Bundling SNAP, Unemployment Insurance and Wages

Bruce Weber and Deana Grobe
Oregon State University

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Overview

- Literature on Poverty and Program Dynamics
- Complex dynamics of livelihood strategies of low-income households in Oregon
 - Oregon Linked Administrative Data: Household panel for 2009 SNAP Entry Cohort covered wages, unemployment insurance benefits and selected safety net program benefits from 2009-2013
 - Patterns of employment, wages and UI benefits for SNAP households
 - Hypothetical case: bundling earnings and safety net benefits
- Implications for policy research on social safety net programs

Poverty and Program Participation Dynamics: A Brief Review of Literature

Poverty Dynamics

- Bane and Ellwood (1986) “Slipping in and Out of Poverty”: estimating poverty exits to determine duration of poverty spells
- Stevens (1994) “Updating Bane and Ellwood”: estimating poverty re-entry for analysis of multiple spells
- Stevens (1999): “Climbing Out of Poverty, Falling Back In”: estimating poverty persistence through multiple spells

Program Dynamics

- Hoynes, H. W. (2000) Welfare spells and local labor markets
- Meyer, B. D. (1990) UI and Unemployment spell dynamics
- Mabli, J. and Ohls, J. C. (2012) SNAP and employment transitions
- ² Scherpf et al. (2014) SNAP and local labor markets

November 2, 2016

Oregon Administrative Data

Linked administrative data on sample of households entering SNAP in 2009:

- Inflow sample of 50,000 new SNAP cases with non-disabled household heads, ages 18 to 59, entering program in 2009.
- *Oregon Department of Human Services*: Integrated Client Services Warehouse: *monthly* SNAP (\$) and other program administrative records: 2005 to 2014.
- *Oregon Employment Department*: *quarterly* UI covered wage (industry, \$, hours) and UI benefit (\$) data: 2003(Q2) to 2014
- Data include records for all other case unit members.

Work and Program Participation Dynamics of 2009 SNAP Entry Cohort in Oregon

- Months of SNAP Participation during 2009-2013 for Able-bodied Adults without Dependents [ABAWDs], Single-parent families, Two-adult households without and with children
- Work effort and wages of SNAP Households prior to SNAP Receipt, during first month of SNAP use, and six months after SNAP spell began
- Work effort, wages and UI receipt for single-parent-with-children SNAP households during 2009-2013 by Intensity of SNAP participation during this period

Months of SNAP Participation during 5 Year Period

Months of SNAP Participation Over 5-year Period
for Households entering in 2009
(% of SNAP cases by household type)

N=47,700	1-6 months	7-12 months	13-24 months	25-36 months	37-48 months	49-60 months	Total
Single adults w/o kids N=23,365 (49%)	13.4%	11.8%	18.9%	16.9%	18.0%	21.1%	100 %
Single adults with one or more kids N=6,505 (14%)	8.5%	10.0%	15.5%	15.7%	18.3%	32.1%	100 %
Households with two or more adults w/o kids N=4,844 (10%)	17.7%	13.3%	19.8%	15.6%	15.7%	17.9%	100%
Households with two or more adults with kids N=12,784 (27%)	12.9%	12.9%	18.2%	17.0%	16.9%	22.1%	100%

Work effort of SNAP Households Prior to SNAP Entry in 2009

Worked previous year, for those working first month of SNAP receipt				
	Average # of quarters worked in year prior to SNAP	Pre-SNAP work intensity of those working the first month of SNAP receipt:		
		Percent working 0 Q, 1-3 Q and all 4 Q		
		0 Q Previous Year	1-3 Q Previous Year	4 Q Previous Year
Single adults without children	3.09	10.4%	26.3%	63.3%
Single adults with one or more children	3.42	6.7%	17.7%	75.7%
Households with two or more adults w/o kids	3.19	9.3%	23.4%	67.2%
Households with two or more adults with kids	3.40	6.5%	18.6%	74.9%

Work effort and hours worked of SNAP Households at and after SNAP Entry in 2009

	Working first quarter of first month of SNAP receipt				
	Percent Working 1 st Q of 1 st Month of SNAP	Work Intensity during first quarter of SNAP receipt: Percent working 1-15, 16-30 and 31+ hours per week worked			Percent who were working 6 months after initial month
		1-15 Hours	16-30 Hours	31+ Hours	
Single adults without children	40%	52.3%	35.1%	12.7%	67.0%
Single adults with one or more children	52%	32.3%	33.1%	34.5%	78.1%
Households with two or more adults w/o kids	41%	44.6%	33.0%	22.4%	69.8%
Households with two or more adults with kids	48%	33.1%	29.9%	37.1%	78.6%

Work effort for single-parent-with-children SNAP households during 2009-2013 by SNAP Participation Intensity

