

Bundling Public and Charitable Supports to Cope with the Effects of the Great Recession*

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Objective. We examine how low-income households have drawn upon public and charitable non-profit sources of social assistance during and after the Great Recession. *Methods.* Using panel survey data collected in the Detroit Metropolitan Area in 2008 and 2010, we explore the relationships between household characteristics, program use, and bundling of assistance. *Results.* Roughly two-thirds of Detroit households within 300 percent of poverty received a public safety net benefit in the previous year; about 40 percent received assistance from more than one public program. More than one in six households received help from a nonprofit charity. Low educational attainment, unemployment, and health limitations are positively related to receipt of multiple public assistance programs. *Conclusions.* Our findings point to persistent needs among poor and near-poor households after the Great Recession, as well as to the reality that many low-income households draw upon multiple sources of public assistance even when working. Many low-income households remain detached from public and charitable sources of support even as the safety net has expanded in response to the downturn.

Five years after the official end of the Great Recession, several million households continue to struggle with financial hardship due to the downturn, public safety net caseloads remain well above pre-recession levels, and private nonprofit charities continue to serve higher numbers of families seeking help with material needs, job search, and housing (FitzGerald, 2013; Moffitt, 2013; Weinfeld et al., 2014). Only a few recent studies have explored how households draw upon multiple sources of assistance as they cope with low levels of income, job loss, or diminished work earnings (Cancian, Han, and Noyes, 2012; Moffitt 2014; Newman, Todd, and Ver Ploeg, 2011) or examined how households have combined public and charitable support (Bhattarai, Duffy, and Raymond, 2005; Mathematica Policy Research, Inc., 2010).

Identifying where low-income households located help in the wake of the Great Recession is important for several reasons. Such inquiry will highlight how well the safety net

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responded to the downturn and suggest which population subgroups today's safety net is most likely to reach. Structural changes in the labor market due to the recession may create even higher hurdles to work for those already grappling with barriers to employment, making the bundling of multiple safety net programs even more critical for vulnerable populations. The limited generosity of public assistance programs also may lead significant numbers of poor families to seek help from charities to fill the gaps. Inquiry into the bundling of public and charitable assistance may be especially important in the current context, where there is renewed debate over the size of safety net programs and the proper role of private nonprofit organizations.

To better understand safety net program participation during and after the Great Recession, we use unique panel survey data drawn from the Detroit Metropolitan Area in 2008 and 2010 to examine receipt of public and nonprofit assistance among households with income at or below 300 percent of the federal poverty line. We find that roughly two-thirds of households in our sample received some type of public safety net benefit in the previous year, with more than one in six households reporting receipt of private nonprofit charity in the past year. Several factors are associated with receipt of multiple public assistance programs, including race, children in the household, low levels of educational attainment, longer periods of unemployment, work-limiting health conditions, and engagement with "gateway" programs that provide categorical eligibility for other benefits. Hardship and health limitations also are positively associated with combining public and nonprofit sources of support. Such findings point to the need that persists among poor and near-poor households after the Great Recession, as well as to the reality that many eligible low-income households remain detached from public and charitable sources of support.

Safety Net Participation and the Great Recession

The Great Recession, officially lasting from December 2007 to June 2009, had a dramatic and sustained impact on work, earnings, and poverty in most communities in the United States. Decreases in work activity and median household income following the end of the Great Recession were far more severe than any other recession since 1970. Increases in poverty following the downturn were much higher than any other recession since 1980 and have stayed at near historic highs (DeNavas-Walt, Proctor, and Smith, 2011). Even though the recession officially ended in 2009, the effects of the downturn persisted for many low-income households whose work opportunities and earnings have not returned to pre-recession levels (Roberts, Povich, and Mather, 2012).

Following trends in poverty, participation in most public assistance programs increased dramatically during the recession and continued to increase after the recession's official end (FitzGerald, 2013; Smith et al., 2012; Moffitt, 2013). For example, about 42 million persons received assistance from Temporary Assistance for Needy Families (TANF), General Assistance, Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), Supplemental Security Income (SSI), Medicaid, or housing assistance in 2005. By 2009, about 45 million people (nearly 19 percent of the population) received assistance from these public programs—an increase of about 6 percent (Kim, Irving, and Loveless, 2012).

Complementing the public safety net, private nonprofit charities provide over \$150 billion in services annually that assist low-income families with material need, barriers to employment, job search, education and skill development, literacy, and health-related issues (Allard, 2009; Smith and Lipsky, 1993). Similar to rising public assistance caseloads following the recession, nonprofit food pantry use increased during the Great Recession

(U.S. Conference of Mayors, 2008) and an estimated 37 million individuals received help from charitable food programs in 2009 (Mathematica Policy Research, Inc., 2010).

