

CHAPTER 5 APPENDIX
Literature Review Table

Table 5.A.1. A Selection of Reported Effects of Means-Tested Social Programs on Program Participation

Author	Data	Sample/study population	Method	Outcome	Key explanatory variables	Findings
Cunnyngham 2004	March CPS (2000–2003)	All individuals	Descriptive	FSP eligibility (asset eligibility imputed using MATH SIPP model)	Not applicable	Increased asset limits in the early 2000s made 2.7 million more individuals eligible for food stamps in 2002.
Daponte, Sanders, and Taylor 1999	Survey of 405 low-income households in Allegheny County, PA, in 1993	Household's monthly income lower than 185% of the federal poverty level or household had used a food pantry within past month	Descriptive	FSP eligibility	Not applicable	Among non-FSP participating households, 17.5% were estimated to be ineligible solely because of asset limits.
Hanratty 2006	1996 and 2001 SIPP	Families with children, whose heads were 18–60 and whose monthly income is low enough to qualify for FSP	Robust regression	FSP participation	FSP rules including vehicle exemptions	Vehicle exemption does not have statistically significant impacts on FSP participation.

Table 5.A.1. A Selection of Reported Effects of Means-Tested Social Programs on Program Participation (continued)

Author	Data	Sample/study population	Method	Outcome	Key explanatory variables	Findings
O'Brien 2006	Qualitative interview data from a convenient sample	8 TANF participants in Alexandria, VA, and 10 welfare-to-work program participants in Gaithersburg, MD	Qualitative interview analysis	TANF recipients' decision about TANF application	Not applicable	(1) The existence of asset limits—or, just as importantly, the perception that these limits exist—negatively impacts the savings behavior of TANF recipients. (2) Nearly every individual feared having a bank account would jeopardized their eligibility for public assistance (p. 5). (3) Welfare recipients perceive TANF eligibility policies to be more stringent than they actually are. (4) The decision to apply for public assistance is typically an option of last resort—after savings have dried up.
Ratcliffe, McKernan, and Finegold 2008	1996 and 2001 SIPP	Households whose income is below 175% of the poverty level	OLS regressions with state, year, and month fixed effects	FSP participation	FSP vehicle exemptions, TANF vehicle exemptions, and other state FSP and TANF policies	(1) More lenient vehicle exemption policies increase FSP receipt. (2) TANF vehicle exemptions have no effect on FSP receipt.
Rosso 2003	November 1999 SIPP	Households whose income is below 300% of the poverty level	Descriptive	FSP eligibility	Not applicable	Among income-eligible households, 30.1% were ineligible for FSP due to vehicle or other asset limits.
Wemmerus and Gottlieb 1999	Food stamp case record data from North Carolina	14,803 food stamp households including 617 Vehicle Demonstration Program participants	Descriptives using experimental data	FSP participation	Not applicable	North Carolina's vehicle exemption increases FSP cases by 2.3%.

Table 5.A.2. A Selection of Reported Effects of Means-Tested Social Programs on Asset Accumulation

Author	Data	Sample/study population	Method	Outcome	Key explanatory variables	Findings
Bird and Hagstrom 1999	1984–1986 SIPP	(1) Working-age (18–60) couples who were continuously married during the entire 24-month panel period (2) Households with self-employment income excluded	OLS	Ln (total net worth), Ln (nonhousing net worth), Ln (liquid wealth)	Expected transfer income, expected Unemployment Insurance benefit	Expected transfer income has significantly negative coefficients on log nonhousing wealth and log liquid wealth, but not on log net wealth. Expected UI benefit has significantly negative coefficients on all three types of wealth measures.
Blank and Ruggles 1996	1986 and 1987 SIPP	All spells of single motherhood	Descriptive	The percentage of families ineligible for welfare due to asset holding	Not applicable	The percentage of months for which single mothers were ineligible increased from 57% (based only on income eligibility) to 60.2% (both on income and asset eligibilities).
Carroll, Dynan, and Krane 2003	1983, 1989, and 1992 SCF and CPS	Households in the SCF area probability sample with heads age 20–65 who have had the same job for 3 or more years	2-stage regression	Wealth (net worth)-to-permanent-income ratio	Estimated probability of being unemployed	Households in the lowest permanent income group do not accumulate wealth for precautionary reasons but households at higher income levels do engage in precautionary savings in a statistically and economically significant way.
Engen and Gruber 2001	1984–1986, 1987, and 1989 SIPP	Households with heads age 25–64 with non-self-employment earnings and stable marital status	Robust regression	Gross financial assets	Expected UI benefit replacement rate (based on state-year variation in UI benefits).	UI benefit replacement rate has a significantly negative association with gross financial assets. Reducing the UI benefit replacement rate by 50% is estimated to increase the average households' financial asset-to-income ratio by 14%. The precautionary motive is an important determinant of individual savings behavior.

