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Food Stamp Leavers in Illinois—How Are They Doing Two Years Later?

Final Report

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Abstract

This study examined the situation of food stamp recipients in Illinois who left the Food Stamp Program in 1997. About half of all leavers were employed in any given month after exiting the program, and many worked in low-wage jobs. Nearly half of all leavers returned to the program, and more than half had incomes below the poverty level. One-quarter of food stamp leavers reported having fair health, and 13 percent reported poor health or other health problems. One-quarter of food stamp leavers were food insecure, with either moderate or severe hunger evident. Food insecurity was higher among able-bodied adults without dependents than among other groups of leavers. Nearly 60 percent of all food stamp leavers experienced one or more serious hardships (extreme poverty, food insecurity, treatment for substance abuse, serious illness, and health problems but no health insurance).

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CONTENTS

	Executive Summary	xiii
I	Introduction	1
	A. Related Literature	2
	B. Sample and Data	4
	C. Assessing the Quality of the Records and Survey Data	7
	D. Preview of Report	15
II	Who Leaves the Food Stamp Program?	17
	A. Who Are the Food Stamp Recipients and Leavers?	17
	B. Characteristics of Food Stamp Leavers in Illinois	20
	C. Reasons for Leaving the FSP	25
III	Employment and Public Assistance Receipt Among Food Stamp Leavers ..	31
	A. Returning to the FSP	32
	B. Receipt of Other Forms of Public Assistance	38
	C. Employment and Earnings Among Food Stamp Leavers	40
IV	Income and Quality of Life of Food Stamp Leavers	53
	A. Income and Poverty Levels of Food Stamp Leavers	54
	B. What Is the Health Status of Food Stamp Leavers?	63
	C. How Food Secure Are Food Stamp Leavers?	68
	D. What Are the Housing Situations of Food Stamp Leavers?	70
	E. What Are the Patterns of Food and Housing Expenditures?	72
	F. Do Food Stamp Leavers Face Other Personal Problems/Hardships?	75
	G. Overall Prevalence of Serious Hardships and Life Quality of Food Stamp Leavers	76
V	The Nature of Work Among Food Stamp Leavers	83
	A. Employment Patterns Among Food Stamp Leavers	84
	B. What Kinds of Jobs Do Food Stamp Leavers Find?	90
	C. Challenges to Maintaining Employment	96
	D. Why Were Some Food Stamp Leavers Not Working?	99
	References	101

LIST OF TABLES

I.1	CHARACTERISTICS OF FSP LEAVERS IN THE ADMINISTRATIVE DATA AND SURVEY SAMPLES	8
I.2	EXPERIENCES OF FSP LEAVERS DURING THE TWO YEARS FOLLOWING THEIR EXIT FROM THE FSP BASED ON THE ADMINISTRATIVE DATA AND SURVEY SAMPLES	9
I.3	SURVEY RESPONSE RATES, BY SAMPLE MEMBERS' CHARACTERISTICS	11
I.4	SURVEY SAMPLE MEMBERS' EMPLOYMENT AND PUBLIC ASSISTANCE RECEIPT, BY SURVEY RESPONDENT STATUS	12
I.5	SURVEY RESPONDENTS' EMPLOYMENT AND PUBLIC ASSISTANCE RECEIPT, BASED ON SURVEY AND ADMINISTRATIVE RECORDS DATA	14
II.1	DEMOGRAPHIC CHARACTERISTICS OF FSP LEAVERS AT THE TIME OF PROGRAM EXIT	21
II.2	PUBLIC ASSISTANCE RECEIPT AND EARNINGS OF FSP LEAVERS AT THE TIME OF PROGRAM EXIT	23
II.3	ECONOMIC CONDITIONS IN FSP LEAVERS' COUNTIES AT THE TIME OF PROGRAM EXIT	24
II.4	INCOME CHANGES AROUND THE TIME OF FOOD STAMP EXIT, FOOD STAMP LEAVER HOUSEHOLDS	26
II.5	SELF-REPORTED REASONS FOR LEAVING THE FSP	29
III.1	REENTRY INTO THE FSP BY CASE HEAD AFTER PROGRAM EXIT, BY SUBGROUP	34
III.2	TOTAL TIME ON PUBLIC ASSISTANCE DURING 24 MONTHS AFTER FSP EXIT, CASE HEADS	39
III.3	HOUSEHOLD EMPLOYMENT AND EARNINGS AMONG FSP LEAVERS DURING 24 MONTHS AFTER FSP EXIT	42