We expect many household-level factors to shape receipt of public or charitable sources of support in times of need—although only a few studies examine multiple program participation (Cancian, Han, and Noyes, 2012; Moffitt, 2014; Newman, Todd, and Ver Ploeg, 2011) and few recent studies examine the bundling of public program with nonprofit charity over time (Bhattarai, Duffy, and Raymond, 2005; Mathematica Policy Research, Inc., 2010). Most obviously, household income poverty and financial hardship should be highly associated with program use. Income poverty creates need that can lead families to seek assistance. Poverty status also is central to determining public assistance eligibility. For example, Kim, Irving, and Loveless (2012) find nearly three-quarters of persons in poverty to have received some type of public assistance in 2009. Similarly, because nonprofit organizations often weigh income when providing support, we expect poverty status and financial hardship to be associated with receipt of assistance from nonprofit charities (Allard, 2009; Smith and Lipsky, 1993).

Structural changes in the labor market, such as those occurring during and after the Great Recession, shape household receipt of public and charitable nonprofit assistance. Job loss, lower work earnings, and sustained periods of unemployment or detachment from the labor force create greater hardship and lower household incomes, which in turn lead to more eligible households and more households seeking assistance (Pilkaukas, Currie, and Garfinkel, 2012; Johnson, 2012). Accordingly, we expect household experiences of job loss, decreased work earnings, and periods of unemployment or detachment from the labor force to be associated with increased public and private program use. Prolonged periods of unemployment, underemployment, or detachment from the labor market should be associated with engagement in multiple public assistance programs and to receiving these public supports in combination with help from the charitable safety net.

Several other factors are expected to shape receipt of safety net assistance. Female-headed households, who are more likely to be poor and qualify for public programs than married couples or single male-headed households, are much more likely to participate in means-tested public programs (Kim, Irving, and Loveless, 2012). Older working-age adults and those in poor physical health face obstacles to work that can lead to increased receipt of an array of public assistance benefits (Keane and Moffitt, 1998; Ratcliffe, McKernan, and Finegold, 2008). Participation rates in public programs also are much higher among blacks and Hispanics than whites, likely a reflection of higher poverty rates among racial and ethnic minorities. This is true even though race or ethnic discrimination are thought to lead to lower take-up of government cash and in-kind benefit programs among eligible households (Soss, Fording, and Schram, 2011). In addition, returns to education in the labor market should lead individuals without a high school diploma or college degree to be more likely to receive public assistance because of limited employment opportunities. Access to a car or other transportation resources should increase the employment opportunities for low-income households, as well as the likelihood that low-income households can reach administrative offices (Allard, 2009). Finally, there is reason to believe that engagement with local community-based organizations can help link low-income households to social assistance programs (Allard, 2009).

Categorical eligibility determinations and shared administrative processes also can shape whether low-income households are engaged in multiple assistance programs. For example, TANF recipients commonly are enrolled in SNAP and Medicaid. The vast majority of low-income families receiving SSI or SNAP benefits also are enrolled in Medicaid because these programs often are coordinated in the same government offices, use shared application

procedures, and have compatible income eligibility thresholds (Ratcliffe, McKernan, and Finegold, 2008). Programs such as Unemployment Insurance (UI), however, often are administered through government offices that do not provide other means-tested public programs and thus receipt of UI is only weakly correlated with other means-tested programs (Reese, 2006). We should expect, therefore, that households engaged in TANF or SNAP programs will be more likely to participate in multiple public assistance programs compared to households in programs that are less common conduits to other types of assistance.

Data and Definitions

To evaluate the responsiveness of the public and nonprofit components of the safety net following the Great Recession, we assess the extent to which households near or below the poverty line draw upon different public and charitable sources of support, the household characteristics related to receipt of multiple public assistance programs within a given year and related to the bundling of public and charitable sources of support. Using data from the first two waves of the Michigan Recession and Recovery Study (MRRS), we examine trends in benefit receipt from public safety net programs and use of nonprofit charity among a representative sample of households with adults aged 19–64 years living in the three-county Detroit Metropolitan Area (Macomb, Oakland, and Wayne counties). We focus our analyses on self-reported receipt of seven different public safety net programs either at the time of each survey or at some point in the 12 months prior: TANF, SNAP, disability, either Social Security Disability Insurance (SSDI) or SSI, public health insurance (Medicaid or other programs), UI, earned income tax credit (EITC), and public housing assistance. We also examine receipt of food or shelter assistance from a nonprofit charity in the year prior to the interview.

Apart from income, race, age, presence of children, and marital status, we focus on several key household characteristics hypothesized to shape receipt of public and charitable supports. Respondents are categorized by whether they have less than a high school diploma or equivalent, a high school diploma or equivalent but no bachelor's degree, or a completed bachelor's degree. Labor market participation is measured by whether respondents were employed in each of the previous 12 months, unemployed, or not in the labor force (NILF) one to six months of the previous 12, unemployed or NILF seven to nine months, or unemployed or NILF 10–12 months prior to the interview. A dichotomous measure indicates whether respondents reported a health condition preventing or limiting their ability to work. Household financial hardship is captured with a dichotomous measure indicating whether households were behind on utility payments, behind on rent or mortgage, had a credit card canceled, took out a payday loan, or filed for bankruptcy in the previous 12 months. Another dichotomous measure reflects household food insecurity in the prior 12 months. Finally, we include measures to reflect church attendance, access to a car, and union membership, all of which may affect attachment to public or charitable sources of support. More detail about the MRRS and supplemental analyses can be found in an appendix in Supporting Information accompanying this article.

