



Food stamps are now an \$80 billion-a-year program — twice what it cost five years ago

By HOPE YEN

• Associated Press

WASHINGTON — In a first, working-age people now make up the majority in U.S. households that rely on food stamps — a switch from a few years ago, when children and the elderly were the main recipients.

Some of the change is due to demographics, such as the trend toward having fewer children. But a slow economic recovery with high unemployment, stagnant wages and an increasing gulf between low-wage and high-skill jobs also plays a big role. It suggests that government spending on the \$80 billion-a-year food stamp program — twice what it cost five years ago — may not subside significantly anytime soon.

Food stamp participation since 1980 has grown the fastest among workers with some college training, a sign that the safety net has stretched further to cover America's former middle class, according to an analysis of government data for The Associated Press by economists at the University of Kentucky. Formally called Supplemental Nutrition Assistance, or SNAP, the program now covers 1 in 7 Americans.

The findings coincide with the latest economic data showing workers' wages and salaries growing at the lowest rate relative to corporate profits in U.S. history.

President Barack Obama's State of the Union address Tuesday night is expected to focus in part on reducing income inequality, such as by raising the federal minimum wage. Congress, meanwhile, is debating cuts to food stamps, with Republicans including House Majority Leader Eric Cantor, R-Va., wanting a \$4 billion-a-year reduction to an anti-poverty program that they say promotes dependency and abuse.

Economists say having a job may no longer be enough for self-sufficiency in today's economy.

"A low-wage job supplemented with food stamps is becoming more common for the working poor," said Timothy Smeeding, an economics professor at the University of Wisconsin-Madison who specializes in income inequality. "Many of the U.S. jobs now being created are low- or minimum-wage — part-time or in areas such as retail or fast food — which means food stamp use will stay high for some time, even after unemployment improves."

The newer food stamp recipients include Maggie Barcellano, 25, of Austin, Texas. A high school graduate, she enrolled in college but didn't complete her nursing degree after she could no longer afford the tuition.

Hoping to boost her credentials, she went through emergency medical technician training with the Army National Guard last year but was unable to find work as a paramedic because of the additional certification and fees required. Barcellano, now the mother of a 3-year-old daughter, finally took a job as a home health aide, working six days a week at \$10 an hour. Struggling with the low income, she recently applied for food stamps with the help of the nonprofit Any Baby Can, to help save up for paramedic training.

“It’s devastating,” Barcellano said. “When I left for the Army, I was so motivated, thinking I was creating a situation where I could give my daughter what I know she deserves. But when I came back and, basically found myself in the same situation, it was like it was all for naught.”

Since 2009, more than 50 percent of U.S. households receiving food stamps have been adults ages 18 to 59, according to the Census Bureau’s Current Population Survey. The food stamp program defines non-elderly adults as anyone younger than 60.

As recently as 1998, the working-age share of food stamp households was at a low of 44 percent, before the dot-com bust and subsequent recessions in 2001 and 2007 pushed new enrollees into the program, according to the analysis by James Ziliak, director of the Center for Poverty Research at the University of Kentucky.

By education, about 28 percent of food stamp households are headed by a person with at least some college training, up from 8 percent in 1980. Among those with four-year college degrees, the share rose from 3 percent to 7 percent. High-school graduates head the bulk of food stamp households at 37 percent, up from 28 percent. In contrast, food stamp households headed by a high-school dropout have dropped by more than half, to 28 percent.

The shifts in food stamp participation come amid broader changes to the economy such as automation, globalization and outsourcing, which have polarized the job market. Many good-paying jobs in areas such as manufacturing have disappeared, shrinking the American middle class and bumping people with higher levels of education into lower-wage work.

An analysis Ziliak conducted for the AP finds that stagnant wages and income inequality play an increasing role in the growth of food stamp rolls.

Taking into account changing family structure, higher unemployment and policy expansions to the food stamp program, the analysis shows that stagnant wages and income inequality explained just 3.5 percent of the change in food stamp enrollment from 1980 to 2011. But from 2000 to 2011, wages and inequality accounted for 13 percent of the increase.

Several economists say food stamp rolls are likely to remain elevated for some time. Historically, there has been a lag before an improving unemployment rate leads to a substantial decline in food stamp rolls; the Congressional Budget Office has projected it could take 10 years.

“We do not expect income inequality stabilizing or declining in the absence of real wage growth or a significant reduction in unemployment and underemployment problems,” said Ishwar Khatiwada, an economist for the Center for Labor Market Studies at Northeastern University who reviewed the Labor and Commerce departments’ wage data.

Full- and part-time workers employed year-round saw the fastest growth in food stamp participation since 1980, making up 17 percent and 7 percent of households, respectively. In contrast, the share of food stamp households headed by an unemployed person has remained largely unchanged, at 53 percent. Part-year workers declined in food stamp share.