

***“Survey of Food Stamp Recipients in Virginia Concerning Responses to Marginal Tax Rates,”***

Paul P. Trampe, doctoral dissertation, George Mason University, Summer 2008. Do public assistance recipients know the income limits they face in the programs in which they are enrolled? If so, do they know the amounts at which they start to lose benefits and, if yes, can they affect their hours worked to avoid losing benefits? This research was conducted as an in-person survey with 94 public assistance recipients from 11 Virginia Local Departments of Social Services – urban, suburban, and rural.

- While 41 of 61 recipients of or applicants for Food Stamps knew that benefits were dependent on income, most did not know the income amount at which they would start to lose benefits.
- Of 59 respondents who reported receiving EITC (Earned Income Tax Credit) benefits, 29 were aware that benefits depended on income, yet few knew the income amount at which they would start to lose benefits.
- A key finding was verification of the high level of association between those who had lost Medicaid benefits and those who knew the income limit (correlation = 0.74).
- Related to the issue of knowing public-assistance income limits is a worker’s control over hours worked. That is, can a worker control the number of hours worked to affect his/her level of benefits? Of the 94 respondents (72 working part-time and 22 full-time), only 37 (39%) gave answers that reflected they had some degree of control over their hours worked.
- The most important finding from the survey was to confirm social workers’ perception that most program recipients have little knowledge of the income parameters and, thus, the marginal tax rates they face – at least until they begin to lose benefits. Generally, recipients’ knowledge about how much they can earn before losing benefits is lacking.