We focus our analyses on households who reported annual income below 300 percent of the federal poverty line (\$17,285 for a family of three in 2009), about 43 percent of respondents in each wave. As in all states, eligibility for public anti-poverty safety net programs in Michigan is means-tested and available only to low-income households with children. For example, household income eligibility for the Family Independence Program (FIP, Michigan's TANF program) is set at the federal poverty line after an earned income disregard of \$200 plus 20 percent. Similarly, to be eligible for the Food Assistance Program

(FAP, Michigan's SNAP program), household income must be less than 130 percent of federal poverty after a 20 percent earned income disregard and relevant deductions are calculated (State of Michigan, Department of Human Services, 2010; Michigan Legal Help, 2013). Even though households are less likely to be eligible for public safety net assistance as income rises above the federal poverty line, we expect many with annual income near the poverty line to experience periods or spells where income falls within eligibility guidelines. Due to the effects of recession, these households coping with lower work earnings also may seek help from nonprofit charities with less rigid income eligibility guidelines than public cash or in-kind assistance programs.

MRRS data reflect a unique urban setting. Even though metropolitan Detroit experienced increases in poverty and unemployment during the Great Recession comparable to other major metropolitan areas, the city of Detroit entered the recession with a poverty rate more than double the national average in 2007 (33.8 vs. 13.0 percent) (U.S. Census Bureau, 2008) and an unemployment rate much higher than the national rate in 2007 (14.1 vs. 4.6 percent) (U.S. Department of Labor, 2008, 2012). See the appendix in Supporting Information for more details. Well-documented population loss has left entire neighborhoods abandoned and led to a dramatic hollowing out of entire portions of the central city (Katz and Bradley, 2009). Compounding matters, the city of Detroit has experienced substantial fiscal problems over the past several decades, culminating with its recent bankruptcy. Such fiscal problems make access to certain types of locally financed public and charitable sources of support less predictable.

Yet, there are many advantages to examining receipt of public and charitable sources of support in a single metropolitan area such as Detroit. First, we hold constant factors such as public program eligibility standards, benefit generosity, and the strength of the local philanthropic community that vary from place to place. Because Detroit has experienced difficult structural economic conditions longer than most other metro areas (Farley, Danziger, and Holzer, 2002), lessons from Detroit may portend what can be expected in other cities as local and regional labor markets continue to slowly recover. Finally, we believe the manner in which low-income households draw upon federal safety net programs and patterns of use related to job loss and lost earnings should be generalizable to other settings.

Findings

Receipt of Public and Charitable Support Following the Great Recession

Consistent with other analyses of safety net participation following the Great Recession, a few key public assistance programs provide assistance to large percentages of low-income households in Detroit and constitute the core of the contemporary public safety net: SNAP, public health insurance (e.g., Medicaid), and the EITC. Shown in the first column of the top panel of Table 1, SNAP is the most common public assistance program in metro Detroit following the recession. One-third of all households within 300 percent of the federal poverty line received SNAP in Wave 1 (33.7 percent) and more than 40 percent reported SNAP in Wave 2 (42.2 percent). Public health insurance coverage, SSI, and the EITC each provided support to roughly one-quarter of households at or below 300 percent of the federal poverty line in each wave. Participation in each of these three programs increased considerably between waves, but the differences in take-up between waves reached conventional levels of statistical significance only for public health insurance.

Other public programs, particularly those that require income below or very near the poverty line, provide support to a smaller share of households in metropolitan

TABLE 1
Public Assistance and Nonprofit Charity, Households At or Below 300 Percent of the Federal Poverty Level (FPL)