LIST OF TABLES *(continued)*

III.4	EMPLOYMENT AND EARNINGS AMONG FOOD STAMP LEAVERS EIGHT QUARTERS AFTER EXITING THE FSP, BY LEAVER CHARACTERISTICS	48
III.5	PERCENTAGE OF FSP LEAVERS WITH NO HOUSEHOLD EARNINGS AND NO FOOD STAMPS, TANF, OR MEDICAID RECEIPT, BY QUARTER AND HOUSEHOLD TYPE	51
IV.1	AVERAGE MONTHLY INCOME AND INCOME SOURCES AMONG FOOD STAMP LEAVERS AT THE TIME OF THE SURVEY	55
IV.2	RECEIPT OF INCOME FROM KEY SOURCES AT THE TIME OF THE SURVEY	58
IV.3	INCOME AND POVERTY, BY RURAL/URBAN STATUS AND BY REASONS FOR LEAVING THE FSP	63
IV.4	SELF-REPORTED HEALTH STATUS	65
IV.5	LIVING ARRANGEMENTS AT THE TIME OF THE INTERVIEW	71
IV.6	MONTHLY HOUSING AND FOOD EXPENDITURES AMONG FOOD STAMP LEAVERS	74
V.1	EMPLOYMENT EXPERIENCES OF FSP LEAVERS	85
V.2	CHARACTERISTICS OF CURRENT OR MOST RECENT JOB AMONG EMPLOYED ADULTS	91
V.3	OCCUPATION AND INDUSTRY OF CURRENT/MOST RECENT JOB	92
V.4	CHARACTERISTICS OF CURRENT OR MOST RECENT JOB AMONG EMPLOYED ADULTS, BY LEAVER AND URBANICITY STATUS	94
V.5	CHARACTERISTICS OF CURRENT OR MOST RECENT JOB, BY EMPLOYMENT STATUS AT THE TIME OF THE SURVEY	95

LIST OF FIGURES

II.1	DISTRIBUTION OF HOUSEHOLD TYPES AMONG 1997 FOOD STAMP CASELOAD AND LEAVERS IN ILLINOIS	18
II.2	PROPORTION OF FSP LEAVER HOUSEHOLDS RELATIVE TO THEIR DISTRIBUTION IN THE CASELOAD, BY HOUSEHOLD TYPE	20
II.3	CHANGES IN RECEIPT OF TANF AND MEDICAID FOLLOWING EXIT FROM THE FSP IN ILLINOIS IN 1997, BY HOUSEHOLD TYPE	28
III.1	REENTRY INTO THE FSP AFTER PROGRAM EXIT, CASE HEADS	32
III.2	FOOD STAMP RECEIPT AMONG CASE HEADS, BY MONTH AFTER EXIT	33
III.3	PROPORTION OF LEAVERS RETURNING TO THE FSP WITHIN TWO YEARS, BY LENGTH OF FOOD STAMP SPELL PRIOR TO FSP EXIT	35
III.4	PROPORTION OF LEAVERS RETURNING TO THE FSP WITHIN TWO YEARS, BY EARNINGS IN QUARTER AFTER EXIT	36
III.5	PROPORTION OF LEAVERS RETURNING TO THE FSP WITHIN TWO YEARS, BY COUNTY TIME LIMIT STATUS AND UNEMPLOYMENT RATE	38
III.6	TANF RECEIPT, BY MONTH AFTER FOOD STAMP EXIT AMONG CASE HEADS	40
III.7	FOOD STAMP LEAVER HOUSEHOLDS WITH POSITIVE EARNINGS, BY QUARTER AFTER EXIT	41
III.8	DISTRIBUTION OF YEARLY HOUSEHOLD EARNINGS AMONG FOOD STAMP LEAVERS IN FIRST TWO YEARS AFTER EXIT	43
III.9	MEAN QUARTERLY EARNINGS AMONG FOOD STAMP LEAVER HOUSEHOLDS, BY QUARTER AFTER EXIT	44