SNAP Participation Intensity (mos.)	1-6 months	7-12 months	13-24 months	25-36 months	37-48 months	49-60 months
Average Quarters worked over 5 year period [=20 Quarters]	14.4	14.6	14.4	14.8	14.3	13.6
•Worked 0 Quarters	51.0%	45.0%	49.4%	48.0%	47.7%	53.0%
•Worked 1-5 Quarters	12.2%	9.8%	7.2%	4.8%	5.9%	7.8%
•Worked 6-19 Quarters	12.5%	22.1%	24.8%	29.8%	31.0%	25.2%
•Worked all 20 Quarters	24.3%	23.1%	18.6%	17.5%	15.5%	13.9%
•Total	100%	100%	100%	100%	100%	100%

Work effort, wages and UI benefits for single-parent-with-children SNAP households during 2009-2013 by SNAP Participation Intensity

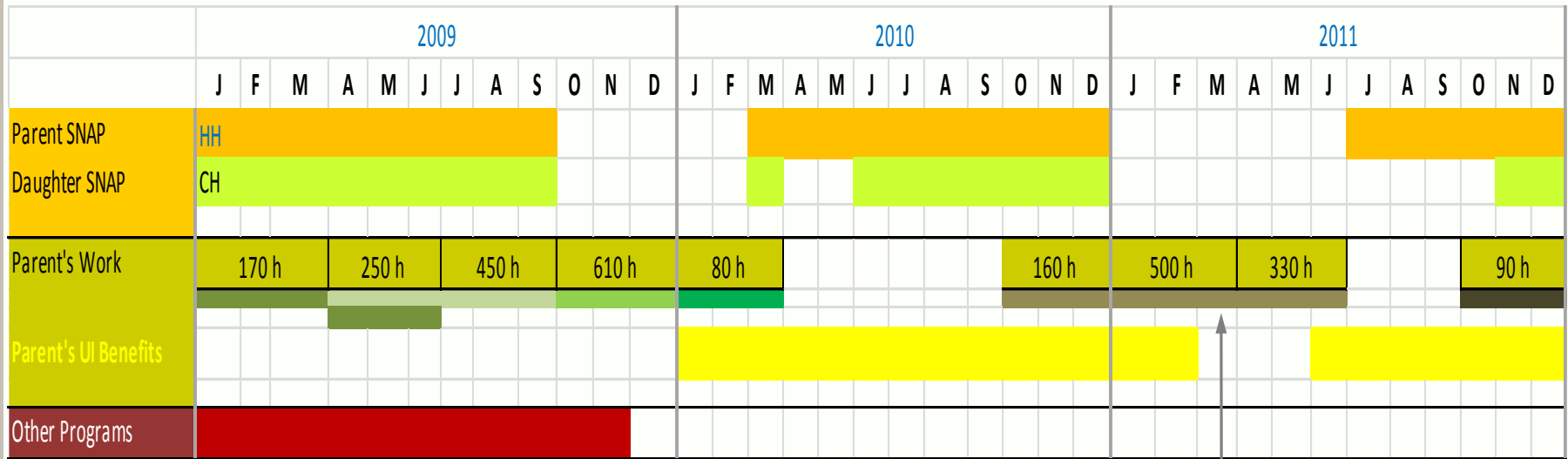
5-year SNAP Participation Intensity (mos.)	1-6 months	7-12 months	13-24 months	25-36 months	37-48 months	49-60 months
Average Quarters worked over 5 years [=20 Quarters]	14.4	14.6	14.4	14.8	14.3	13.6
Average quarterly hours worked over 5 years ~[~500 hours = full time]	384	389	365	346	335	306
Average hourly wage per quarter over 5 years	\$17.50	\$15.50	\$15.10	\$13.80	\$12.80	\$15.10
Average weeks of Unemployment Insurance (UI) Benefits over 5 years [=260 wks]	38.7	46.8	54.5	61.0	62.1	59.9
Average weekly UI Benefits over 5 years	\$302	\$279	\$256	\$236	\$218	\$191

Complex dynamics of livelihood strategies of low-income households for hypothetical Oregon single-parent-family

Hypothetical, but not atypical, case (in the following slide) of how low-income households seek to make ends as they experience spells of unemployment by bundling wages, unemployment insurance, SNAP and medical assistance:

- Single mother begins receiving SNAP and Medicaid in January 2009, as she works in two part-time jobs until she gets a full-time employment in the 4th Quarter of 2009
- She exits SNAP in September, Medicaid in November of 2009
- She loses her job in January 2010, starts getting UI benefits and goes back on SNAP for about a year.
- In late 2010 she gets another full-time job for about 6 months
- After losing this job in mid 2011, she begins getting unemployment benefits and SNAP again

SNAP, Employment and UI dynamics for hypothetical single-parent household



KEY

SNAP - HH
SNAP - CH
Employed
UI Benefits
Medical Assistance

2016

Different shades of green/brown under the employed row indicate JOB CHANGES. Each new shade of green/brown is a different employer. Multiple lines within a quarter represent multiple employers.