| | Percentage of Households Reporting Receipt in the Previous 12 Months | | | | | | | | | |
|---------------------------------|--|------|------|-------------------------|------|-------------------|--------------------------------|--------------------|---------|--|
| | SNAP | TANF | SSI | Public Health Insurance | EITC | UI | Public Housing | Any Public Program | Charity | |
| Wave 1 | | | | | | | | | | |
| All households | 33.7 ^a | 8.2 | 20.7 | 25.6 ^a | 20.5 | 14.4 ^a | 7.4 | 60.5 ^a | 18.1 | |
| <100% FPL | 67.7 | 19.6 | 32.9 | 49.9 | 23.0 | 11.4 ^b | 18.8 | 83.7 | 33.5 | |
| 100–300% FPL | 17.0 ^b | 2.7 | 14.7 | 13.7 | 19.2 | 15.9 | 1.9 | 49.2 ^b | 10.5 | |
| Wave 2 | | | | | | | | | | |
| All households | 42.2 ^a | 11.4 | 22.3 | 32.5 ^a | 23.4 | 9.4 ^a | 7.6 | 67.0 ^a | 17.5 | |
| <100% FPL | 65.5 | 20.7 | 33.8 | 52.3 | 20.8 | 6.1 ^b | 16.0 | 80.3 | 30.6 | |
| 100–300% FPL | 28.4 ^b | 5.9 | 15.5 | 20.8 | 24.9 | 11.4 | 2.7 | 59.1 ^b | 9.7 | |
| | Percentage of Households That Then Receive | | | | | | | | | |
| Given That a Household Receives | SNAP | TANF | SSI | Public Health Insurance | EITC | Charity | Mean Number of Public Programs | | | |
| SNAP | – | 24.6 | 35.9 | 59.1 | 52.9 | 31.8 | 2.7 | | | |
| TANF | 94.3 | – | 42.9 | 67.8 | 55.3 | 40.5 | 3.6 | | | |
| SSI | 62.8 | 19.8 | – | 72.2 | 28.3 | 34.3 | 2.9 | | | |
| Public health insurance | 72.9 | 22.0 | 51.8 | – | 38.4 | 35.5 | 2.9 | | | |
| EITC | 49.2 | 10.9 | 13.7 | 33.5 | – | 21.9 | 2.3 | | | |
| Charity | 68.7 | 22.7 | 41.7 | 64.1 | 46.9 | – | 2.5 | | | |

NOTE: ^{a, b}Change in program participation rate across waves is statistically significant at 0.05 level or below. Data in the bottom panel are pooled across Waves 1 and 2 with household weights applied. Unweighted Wave 1, N = 485; Unweighted Wave 2, N = 484; unweighted pooled wave, N = 969.
SOURCE: Michigan Recession and Recovery Study (MRRS).

Detroit. Primarily reaching poor single-parent households, TANF benefits were reported by 8.2 percent of households at or below 300 percent of federal poverty in Wave 1 and 11.4 percent of such households at Wave 2. Similarly, less than 10 percent of households reported receiving public housing assistance in each wave. A small share of households received UI in either wave and the percentage of households receiving UI fell by about one-third between waves (14.4 to 9.4 percent). This latter finding may reflect the better employment prospects in metropolitan Detroit as the economic recovery took hold, but also may reflect the fact that workers in low-income households may not be in jobs that qualify for UI benefits (Simms, 2008).

Nonprofit sources of support also are critical to households at or below 300 percent of poverty in Detroit. As shown in Table 1, about one in six households at or below 300 percent of federal poverty reported receiving charity in either wave of the MRRS. Such assistance is not a daily or weekly source of support for most low-income families in Detroit, as most respondents indicated they received such supports a few times a year or a few times per month (not shown here). It should be noted that charitable assistance often is modest in generosity and limited in availability or in the frequency with which one can receive it. Many nonprofit charities can provide only temporary or short-term help, and emergency assistance programs are designed to be complements to public safety net assistance programs—not replacements. Nevertheless, such charitable assistance often fills gaps the public safety net does not cover and provides immediate help for sudden or short-term needs (Allard, 2009).

The Bundling of Public and Charitable Support

How households bundle different types of public and charitable assistance over a 12-month period appears to depend in part on how they connect to the safety net. The bottom panel of Table 1 reports program participation given receipt of one of six types of assistance: SNAP, TANF, SSI, public health insurance, EITC, and nonprofit charitable assistance.

SNAP appears to be an important gateway program to receipt of other public benefits, even though there are no categorical eligibility connections between SNAP and most other public assistance programs. For example, nearly 60 percent of households receiving SNAP also receive public health insurance coverage (59.1 percent) and slightly more than half receive the EITC (52.9 percent). One-quarter of SNAP recipients also report receiving TANF at some point in the previous year. This is due to restrictive TANF eligibility determinations and work requirements that lead many SNAP-eligible individuals to be ineligible for TANF.

Consistent with categorical eligibility practices that qualify TANF recipients for other public supports, however, TANF households receive assistance from almost four additional public programs on average. Households who receive TANF are highly likely to receive SNAP (94.3 percent) and/or public health coverage (67.8 percent). TANF households also are likely to draw on supports not subject to categorical eligibility determinations. For example, roughly 40 percent of households receiving TANF also contain individuals who receive SSI and more than 50 percent of TANF households also contain working adults that receive the EITC.

Table 1 also underscores the strong connection between SSI receipt and public health insurance. Nearly three-quarters of households reporting SSI benefits also report receiving some type of public health insurance coverage (72.2 percent), whereas slightly more than half of households covered through public insurance programs also receive SSI (51.8 percent).

Receipt of charitable assistance is common among recipients of public assistance, as about one-third of public program participants also report receipt of emergency assistance from a nonprofit charity in the past year. Forty percent of TANF recipients (40.5 percent) and nearly one-third of SNAP households (31.8 percent) report receipt of nonprofit charity in the previous year. A similar share of households receiving SSI and public health insurance coverage report help from nonprofit charities during the year. These figures reflect the depth of need among low-income households and gaps that public programs do not cover. Highlighting the important overlap of public and nonprofit sources of support within poor and near-poor households, the average household reporting assistance from a charitable nonprofit participated in more than two public assistance programs in the prior year.