LIST OF FIGURES *(continued)*

III.10	MEAN QUARTERLY EARNINGS AMONG FOOD STAMP LEAVER HOUSEHOLDS WITH POSITIVE EARNINGS, BY QUARTER AFTER EXIT	45
III.11	PERCENTAGE OF FOOD STAMP LEAVER HOUSEHOLDS WITH POSITIVE EARNINGS, BY QUARTER AFTER EXIT AND HOUSEHOLD TYPE	46
III.12	DISTRIBUTION OF EARNINGS AMONG FOOD STAMP LEAVER HOUSEHOLDS IN FIRST YEAR AFTER EXIT, BY HOUSEHOLD TYPE	47
IV.1	DISTRIBUTION OF ANNUAL FAMILY INCOME AMONG FOOD STAMP LEAVERS	57
IV.2	FAMILY INCOME RELATIVE TO FEDERAL POVERTY LEVEL	59
IV.3	RECEIPT OF INCOME FROM DIFFERENT SOURCES, BY HOUSEHOLD TYPE	61
IV.4	PROPORTION OF INCOME FROM KEY SOURCES	62
IV.5	HEALTH PROBLEMS AMONG FOOD STAMP LEAVERS	66
IV.6	HEALTH INSURANCE COVERAGE AMONG FOOD STAMP LEAVERS	67
IV.7	MEASURES OF FOOD SECURITY AMONG FOOD STAMP LEAVERS	69
IV.8	HOUSING PROBLEMS AMONG FOOD STAMP LEAVERS	73
IV.9	MEASURES OF DOMESTIC VIOLENCE, CRIME, AND SUBSTANCE ABUSE TREATMENT IN PAST YEAR AMONG FOOD STAMP LEAVERS	77
IV.10	MEASURES OF HARDSHIPS	78
IV.11	MEASURES OF HARDSHIPS, BY TYPE OF HOUSEHOLD	79
IV.12	SUMMARY MEASURES OF LIFE QUALITY	81

LIST OF FIGURES *(continued)*

V.1	MONTHLY EMPLOYMENT RATES DURING THE FIRST TWO YEARS AFTER FSP EXIT	86
V.2	CUMULATIVE EMPLOYMENT RATES AMONG FSP LEAVERS	88
V.3	MONTHLY EMPLOYMENT RATES DURING THE FIRST TWO YEARS AFTER FSP EXIT, BY REASONS FOR LEAVING AND BY RURAL/URBAN STATUS	89
V.4	JOB SATISFACTION AMONG THOSE EMPLOYED	94
V.5	COMMUTING METHODS USED BY SAMPLE MEMBERS	96
V.6	WORK PROBLEMS AMONG EMPLOYED SAMPLE MEMBERS	98
V.7	MAIN REASON FOR NOT WORKING AMONG NONEMPLOYED SAMPLE MEMBERS	100

EXECUTIVE SUMMARY

The passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 led to major changes in the Food Stamp Program (FSP). It tightened food stamp eligibility requirements for many groups of individuals. For able-bodied adults without dependents (ABAWDs), the legislation imposed work requirements, limiting food stamp benefits to 3 months in a 36-month period unless they are working or live in an economically depressed area. The legislation also eliminated FSP benefits for many groups of legal immigrants, limited future increases in FSP benefits, and allowed states to sanction food stamp recipients for noncompliance with Temporary Assistance for Needy Families (TANF) requirements. These legislative changes, combined with strong economic conditions throughout most of the nation, have contributed to dramatic reductions in FSP caseloads during the mid- to late 1990s. For example, in fiscal year 1994, 27.5 million Americans received food stamps per month, on average. This number had declined to 17.5 million over the first three months of fiscal year 2000, an unprecedented reduction of 10 million people (36 percent) over a six-year period.

To learn more about how those who leave the FSP are faring, the Economic Research Service of the U.S. Department of Agriculture provided grants to four organizations in fall 1998 to conduct studies to track outcomes for FSP leavers in four states. As part of this study, Mathematica Policy Research, Inc. is tracking FSP leavers in Illinois. The other three states being studied are Arizona (Phoenix), Iowa, and South Carolina.

Similar to national food stamp caseload declines, Illinois food stamp caseloads have also fallen sharply. For example, the Illinois caseload declined from 497,000 households in July 1997 to 348,000 households in July 2000, a 30 percent reduction over the six-year period. This report addresses several major questions suggested by the sharp declines in the FSP caseload in Illinois by examining what is happening to those who are leaving the program. These questions are:

- # Are food stamp leavers getting good jobs due to the strong economy, and is this allowing them to remain off the program? Or, are food stamp leavers moving off food stamps into jobs but then soon returning to the program because of low wages or other barriers to remaining employed?
- # What proportion of food stamp leavers were forced off food stamps because of sanctions or other aspects of welfare reform? Are they struggling to make ends meet without government assistance?
- # What is going on with respect to other aspects of the lives of food stamp leavers, such as their overall income, health, housing situation, food security, and other indicators of well-being?