Complex dynamics of livelihood strategies of low-income households for hypothetical Oregon single-parent-family

Over the three years examined in this hypothetical case,

- She had 6 jobs and received wages for 9 of the the 12 quarters
 - out of the 12 quarters, there were only 3 quarters in which she had full employment for the entire quarter

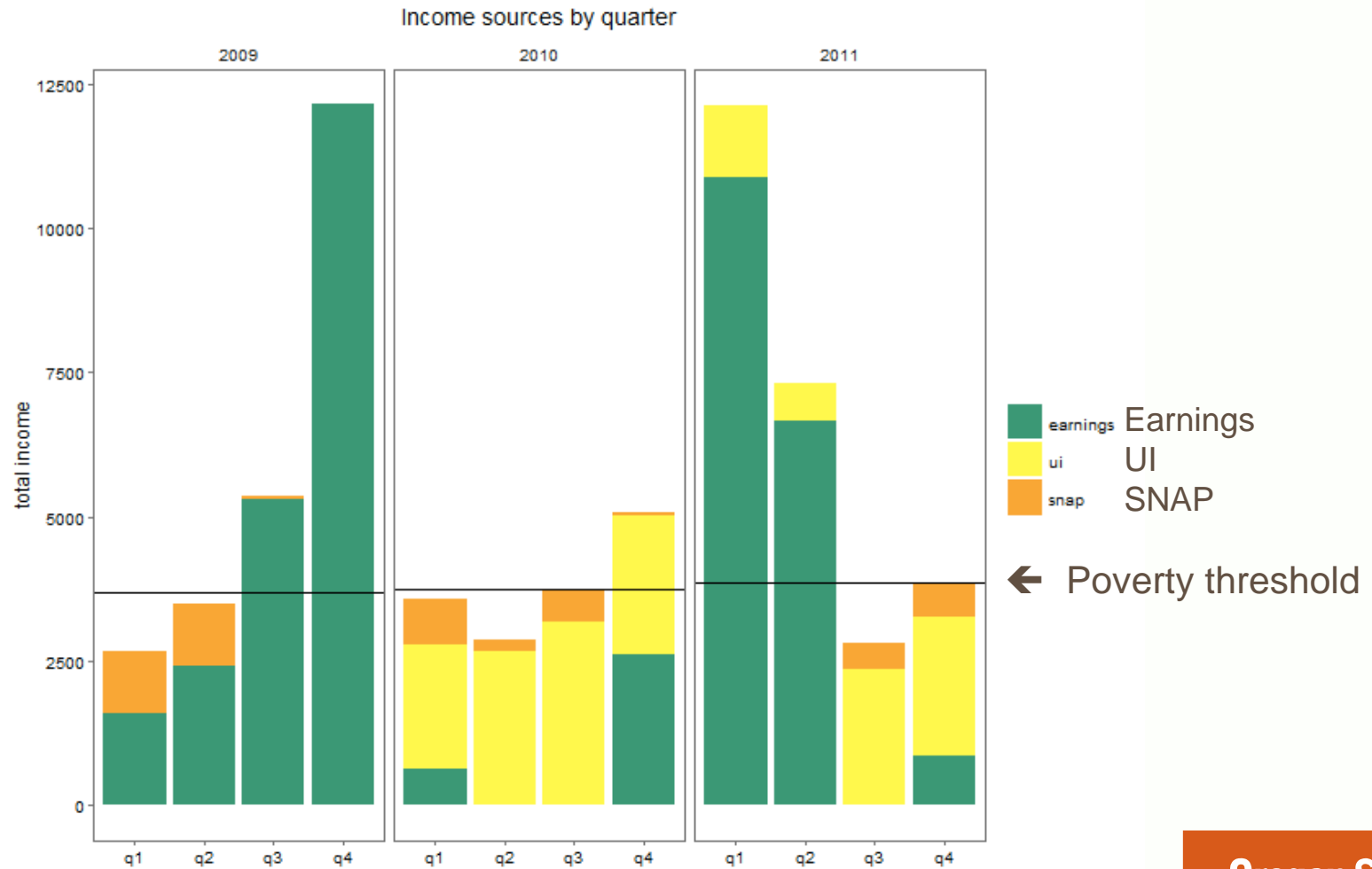
During this 36 month period, she received benefits from both

- social insurance
 - 21 months of unemployment insurance benefits
- and the safety net
 - 25 months of SNAP benefits for herself
 - 19 months of SNAP benefits for her child (her child was not reported on the case for 6 months of this period)
 - 11 months of Medical Assistance