Factors Associated with Bundling of Public and Charitable Support

To begin to understand the household characteristics associated with the bundling of several different public assistance programs and the bundling of public with charitable supports, Table 2 reports the prevalence of multiple program participation across different types of households in the MRRS. Several findings stand out. First, the vast majority of households with income below the poverty line report receiving assistance from at least one public program (82.0 percent, see columns 1 through 3). These households also were much more likely to receive multiple public assistance programs and to mix public with nonprofit sources of support than households with higher incomes. For example, 21.0 percent of poor households received assistance from four or more public programs in the previous year and nearly one-third bundled their public assistance with some type of charitable nonprofit assistance (30.2 percent).

Even households with annual income above the federal poverty line experienced low enough levels of income in the year prior to the survey to be eligible for some type of public assistance. About two-thirds of households with income between 100 percent and 200 percent of poverty (61.2 percent) received assistance from at least one public program. Almost 40 percent of households with income between 100 and 200 percent of poverty received help from two or more programs. Moreover, about 45 percent of all households with income between 200 and 300 percent of the federal poverty line participated in at least one public assistance program in the previous year. Far fewer households with income between 200 and 300 percent of the federal poverty line received assistance from more than one public program in the previous year, to be expected given the short spells such households may be eligible for assistance.

Regression Analysis

To identify which demographic, economic, and work-related factors are associated with total number of public assistance programs received, we show descriptive results in Table 2 and estimate a Poisson regression using total number of public programs received as the dependent variable. In addition to controlling for a respondent's self-reported identity as black or nonblack, the presence of children in the household, age of the respondent, educational attainment, and marital status, we include control measures to reflect household income below poverty, the extent of unemployment or detachment from the labor force in the previous year, the presence of a work-limiting health condition, a dichotomous measure of experiencing any material hardship, and a measure to reflect household food insecurity in the previous 12 months. To control for potential spatial mobility, we include

TABLE 2
Bundling of Public and Charitable Support, Households At or Below 300 Percent of the FPL

| | In Previous 12 Months, Percentage of Households Receiving | | | | | Public Assistance and Charity Mix |
|---|---|---|---|--------------------|-----------------------------------|-----------------------------------|
| | Only One Public Assistance Program | Two to Three Public Assistance Programs | Four or More Public Assistance Programs | Nonprofit Charity | Public Assistance and Charity Mix | |
| All households ≤ 300% of federal poverty line | 23.1 | 30.8 | 9.7 | 17.7 | 15.9 | |
| <100% of federal poverty line | 17.0 ^{ab} | 44.0 ^{ab} | 21.0 ^{ab} | 32.1 ^{ab} | 30.2 ^{ab} | |
| 100% to <200% of federal poverty line | 23.7 ^a | 31.1 ^{ac} | 6.4 ^{ac} | 12.3 ^{ac} | 10.9 ^{ac} | |
| 200% to ≤ 300% federal poverty line | 29.1 ^b | 15.9 ^{bc} | 0.8 ^{bc} | 7.6 ^{bc} | 5.3 ^{bc} | |
| Respondent race—black | 20.0 | 43.2 ^a | 18.2 ^a | 29.8 ^a | 26.8 ^a | |
| Respondent race—nonblack | 25.5 | 21.1 ^a | 3.1 ^a | 8.3 ^a | 7.4 ^a | |
| Household with children | 19.2 ^a | 32.7 | 14.2 ^a | 18.8 | 17.3 | |
| Household without children | 26.1 ^a | 29.2 | 6.1 ^a | 16.8 | 14.8 | |
| Respondent age | | | | | | |
| 19–24 years old | 25.8 | 24.3 | 9.7 | 12.0 | 11.0 | |
| 25–34 years old | 16.7 | 28.7 | 11.5 | 17.0 | 15.6 | |
| 35–44 years old | 21.9 | 27.2 | 8.3 | 18.4 | 15.8 | |
| 45+ years old | 25.8 | 35.6 | 9.4 | 19.8 | 17.8 | |
| Respondent—married | 26.3 | 27.5 | 4.0 ^a | 14.2 ^a | 12.0 ^a | |
| Respondent—not married | 21.7 | 32.1 | 12.1 ^a | 19.2 ^a | 17.5 ^a | |
| Respondent completed education | | | | | | |
| Less than high school | 22.3 | 42.3 ^{ab} | 16.4 ^{ab} | 25.1 ^a | 22.7 ^a | |
| High school but no bachelor's degree | 24.4 | 31.2 ^{ac} | 9.4 ^{ac} | 18.2 ^b | 16.2 ^b | |
| Bachelor's degree or more | 18.4 | 14.2 ^{bc} | 3.1 ^{bc} | 6.7 ^{ab} | 6.1 ^{ab} | |
| Respondent employment status previous 12 months | | | | | | |
| No employment | 25.6 | 17.2 ^{abc} | 2.9 ^{ab} | 10.4 ^a | 8.6 ^a | |
| 1–6 months unemployed or NILF | 29.1 | 36.3 ^a | 7.9 ^c | 22.3 | 20.4 | |
| 7–9 months unemployed or NILF | 20.3 | 29.5 ^b | 11.2 ^a | 15.4 ^b | 13.9 ^b | |
| 10–12 months unemployed or NILF | 18.4 | 43.0 ^c | 17.3 ^{bc} | 24.0 ^{ab} | 22.0 ^{ab} | |
| Work-limiting health condition | 17.6 | 48.1 ^a | 17.6 ^a | 27.8 ^a | 26.4 ^a | |
| No work-limiting health condition | 25.1 | 24.3 ^a | 6.7 ^a | 14.0 ^a | 11.9 ^a | |
| Household financial hardship previous 12 mos. | 28.2 ^a | 32.8 | 13.4 ^a | 24.4 ^a | 22.4 ^a | |
| No financial hardship | 19.1 ^a | 29.2 | 6.9 ^a | 12.6 ^a | 10.9 ^a | |
| Household food insecure previous 12 months | 19.8 | 39.7 ^a | 12.8 ^a | 30.4 ^a | 26.3 ^a | |
| Household food secure previous 12 months | 25.0 | 25.4 ^a | 7.8 ^a | 10.0 ^a | 9.6 ^a | |