SAMPLE AND DATA

The analysis in this study is based on a sample of food stamp recipients who left the FSP in Illinois in 1997. A leaver household is defined as one that received food stamps at some

point between December 1996 and November 1997 and in which no household member received food stamps in the subsequent two months.¹

A stratified random sample of 10,001 leavers was selected, for whom we obtained Unemployment Insurance (UI) wage-reporting data and welfare records data from the state of Illinois. In addition, a sample of 891 heads of households was drawn from the 10,001 cases to be targeted for a survey.² Sixty individuals in the survey sample were treated as ineligible for the survey because they were deceased, were institutionalized because of severe impairments, or denied (in two callbacks) ever receiving food stamps. From the remaining sample of 831, interviews were completed with 497 case heads, yielding a response rate of 60 percent.

Administrative records data provide information on sample members' monthly receipt of food stamps, TANF, and Medicaid benefits, as well as information on quarterly earnings for a period of two years after program exit for most leavers. The main advantage of these data is that they are available for all individuals and are not subject to recall error problems that may occur in survey data. The main limitation of these data is that they only include public assistance receipt or earnings in Illinois and do not capture these outcomes for those who have moved out of state. In addition, the administrative wage data do not include employment not covered by the UI reporting system; such jobs may frequently be held by low-income populations.

The survey data include information on why individuals left the FSP in 1997, their employment experiences since the time of FSP exit (including detailed information on all jobs they held), income and participation in public assistance programs at the time of the interview, and indicators of material hardship during the year prior to the interview. The main advantage of the survey data is the richness of information they contain. The limitations of the survey data include the possibility of recall errors and of response bias.

Comparisons of the survey and administrative data provide some insight into the quality of each of these data sources. To assess the extent to which administrative data do not fully capture respondents' employment by missing off-the-books and out-of-state employment and do not fully capture their public assistance receipt outside of Illinois we compared survey and administrative data measures of these outcomes among the sample of survey respondents. Under the assumption that the survey data fully capture respondents' employment experiences, this analysis suggested that the administrative data missed very little off-the-books or out-of-state employment. Employment rates among survey respondents were only slightly higher according to their reports in the survey data than according to administrative records data. Similarly, the survey and administrative records data showed similar rates of public assistance receipt (with the rate of public assistance receipt slightly higher according to the administrative data) two years after the 1997 exit from the FSP.

We also assessed survey response bias by comparing the characteristics and experiences of survey respondents and nonrespondents using administrative data (which we have available for both survey nonrespondents and respondents). Relative to the overall sample,

¹Households defined as leavers early in 1997 are not counted in the population a second time if they reenter and leave the program again before the end of the year.

²The survey sample oversampled ABAWDs, since they were a primary group of interest for this study.

we found that survey respondents were more likely to be female, be the heads of family households, and live in rural areas. During the two years after leaving the FSP, respondents were more likely than nonrespondents to be employed and to receive public assistance. In all analysis using survey data, we have attempted to adjust for nonresponse bias by using sample weights that take nonresponse (as well as the oversampling of ABAWDs) into account.

KEY FINDINGS

Most food stamp leavers report leaving the FSP because of an employment or earnings increase. Families are more likely than other groups of households to have left because of an employment or earnings increase.

Half of all food stamp leavers reported employment or earnings increases as their main reason for leaving the FSP. Other reasons included sanctions (13 percent), administrative difficulties (12 percent), unearned income (5 percent), or other reasons, such as moving out of state, going to jail or an institution, or a change in household composition (15 percent). Family leavers were most likely to report an employment or earnings increase (61 percent). Forty-six percent of ABAWDs reported leaving because of earnings or employment, and 19 percent reported leaving because they were sanctioned. Another eight percent reported having left the FSP because they went to jail. Finally, 27 percent of the elderly/disabled leavers reported leaving because of work, almost 20 percent reported administrative difficulties, and another 12 percent reported leaving because of an increase in unearned income.

Many food stamp leavers return to the program.

Among those who exited the FSP in 1997, nearly half returned within the next 24 months. Most of those who returned to the program did so quickly. For example, nearly half of those who returned to the program did so during the first year. Return to the FSP varied by several household and other characteristics. For example, TANF families, household heads with young children, and those with greater dependence on food stamps prior to exit were more likely to return to the FSP than their counterparts without these characteristics. Those with high earnings immediately after exit from the program were less likely to return than those with no earnings or low earnings. ABAWDs who left food stamps when time limits were in effect were less likely to return to the program than those who left the FSP when they were not subject to the time limits.