Table 5.A.2. A Selection of Reported Effects of Means-Tested Social Programs on Asset Accumulation (continued)

Author	Data	Sample/study population	Method	Outcome	Key explanatory variables	Findings
Gruber and Yelowitz 1999	1984 and 1993 SIPP and the CEX	All households with household head 18–64 and no member over 64	Instrumental variables regression. Control variables capture gender, age, race, education, marital status, state and year fixed effects, and state-year interactions.	Log of net worth and log of consumption	Current and future Medicaid-eligible dollars; dummy for whether state has an asset test interacted with Medicaid dollars.	More lenient vehicle exemption policies increase FSP receipt; no effect of TANF vehicle exemptions on FSP receipt.
Hubbard, Skinner, and Zeldes 1995	Not applicable	Potential and actual social program recipients	Theoretical and dynamic programming models	Not applicable	Not applicable	Among income-eligible households, 30.1% were ineligible for FSP due to vehicle or other asset limits.
Hurst and Ziliak 2006	PSID	281 at-risk female household heads with children, plus comparison groups	Regression analysis with comparison groups and individual and state fixed effects	Change in household liquid assets between 1994 and 2001	Changes in state liquid asset limits, vehicle limits, and time limits between 1994 and 2001	North Carolina's vehicle exemption increases FSP cases by 2.3%.
McKernan, Ratcliffe, and Nam 2007	1990, 1992, 1993, 1996, and 2001 SIPP	Low-education (high school degree or less) families and low-education single mothers	OLS and Tobit regressions with state, year, and month fixed effects	Have liquid assets, liquid asset value, vehicle ownership, vehicle equity, and net worth (including and excluding housing)	TANF: unrestricted asset limit, restricted account asset limit, vehicle asset limit. FSP: vehicle asset limit, expanded categorical eligibility. IDA: match rates, amount qualified for match, eligibility beyond welfare recipients.	TANF: More generous restricted asset account limits (IDA, education, 401k) are associated with increased liquid asset holdings. There is some evidence that more generous unrestricted asset account limits are associated with increased liquid asset holdings. No evidence that AFDC/TANF vehicle exemptions are associated with increased asset holdings. FSP: Relaxed vehicle exemptions and expanded categorical eligibility are associated with increased vehicle ownership, but not liquid asset holding. IDA: A higher amount qualified for a match is associated with increased liquid assets for low-education families. Generous IDA rules have no effect on vehicle ownership and mixed effects on net worth.

Table A.5.2. A Selection of Reported Effects of Means-Tested Social Programs on Asset Accumulation (continued)

Author	Data	Sample / study population	Method	Outcome	Key explanatory variables	Findings
Nam 2008	1994 and 2001 PSID	277 at-risk female household heads with children, plus comparison groups	Difference-in-difference approach	The change in liquid asset holding between 1994 and 2001, vehicle ownership, and bank account ownership	State liquid asset limit amount and years since asset test changed	The earlier a state raised its countable asset limit, the more likely welfare recipients were to accumulate liquid assets and to possess bank accounts.
Neumark and Powers 1998	1984 SIPP	675 male household heads 60–64 likely to be eligible for SSI	Difference-in-difference approach; identifies the effects of SSI from the difference—between states that do and do not supplement SSI—in the difference in saving between those likely and unlikely to receive SSI	Change in net wealth, excluding housing, between waves 4 and 7	State supplemental SSI benefits	High SSI benefits reduce saving among households with heads approaching SSI eligibility who are likely to end up participating in the program; a \$100 increase in SSI benefits decreases savings by \$281.
Powers 1998	National Longitudinal Survey of Youth, Young Women	229 single mothers in both 1978 and 1983	OLS regressions	Change in total net wealth (excluding vehicles) between 1978 and 1983	Changes in asset limits and asset test characteristics from 1978–1983	Between 1978 and 1984, subjects in most states saved approximately 25 cents for each \$1 increase in AFDC asset limits.
Sullivan 2006	1992, 1993, and 1996 SIPP	Single mothers with high school degrees or less	Probit regression for vehicle ownership and OLS regression for vehicle equity	Indicators for vehicle ownership and liquid asset ownership	Indicators for whether each state has a vehicle limit, real dollar value of the vehicle limit, and real dollar value of total asset limit	Asset restrictions do have an effect on vehicle assets, but no effect on liquid assets; subjects in a state with a \$1,500 vehicle asset exemption are 12% less likely to own a car than subjects in a state with a full vehicle exemption; each \$1,000 increase in vehicle exemption results in a 2.3% increase in car ownership.
Ziliak 2003	1980–1991 PSID	Male and female household heads ages 25–52 in 1980 who did not change marital status over the sample period	(1) generalized method-of-moments (GMM) (2) decomposition	Ln (liquid-wealth-to-permanent-income ratio), Ln (net-wealth-to-permanent-income ratio)	Permanent asset-tested transfer income (12-year average over observation period), permanent transfer income not asset tested	(1) Permanent transfer income both asset tested and not asset tested have significantly negative associations with liquid-asset-to-income ratio; the former has much larger effect on liquid asset accumulation. (2) Transfer income both asset tested and not asset tested has a negative but not statistically significant effect on net-wealth-to-income ratio. (3) Decomposition results indicate that virtually all of the rich-poor liquid asset gap is attributable to differences in average characteristics, not differences in coefficients.