NOTE: Row percentages reported. Data are pooled across waves using household survey weights. Unweighted N = 969. NILF = not in the labor force. ^{a,b,c}Differences in percentages for a given pair within a cell are statistically significant at the 0.05 level or below.

SOURCE: Michigan Recession and Recovery Study (MRRS).

a measure of whether or not a household has regular access to an automobile. We also include measures to reflect frequent church attendance and union membership because these types of organizations help connect households to supports during periods of need and unemployment. Finally, because of the categorical eligibility features of TANF and the prominence of SNAP as a gateway to other public assistance supports, we include dichotomous measures to indicate receipt of TANF or SNAP in the prior 12 months. Coefficient estimates are presented in the first column of Table 3 and reflect the expected increase in the log count of public assistance program receipt for a one-unit increase in a given control variable.

Our regression findings are consistent with descriptive results in Table 2. Black respondents are much more likely than white respondents to receive help from multiple public assistance programs. Rates of public program bundling are higher for blacks likely because a larger proportion of black than nonblack households had income at or below the federal poverty line, where need is greatest and households are likely to be most eligible for assistance. Similarly, we find a positive and significant relationship between the presence of children less than 18 years old in a household and the number of public programs households receive.

Respondents with lower levels of completed education, experiencing periods of unemployment, and living with a work-limiting health condition were far more likely to draw upon multiple public assistance programs. Indicative of the difficulty of finding good paying jobs with low levels of educational attainment, respondents without a high school diploma and those with a high school diploma, but no college, were more likely to participate in a greater number of public assistance programs than those with at least a college degree. Any unemployment in the previous 12 months was positively related to participation in a larger number of public programs. Our analyses also show that TANF and SNAP participation, as expected, are positively related to receiving a larger number of public assistance sources of support.

To translate our regression results, Figure 1 presents predicted probabilities for number of public programs received across a baseline case and across two hypothetical households. Compared to the baseline, households unemployed or NILF 10–12 months with a health limitation are more likely to receive three public assistance programs (3.2 vs. 1.0 percent, respectively). When the same household receives SNAP, the likelihood of receiving help from three public programs increases to 21.4 percent and the likelihood of receiving help from four or more public programs is dramatically higher than at baseline (13.4 vs. 0.1 percent, respectively).

Using the same set of controls, we estimate a probit model that examines factors associated with household bundling of public and charitable sources of support. Probit coefficients and standard errors are reported in the last two columns of Table 3. Findings suggest that some of the same factors shaping receipt of many public assistance programs also shape bundling of public assistance with private charity. For example, black respondents were more likely than nonblack respondents to bundle public with nonprofit sources of support even when controlling for other household circumstances and employment. Similarly, respondents with a work-limiting health condition were much more likely to combine public and charitable sources of assistance.

A number of household hardships are positively related to bundling of public and charitable sources of support. Households with income below the federal poverty line are more likely to combine public and charitable sources of assistance than those just above the federal poverty line. The experience of financial hardship or food insecurity in the year prior also is positively related to receipt of both public and nonprofit safety net assistance.

