

What Follows Basic Food Exit?

Earnings and Service Receipt after Leaving Food Assistance in Washington State

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FOOD ASSISTANCE PROGRAMS, collectively known as Basic Food in Washington State, provide low-income households with vouchers to purchase food at grocery stores and additional supports to help avoid hunger and food insecurity (see Pavelle et al. 2019 for additional background). The Department of Social and Health Services' Economic Services Administration is developing additional strategies to support low-income households as they work toward increased earnings and improved well-being. One strategy is to use case management and coaching techniques to help Basic Food households eliminate barriers to economic well-being and grow their earnings potential while receiving benefits, thereby improving clients' ability to support themselves and their families after exiting the program. To support this strategy, this report assesses the baseline frequency of "successful exits" from the Basic Food program and examines how the characteristics of successfully exiting households differ from other households exiting from, and remaining on, Basic Food.

Key Findings

1. **Of households in the study population, about 7 percent exited each month in SFY 2016.** We restricted this analysis to households with at least one non-disabled working-age adult on Basic Food to focus on where case management strategies during Basic Food assistance would have the greatest chance of improving labor market prospects and earnings potential.
2. **Of households with at least one non-disabled working-age adult that exited Basic Food in SFY 2016, about 10 percent are classified as "successful exits."** Here, "successful exit" is defined as a household's earnings exceeding 200 percent of Federal Poverty Level (FPL) in 6 or more of 8 quarters following exit and the household not returning to Basic Food in the same 2-year period. Altering this relatively strict definition of "successful exit" would significantly impact the rate.
3. **"Successful exits" were more likely for households with higher educational attainment and a track record of employment and earnings.** Households which exited Basic Food successfully had higher educational attainment, more quarters of work in the 2 years preceding exit, and higher wages in those quarters of work relative to other exiting households. They also tended to have fewer children, fewer young children, and fewer disabled household members. One of the biggest differences was their demonstrated earnings capacity in the 2 years prior to exit—72 percent of successfully exiting households had at least one quarter in the 8 quarters prior to exit where household earnings exceeded 200 percent of FPL, compared to fewer than 25 percent of households that returned to Basic Food or had lower or inconsistent earnings after exit.

Identifying Successful Basic Food Exits

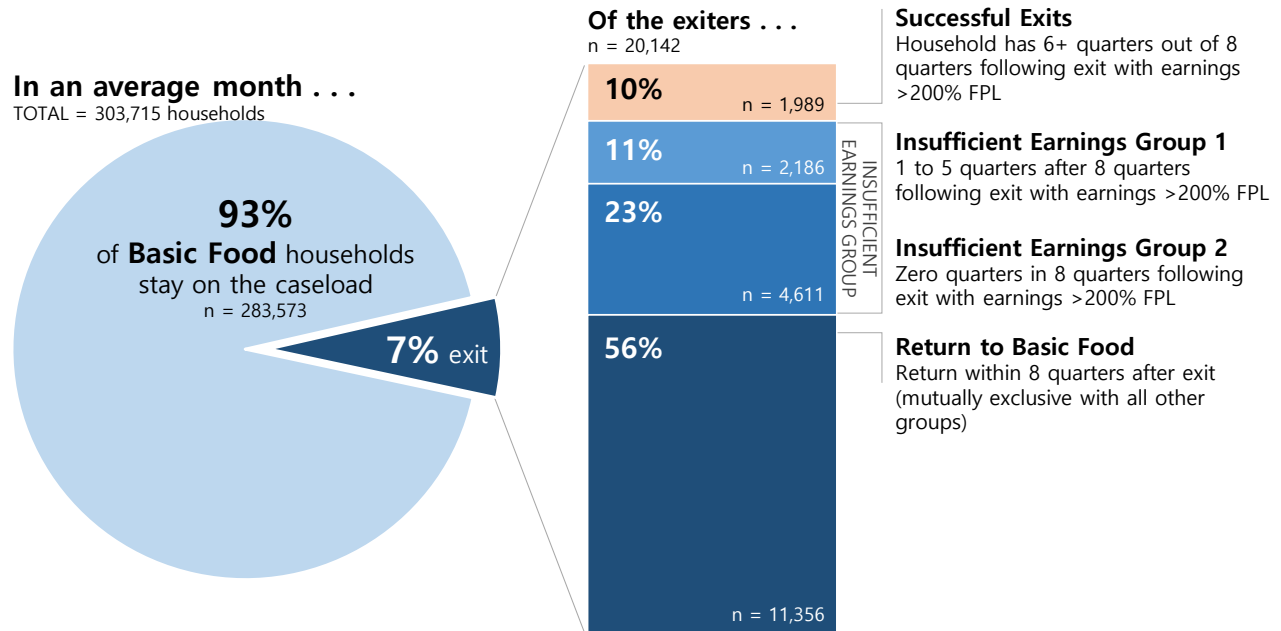
The study population for this report is the average monthly population of households actively receiving Basic Food assistance in SFY 2016 with at least one non-disabled working-age (18-59) adult. After linkage of all persons in these households to DSHS' Integrated Client Database (ICDB; Mancuso 2014) and dropping households in which any person died in the two-year follow-up period, this yields 303,715 households in the study sample. (See technical notes for additional details.)