Table 5.A.3. A Selection of Reported Effects of IDAs on Asset Accumulation

Source	Data	Sample/study population	Method	Outcome	Key explanatory variables	Findings
Hogan et al. 2004	Qualitative data from Family Assets for Independence in Minnesota (FAIM)	25 participants in FAIM (income below 200% of the federal poverty level)	Qualitative	Saving for asset building (saving in IDAs)	Not applicable	(1) Despite continuous financial vulnerability (e.g., job layoff and illness), the majority of participants succeeded in saving in IDAs. (2) 75% of participants saved \$30 per month (maximum monthly deposit) over a period of several years. (3) Social supports from FAIM outreach staff or fellow financial education class participants helped participants stay in IDA programs, especially among those without supports from family and friends. (4) Some reported that they learned budgeting, record keeping and planned-saving skills from the required financial education class.
Mills, Gale, et al. 2008	ADD Experiment (ADD-E) data	Treatment group ($N = 412$) or control group ($N = 428$) is randomly assigned from a pool of qualified applicants (income below 150% of the poverty level and currently employed). Only those who completed a survey at enrollment and a 4-year follow-up survey were included.	Descriptive, OLS, and probit	Homeownership, home equity, business equity, and liquid assets	ADD participation (treatment vs. control)	The IDA program (1) raised homeownership rates after 4 years by 7–11 percentage points among renters and reduced nonretirement financial assets by \$700–\$1,000 and (2) had no significant effects on retirement saving, business ownership, educational courses taken, or net worth.
Mills, Lam et al. 2008	Assets for Independence Program (AFI) participants and 2001 SIPP	Randomly selected national sample of 600 AFI accountholders and matched comparison group of 485 AFI-eligible nonparticipants drawn from the 2001 SIPP	Propensity score matching and OLS	Homeownership, business ownership, postsecondary educational advancement, major components of net worth, employment, monthly earnings, and received means-tested benefits.	AFI participant	The AFI program (1) increased the homeownership by 10.9 percentage points, (2) increased business ownership by 10.0 percentage points, (3) increased the participants engaging in postsecondary education by 21.2 percentage points, and (4) had no statistically significant effect on components of net worth or participation in means-tested programs.
Schreiner et al. 2005	ADDaccount-monitoring data	2,353 program participants at 14 ADD programs across the United States (family income below 200% of the poverty level)	Descriptive, probit (the probability of having at least \$100 of net deposit in ADD account), and OLS (average monthly net deposit)	Saving performance in ADD accounts (savings in ADD accounts and whether participant made a matched withdrawal)	Demographics, income, welfare experience, assets and liabilities at the time of enrollment, and program characteristics.	More lenient vehicle exemption policies increase FSP receipt; no effect of TANF vehicle exemptions on FSP receipt.

Table 5.A.3. A Selection of Reported Effects of IDAs on Asset Accumulation (continued)

Source	Data	Sample/study population	Method	Outcome	Key explanatory variables	Findings
Shobe and Christy McMullin 2005	Qualitative data from a North Carolina IDA program	9 low-income African American women	Qualitative	Saving for asset building (saving in IDAs)	Not applicable	Among income-eligible households, 30.1% were ineligible for FSP due to vehicle or other asset limits.
Stegman and Faris 2005	ADD Account Monitoring Data and the Survey of Consumer Finances (SCF)	ADD program participants and SCF households with similar characteristics to ADD enrollees	Simulation (compared actual savings in ADD accounts and predicted savings without ADD using estimator based on the SCF sample)	ADD's saving effect [(ADD balance - predicted annualized savings) * years in ADD]	Not applicable	North Carolina's vehicle exemption increases FSP cases by 2.3%.
U.S. Department of Health and Human Services 2004	Asset For Independence Act (AFIA) evaluation: program tracking	All IDA accounts opened by the end of the program's fourth year; 12,252 TANF-eligible account holders with income below 200% of the poverty level and net worth less than \$10,000 were included	Descriptive	Saving performance in ADD accounts (savings in ADD accounts; matched withdrawal)	Not applicable	(1) Average IDA balance was \$592 per account. (2) Among 5,237 withdrawals from IDA accounts, 67% were matched withdrawals.

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