TABLE 3

Factors Associated with the Bundling of Public and Charitable Sources of Support in the Prior 12 Months, Households At or Below 300 Percent of the FPL

| | Poisson Regression: Total Number of Public Programs | | Probit Analysis: Combining Public Assistance and Charity | |
|----------------------|--|----------------|---|----------------|
| | Coefficient | Standard Error | Coefficient | Standard Error |
| Respondent | | | | |
| race—black | 0.177** | 0.086 | 0.500** | 0.182 |
| Household with | | | | |
| children | 0.178*** | 0.051 | 0.181 | 0.151 |
| Respondent age | | | | |
| 19–24 years old | –0.378*** | 0.115 | –0.354 | 0.217 |
| 25–34 years old | –0.331*** | 0.079 | –0.221 | 0.165 |
| 35–44 years old | –0.223*** | 0.069 | –0.141 | 0.220 |
| Respondent married | 0.059 | 0.060 | –0.013 | 0.126 |
| Respondent completed | | | | |
| education | | | | |
| Less than high | | | | |
| school | 0.261* | 0.135 | 0.326 | 0.225 |
| High school but | | | | |
| no bachelor's | 0.253** | 0.117 | 0.366 | 0.218 |
| degree | | | | |
| Respondent | | | | |
| employment status in | | | | |
| previous 12 months | | | | |
| 1–6 months | | | | |
| unemployed or | 0.375*** | 0.067 | 0.395 | 0.278 |
| NILF | | | | |
| 7–9 months | | | | |
| unemployed or | 0.176** | 0.081 | –0.025 | 0.212 |
| NILF | | | | |
| 10–12 months | | | | |
| unemployed or | 0.341*** | 0.079 | 0.115 | 0.176 |
| NILF | | | | |
| Household income | | | | |
| below poverty | 0.073* | 0.040 | 0.615*** | 0.145 |
| Household financial | | | | |
| hardship in previous | 0.066 | 0.043 | 0.297*** | 0.091 |
| 12 months | | | | |
| Food insecure in | | | | |
| previous 12 months | 0.010 | 0.052 | 0.397** | 0.160 |
| Frequent religious | | | | |
| attendance | –0.017 | 0.056 | 0.016 | 0.147 |
| Owns or leases a car | 0.064 | 0.059 | –0.153 | 0.104 |
| Was or is a union | 0.071 | 0.058 | –0.127 | 0.136 |
| member | | | | |
| Used TANF | 0.397*** | 0.068 | – | – |
| Used SNAP | 1.233*** | 0.106 | – | – |
| Work-limiting health | 0.152*** | 0.050 | 0.259** | 0.111 |
| condition | | | | |
| Wave 1 | 0.057 | 0.044 | 0.025 | 0.096 |
| Constant | –1.133*** | 0.206 | –2.260*** | 0.327 |
| N | 969 | | 969 | |

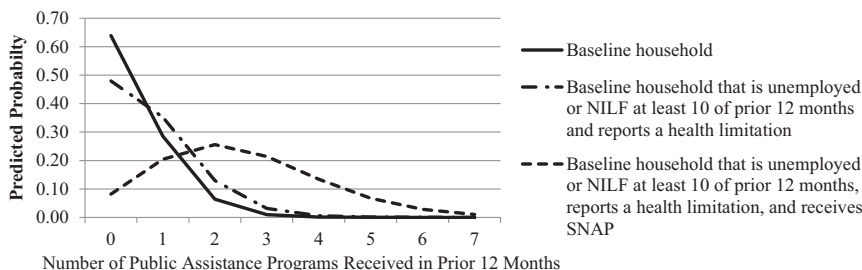
NOTE: Models were estimated using pooled data, household survey weights, and clustered standard errors. Reference categories for categorical predictors are age (45 and over), education (B.A. or more), unemployment (no unemployment), below the poverty line (between 100 and 300 percent of the FPL).

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

SOURCE: Michigan Recession and Recovery Study (MRRS).

FIGURE 1

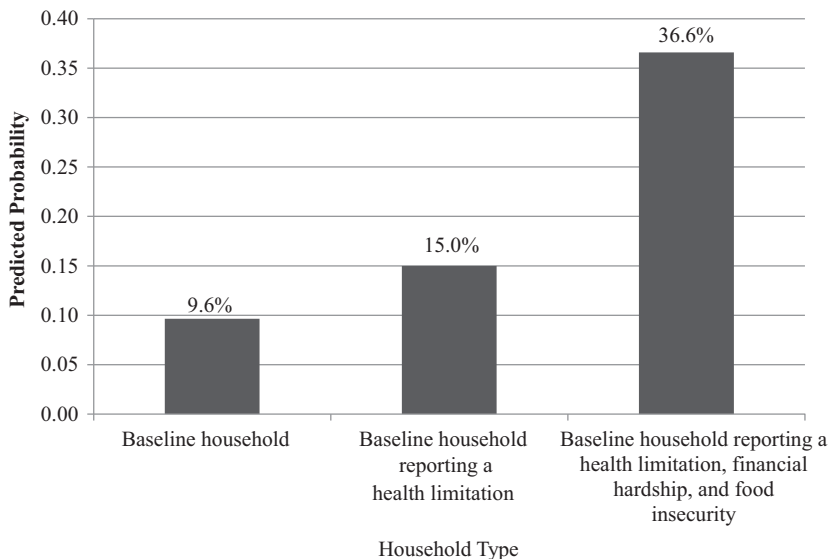
Predicted Probabilities for Total Number of Public Assistance Programs, Households At or Below 300 Percent of the Federal Poverty Level