Just about half of all leavers are employed in any given month after FSP exit, and many work in low-wage jobs. Families are more likely than other household types to be employed and to have higher earnings.

Between 40 and 50 percent of all leavers were employed in any given month after FSP exit. Between 45 and 70 percent of family heads were employed in any given month after FSP exit, compared with average monthly employment in the mid- to high 40 percent range for ABAWDs and in the low 20 percent range for the elderly/disabled.

Food stamp leavers also often found entry-level jobs that offered few fringe benefits. Survey data show that the average hourly wage for the nonelderly/nondisabled leavers who found jobs was \$7.60. Just over half the jobs held by these individuals offered health insurance or paid vacation. Family leavers generally found jobs that offered somewhat higher wages and greater fringe benefits than the jobs ABAWD leavers found. During the first year after FSP exit, the average earnings (from state wage-reporting data) of non-TANF households with children (\$12,360) were nearly three times as much as the average earnings of ABAWDs (\$4,438) and six times as much as the average earnings of elderly/disabled households (\$2,021).

Food stamp leavers as a group have fairly low incomes. Approximately two years after they exited the FSP, more than half had incomes below the poverty level.

On average, food stamp leavers in Illinois had a monthly family income of \$1,080 during the month prior to the survey, approximately two years after FSP exit. The monthly income levels annualize to \$12,960 per year. These income levels leave many below the federal poverty level. For instance, about 56 percent of leavers had incomes below the federal poverty level, and about one-quarter of leavers had incomes below 50 percent of the federal poverty level. Only 14 percent had incomes that put them at 185 percent of the poverty level or higher.

Family leavers reported more income two years after FSP exit than ABAWDs or the elderly/disabled leavers. Similarly, rural leavers had higher incomes and were less likely to be in poverty than urban leavers.

As a group, families who exited the FSP were economically better off two years later than ABAWDs or the elderly/disabled leavers. For example, 46 percent of families had income below the federal poverty levels, compared with nearly two-thirds of the elderly/disabled or ABAWD leavers. Among the three household groups, ABAWDs were the most likely to be living in extreme poverty. For example, nearly 40 percent of ABAWDs had incomes that put them below 50 percent of the federal poverty level, compared with 22 percent of families and 19 percent of the elderly/disabled.

Rural leavers had higher incomes than urban leavers (because more rural leavers than urban leavers were working or had a spouse/partner who was working). These higher income levels translate into lower poverty levels. For instance, about 42 percent of rural leavers reported incomes below the federal poverty level, compared with 58 percent of urban leavers. In addition, those who left the FSP for employment- or income-related reasons were more likely to be employed, had higher incomes, and were less likely to be in poverty two years later than those who left because they were sanctioned, because of administrative difficulties, or because of other reasons.

Many food stamp leavers reported having fair or poor health or reported other health problems during the year prior to the interview.

One-quarter of all sample members reported having fair health, and 13 percent reported having poor health. About one in five leavers reported having been seriously ill in the past

year, and 30 percent of all leavers reported being unable to work because of health problems. Although these health problem numbers are driven by the poorer health status of the elderly/disabled, health problems are also high in the other two groups, especially ABAWDs. For instance, nearly one in three ABAWDs had a serious health problem in the previous year. Twenty-two percent of ABAWDs reported being unable to work because of health problems, and nearly 18 percent reported they had been seriously ill during the past year. In addition, while health insurance coverage is low for all groups of food stamp leavers, it is especially low for ABAWDs. Nearly 60 percent of families and more than 70 percent of the elderly/disabled leavers had health insurance; in contrast, less than one-third of ABAWDs had any health insurance.

There is considerable prevalence of food insecurity among food stamp leavers as a group. Food insecurity is higher among ABAWDs than among other groups of leavers.

One-quarter of food stamp leavers are food insecure, with either moderate or severe hunger evident. They are more food insecure than Americans nationally and are also more food insecure than Americans whose incomes are below the federal poverty level. About 22 percent of families who leave the FSP are food insecure with moderate or severe hunger evident, compared with 27 percent of the elderly/disabled and 33 percent of ABAWDs. ABAWDs have the highest levels of food insecurity, with nearly 10 percent experiencing food insecurity with severe hunger. This is more than twice as high as the other two groups of food stamp leaver households, three times as high as poor people nationally, and 10 times as high as all Americans.