Poverty Dynamics for Hypothetical Single-parent Family

- Resources available to family from wages, unemployment insurance and SNAP vary dramatically over the course of a single year
- Unemployment insurance can be critical safety net program for families losing employment and wages
- SNAP participation can go a long way toward filling the gap between wages (and UI benefits for the unemployed) and the poverty line, even bringing some families slightly above the poverty line

Dynamics of Quarterly Earnings, UI Benefits and SNAP Benefits for hypothetical single-parent household



Implications for Policy Research

- There is a line of poverty research that distinguishes transient (1-3 years) poverty and chronic (4+ years) poverty
 - Examines differences in conclusions about extent of these measures of poverty under the Official and Supplemental Poverty Measures
 - Examines the impact of government programs on chronic and transient poverty (Kimberlin, Self-Sufficiency Research Clearinghouse webinar, March 22, 2016)
- Should we examine shorter spells? Our preliminary examination of quarterly and monthly changes in the bundles of wages, SNAP, and UI for low-income Oregonians suggests that some families experience extreme deprivation over *shorter* periods of time than a year
- In Edin and Shaefer's *\$2.00 a Day* (2015), there is evidence that many low income do not have reserves upon which to draw to manage these periods without hardship

Implications for Policy Research

This understanding of complexity of individual cases is an important –often neglected – preliminary step in the analysis of extent to which SNAP exit hazards are related to job/wage changes, UI receipt, and SNAP recertification, controlling for demographics and local economic context.

But it is also suggestive of other analyses of poverty and program dynamics. Next steps could include:

- Analysis of extent to which SNAP ,UI and wages keep different types of households out of poverty, using a Supplemental Poverty Measure developed for Oregon (like IRP's Wisconsin Poverty Measure)
- Analysis of joint participation in programs like SNAP and UI, seeking understanding of trigger events, simultaneous and sequential use of programs and program interactions, and employment outcomes of those who exit SNAP.

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Figure 1. Diagram of Study Period, Sample, Data Sources and Variables for Oregon SNAP

Project

Study Period – January 2005 through December 2013

Sample – Oregon household heads who entered and participated in the SNAP program in 2005 (Jan-Dec) and in 2009 (Jan-Dec). Households that received SNAP through the Aging and People with Disabilities Program (APD) and households headed by persons younger than 18 and older than 59 were omitted. Random samples of 50,000 SNAP participants were selected from the study population from both the 2005 and 2009 cohorts. The observation period for each cohort included at least five years of monthly records and five years prior to the beginning of the study period for both cohorts. OSU has data on all household heads and all the household members associated with the household head selected to be in the sample.

Data Sources – In addition to the SNAP participation and demographic information from ICS, the ICS data contained data on service start and end date for other DHS related programs such as TANF, ERDC, child welfare, etc. Further, the ICS data was linked with quarterly wage data and unemployment benefits information from the Unemployment Insurance system, provided by the Oregon Employment Department. For the study period, employment data was received for each subject in the sample including any adults in the household associated with this individual. More recently, OSU has received additional SNAP variables not available in the ICS Data Warehouse. This data comes from the Self Sufficiency Program at DHS and was linked by the same Study ID. This data includes certification begin and end date, as well as when SNAP benefits were issued and monthly dollar amounts.

Oregon ICS (Integrated Client Services) Data Warehouse

Unemployment Insurance Wage Data [Employment Department]

- **Study ID [MID]**
- Yr_qtr_worked [yearqtr]
- Employer_id
- Wage
- Hours_worked
- NAICS – industry code
- Ownership_code
- Numemp [# employers/quarter]
- Sumwage [sum wages for all employers/quarter]
- Sumhrs [sum hours for all employers/quarter]

Unemployment Data [Employment Department]

- **Study ID [MID]**
- Year_month_day_paid [weekly payment]
- Amount_paid

Other Program Participation for Each Cohort – 2005 and 2009

- **Study ID [Master_ID]**
- Program_Area
 - CW – Child Welfare
 - ERDC – employment related day care
 - DMAP – medical assistance programs
 - MH – mental health
 - OHCS – Oregon housing and community assistance
- Service_start_date / service_end_date

SNAP Variables

- **Study ID [Master_ID]**
- Cohort [2005 or 2009]
- Criterion_span
- Refkey [HH match]
- Group
- Service_Start_Date / Service_End_Date
- Case ID
- Person_type
- Date_of_birth / Date_of_death
- Gender
- Ethnicity
- Race
- Preferred_Lang
- HH_ref
- Age
- Lastdate / firstdate
- County_name
- Census_ID
- 5 year snap participation prior to study period

Additional SNAP variables in Self Sufficiency Program [not in ICS]

- **Study ID [Master ID]**
- Certification_begin_date
- Certification_end_date
- IssuanceDate
- SNAP_BenefitAmt
- GrossIncomeTotalAmt