Of the 303,715 households in the average month of SFY 2016 with at least one non-disabled working-age adult, roughly 93 percent received assistance for at least one additional month and 7 percent (20,142 households) exited and remained off the program for at least one month. Of those 20,142 households that exited, the bar chart in Figure 1 shows their earnings and service receipt in the subsequent 8 quarters (2 years).¹ More than half (56 percent) of exiting households returned to the Basic Food program within 8 quarters after exit. Thirty-four percent of exiting households neither returned to Basic Food within 8 quarters nor had sufficiently high and consistent earnings to be classified as a "successful exit"— Twenty-three percent of exiting households had zero quarters of the eight following exit with household earnings above 200 percent FPL, and 11 percent had at least one but fewer than six quarters of the eight following exit with household earnings above 200 percent FPL.

Ten percent of exiting households with at least one non-disabled working-age adult—approximately 2,000 per month—are classified as "successful exits," meaning they had household earnings of greater than 200 percent FPL for 6 or more of the 8 quarters following exit, and that the household did not return to Basic Food within this two-year timeframe. This is the ideal outcome for a household leaving Basic Food: that it has the resources and opportunities to achieve economic well-being. The table on the following page compares characteristics of successfully exiting households to other households exiting from, and remaining on, Basic Food. A future study will use these and other characteristics to build a predictive model that identifies which factors best position a household for successful exit.

FIGURE 1.

Exit Status of Basic Food Households with Non-Disabled Working-Age Adults SFY 2016



¹ Earnings may be slightly underestimated; the Employment Security Department data used excludes self- and federal employment.

TABLE 1

Basic Food Households with Non-Disabled Working-Age Adults, by Monthly Exit Status

	Successful Exits	Exits with Insufficient Earnings	Exits with Return to Basic Food	Stayers
TOTAL	1,989	6,797	11,356	283,573
Household Structure				
Multiple adult, with child(ren)	20%	17%	18%	23%
Single female, with child(ren)	11%	17%	19%	27%
Single male, with child(ren)	2%	2%	3%	3%
Multiple adult, no children	9%	5%	5%	6%
Single female, no children	23%	22%	20%	16%
Single male, no children	34%	37%	36%	24%
Household Members				
Number of Non-Disabled Working-Age Adults (18-59)	1.3	1.2	1.2	1.3
Number of Children (0-17)	0.6	0.7	0.8	1.1
Any Disabled Children (0-17)	1%	2%	2%	3%
Any Disabled Working-Age Adults (18-59)	2%	3%	4%	5%
Any Seniors (60+)	1%	1%	1%	2%
Age of Youngest Child				
No children under 18	66%	64%	61%	47%
0 to 2 years old	10%	12%	14%	19%
3 to 5 years old	7%	8%	9%	12%
6 to 11 years old	10%	10%	10%	14%
12 to 17 years old	7%	6%	6%	8%
Age of Oldest Non-Disabled Working-Age Adult				
18 to 20 years old	3%	7%	8%	6%
21 to 29 years old	34%	36%	37%	31%
30 to 39 years old	30%	28%	30%	32%
40 to 49 years old	20%	18%	17%	19%
50 to 59 years old	13%	10%	9%	12%
Race/Ethnicity of Any Household Member (not mutually exclusive)				
Non-Hispanic White	59%	59%	58%	57%
Hispanic	20%	22%	24%	27%
Black	15%	13%	16%	15%
Asian/Pacific Islander	12%	11%	10%	11%
American Indian/Alaska Native	6%	7%	11%	11%
Highest Education Level in Household				
Less than high school	9%	16%	20%	20%
High school / GED	53%	56%	56%	55%
Some college	27%	22%	19%	21%
College degree or higher	11%	6%	4%	5%
Unknown	<1%	<1%	<1%	<1%