NOTE: Results are based on models using pooled data, household survey weights, and clustered standard errors. The baseline case assumes a nonmarried 25- to 34-year-old black household without children, in poverty, with less than a high school diploma, experiencing no unemployment, no financial hardship, no food insecurity, and no health limitations, attends church, owns a car, is a union member, and does not receive TANF or SNAP, with Wave 1 set to 0.5 (mean value).
 SOURCE: Michigan Recession and Recovery Study (MRRS).

FIGURE 2

Predicted Probabilities for Combining Nonprofit Charity with Public Support for Households At or Below 300 Percent of the Federal Poverty Level



NOTE: Results are based on models using pooled data, household survey weights, and clustered standard errors. The baseline case assumes a nonmarried 25- to 34-year-old black household without children, in poverty, with less than a high school diploma, experiencing no unemployment, no financial hardship, no food insecurity, and no health limitations, attends church, owns a car, and is a union member, with Wave 1 set to 0.5 (mean value).
 SOURCE: Michigan Recession and Recovery Study (MRRS).

Such results are consistent with notions that nonprofit organizations provide critical help to the most vulnerable households and help fill in gaps of unmet need left by public programs.

Figure 2 presents predicted probabilities for combining charitable nonprofit assistance with public forms of support across a baseline case and across several key variables. Compared to the baseline, Figure 2 shows the cumulative effect of having a health limitation and experiencing both financial hardship and food insecurity. Respondents with a health limitation are about 50 percent more likely to combine public and charitable sources of support as the baseline case (15.0 percent vs. 9.6 percent). The probability that these households combine public assistance and charity more than doubles if the households also experience food insecurity and financial hardship (36.6 percent).

Conclusion

Many Detroit households struggle with low levels of income and unemployment in the wake of the Great Recession, often leading households to draw upon a complex mix of public and charitable supports. We find that more than eight in 10 poor households and about half of near-poor households in the Detroit metro area received some type of public assistance benefit in the wake of the Great Recession. About one in three poor households receive charitable assistance, but only about 11 percent of near-poor households receive such help. SNAP, the EITC, and public health coverage are the most common sources of public support. By contrast, TANF and public housing assistance only reached a small fraction of low-income households. We find that aggregate patterns of public program receipt and use of charity stayed fairly constant over time, indicative of the lingering effects of recession. Such stability in the aggregate, however, masks evidence that many households are shifting their mix of public and charitable assistance over time.

A number of factors are associated with receipt of multiple public assistance programs. Households experiencing spells of unemployment and households in which a respondent reports a work-limiting health condition are more likely to participate in multiple public programs than households without such hardships. Similarly, we find black households, households with children, and respondents with lower levels of completed education to be more likely to participate in multiple public programs than nonblack households, households without children, and those with education beyond high school.

Our results suggest that both government programs and charitable organizations may be crucial sources of help for the most needy of low-income households, but that neither type reaches all of the needy. We also find little evidence that the recession has created a large group of newly “dependent” households that are receiving a large number of public assistance programs. Such findings should bolster efforts by policymakers and community leaders to ensure that eligible families receive public food assistance and health benefits to which they are entitled, and that all eligible low-income families are filing for the EITC.

Understanding take-up rates of public programs and their use in combination with charity is important for policymakers, advocates, and community leaders considering alternative ways to address unemployment, poverty, and low earnings. Yet, several important open questions remain. First, given different eligibility criteria and application processes, more can be done to understand characteristics associated with multiple public program receipt. Similarly, research is only beginning to understand how low-income families make decisions regarding whether and when to draw upon public and charitable sources of support. More could be done to understand how low-income families draw upon a broad range of formal private nonprofit supports (e.g., education, job search, employment training, substance abuse, and mental health services) and informal social supports from family and friends

to make ends meet. Understanding under which circumstances low-income households remain disconnected from public and charitable sources of support also is important to strengthen the safety net in the longterm.

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Supporting Information

Additional Supporting Information may be found in the online version of this article at the publisher's website:

Appendix Table 1: Characteristics of MRRS Households At or Below 300 Percent of the Federal Poverty Level (FPL).

Appendix Table 2: Comparing Key Economic Indicators Across Metropolitan Detroit and Select Large-Economy Counties in the United States.

Appendix Table 3: Multiple Public Program Participation Between Waves of the MRRS.

Appendix Table 4: Characteristics of MRRS Households At or Below 300 Percent of FPL That Do Not Receive Public or Charitable Nonprofit Assistance.

Appendix Table 5: Mean Income to Needs Ratio of Public and Charitable Nonprofit Assistance Recipients Among MRRS Households At or Below 300 Percent of FPL