

## Financial Strain, Economic Conditions, and Food Stamp Program Participation

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The food stamp participation rate has increased in the past decade primarily due to changes in policies and the declining economy (Zedlewski & Rader, 2005). However, the participation rate has risen sharply ever since the economic crisis rate reached all-time high in 2011. One in seven people (45.8 million) in the United States received food stamp benefits in 2011. Socioeconomic and psychological factors at the individual level have been identified as determinants of food stamp participation in addition to food stamp policies and macro-economic conditions such as unemployment rate, food stamp benefits, and food prices (Hernandez & Ziol-Guest, 2009; Huang, Huffman, & Tegene, 2011). The financial situation of a household is one of the most important factors in food stamp program eligibility as well as participation. However, previous research focused primarily on income and employment status as the financial determinant, and limited information is available regarding the financial condition of households beyond income, employment, and vehicle ownership, although most low-income families are not expected to own assets due to their limited resources and asset test for government assistance programs.

This study examines the role of household financial status such as financial assets and debts on the Supplemental Nutrition Assistance Program (SNAP) before and during the recent economic crisis. We use panel data comprising of the 2003-2009 waves from the Panel Study of Income Dynamics for this study. Our preliminary results of cross-sectional data analysis indicate that financially strained households and renters were not only more likely to participate in SNAP. The likelihood of their participation has also increased during the period of recent economic crisis. Furthermore, correlations between some financial strain variables and food stamp participation were not consistent over time. The results also indicate that vehicle ownership, not a significant factor for participation in the 2003-2005 waves, reduced the likelihood of SNAP participation during the 2007-2009 periods. Additional analyses will be conducted to see the how the roles of these determinants have changed before and after the economic crisis.

### References

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