	Successful Exits	Exits with Insufficient Earnings	Exits with Return to Basic Food	Stayers
TOTAL	1,989	6,797	11,356	283,573
Employment/Earnings in 8 Quarters Prior to Exit (or Index Month, for stayer population)				
Highest hourly wage in household				
No employment on record	2%	25%	21%	27%
\$0 - \$12	16%	30%	34%	33%
>\$12 - \$15	28%	21%	23%	20%
>\$15 - \$20	28%	14%	14%	12%
>\$20 - \$30	18%	7%	7%	6%
>\$30	8%	3%	3%	2%
Number of quarters with any household earnings	6.1	3.9	4.3	3.9
Household earnings >200% FPL in any quarter	72%	21%	24%	15%

TECHNICAL NOTES

STUDY POPULATION

To construct the study population, we first identified all Basic Food assistance units (AUs, referred to in the report as households) actively receiving Basic Food benefits in four months of SFY 2016: September 2015, December 2015, March 2016, and June 2016. These months were selected because they each represent the last month in a quarter of quarterly earnings data from the Washington Employment Security Department (ESD). Due to this design, earnings and employment outcomes could be measured cleanly in the 8 quarters after the month of Basic Food exit. The four months are spread evenly throughout the fiscal year, so we made the assumption that Basic Food exits in these four months are representative of Basic Food exits throughout SFY 2016. The analysis therefore includes four times the number of households described in text and shown in Figure 1, but we divide by four to express what the volume would look like in an average month in SFY 2016. The remainder of this description expresses numbers in the metric of average volume per month.

After identifying all Basic Food households actively receiving Basic Food benefits in an average month (558,237), we then restrict to households with at least one non-disabled working-age adult (311,338). Here, disability is defined as enrolled in disability-related Medicaid coverage OR non-elderly and receiving SSI/WASHCAP OR having any disability identified in ESA's ACES data system in the month. Working-age is defined as age 18-59. Of these households with at least one non-disabled working-age adult, the final study population is restricted to households in which all household members (both recipients and non-recipients) were successfully linked to the DSHS Integrated Client Database (ICDB; Mancuso 2014) and in which no household member died in the two-year follow-up period. This final restriction retains 98 percent of all households with at least one non-disabled working-age adult (303,715).

DATA SOURCES AND MEASURES

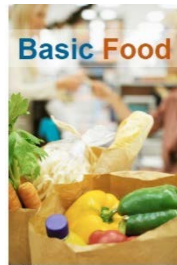
Most household characteristics are measured in the index month (or the last month of benefits prior to Basic Food exit, for households which exit Basic Food). For the purpose of measuring earnings and employment and the 8-quarter period prior to and including index (exit month for stayer population), and the 8-quarter period following index (exit), we make the simplifying assumption that the household composition remains the same as in the index month (i.e., the same number of persons is used across time in the calculation of FPL). In both the pre- and post-two-year periods, earnings and employment are counted for all persons age 16 or older as of the index month. All wages and earnings are expressed in terms of 2018 dollars, and compared to 2018 Federal Poverty Level guidelines for the purpose of calculating FPL (<https://aspe.hhs.gov/2018-poverty-guidelines>).

In combination with household composition information with ESA's Automated Client Eligibility System (ACES), ICDB identifies the following characteristics: household structure, household member age and race. See second paragraph above for definition of disability status, derived from both ICDB and ACES. Education level comes from ACES. Employment and earnings are derived from quarterly ESD-matched earnings data. Note that measures of employment and earnings may be slightly underestimated, as ESD wage data excludes self-employment/independent contractors (e.g., rideshare drivers), and federal employment (e.g., TSA workers).

REFERENCES

Mancuso, D. (2014). DSHS Integrated Client Database. Washington State Department of Social and Health Services, Research and Data Analysis Division, Report 11.205.

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