Serious hardships are fairly common among food stamp leavers as a group, especially among ABAWDs and the elderly/disabled.

Nearly 60 percent of all food stamp leavers had experienced one or more serious hardships during the previous year.³ ABAWDs as a group were the most likely to experience serious hardships. For instance, 72 percent of ABAWDs had experienced a serious hardship, compared with about 50 percent of families and just over 60 percent of the elderly/disabled. The major problems for ABAWDs included extreme poverty and food insecurity, with more than one in three experiencing each problem. Another 20 percent of ABAWDs had sought treatment for substance abuse, had been seriously ill in the past year, or had a health problem but no health insurance. For families, the most prevalent hardships were extreme poverty and food insecurity (just over 20 percent each). For the elderly/disabled, the most prevalent hardships were serious illness, seeking treatment for mental health or substance abuse, and food insecurity.

³We examine the proportion of food stamp leavers who have faced eight serious hardships: (1) extreme poverty (defined as income below 50 percent of the poverty level) at the time of the interview; (2) food insecure with moderate or severe hunger evident in past year; (3) serious illness in past year; (4) faced an extreme housing crisis (such as being evicted, living in a shelter, or being homeless) in past year; (5) arrested or convicted in past year; (6) had mental health or substance abuse treatment in past year; (7) victim of a violent crime (including domestic violence) in past year; and (8) has health problem but had no health insurance at the time of the interview.

POLICY IMPLICATIONS

As states struggle to understand the consequences of welfare reform and the declining food stamp and welfare caseloads, the findings from this study can offer some useful guidance for policymakers. One key implication of our findings is that food stamp leavers should remain a focus of policy interest. Although this group exited the FSP, a large proportion are still struggling to make ends meet. Approximately two years after program exit, many food stamp leavers remain poor, experience poor health (without health insurance), have trouble getting enough to eat, and face other hardships. About half of all leavers end up back on food stamps at least once within the first two years after having exited the program. Although food stamp caseloads have declined dramatically in Illinois and nationally in recent years, it is not at all clear that the well-being of those who have left the program has improved.

Among food stamp leavers, those who reported that they exited the program because they were sanctioned are much worse off than those who left food stamps because of an increase in their earnings. This finding suggests that states should be careful in implementing sanction policies. In particular, the experiences of those who were sanctioned suggest that they have substantial barriers to finding and keeping good jobs and supporting themselves through employment. This may have been a key reason they had difficulty in complying with FSP rules and were sanctioned in the first place. Although sanctions remove these individuals from the food stamp rolls, they do not necessarily address the barriers that make success in the labor market difficult for them.

ABAWDS also faced particular hardships after leaving food stamps. Although previous research has identified this group as having relatively short spells on food stamps, implying that they are relatively more successful in achieving self-sufficiency, the results of this study suggest the opposite. ABAWDs were more likely than other groups of food stamp leavers to face nearly every hardship that we examined. They were more likely than families with children or elderly/disabled households to be very poor, food insecure with hunger evident, homeless or recently evicted, and lacking health insurance. These findings suggest that policymakers should explore ways of targeting ABAWDs for services both before and after they leave the FSP.

Finally, the results of the study suggest that food stamp leavers would benefit greatly from increased access to health insurance. A large proportion of leavers, including many who are in poor health, lack health insurance. In many cases, these leavers may not be getting insurance for which they are eligible. For example, most TANF families stop receiving Medicaid at the same time they exit the food stamp and TANF programs, even though it is likely that many remain eligible for Medicaid. In addition, ABAWD leavers are particularly unlikely to be on Medicaid or to have private health insurance.

I

INTRODUCTION

The passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 led to dramatic changes in the U.S. welfare system. It abolished the Aid to Families with Dependent Children (AFDC) entitlement program and replaced it with the Temporary Assistance for Needy Families (TANF) program, which imposes work requirements and time limits on how long people can receive cash welfare. It also led to changes in the Food Stamp Program (FSP) by tightening food stamp eligibility requirements for many groups of individuals. For able-bodied adults without dependents (ABAWDs), the legislation imposed work requirements, limiting food stamp benefits to 3 months in a 36-month period unless they are working or live in an economically depressed area. The legislation also eliminated FSP benefits for many groups of legal immigrants, limited future increases in FSP benefits, and allowed states to sanction food stamp recipients for noncompliance with TANF requirements.

These legislative changes, combined with strong economic conditions throughout most of the nation, have led to dramatic reductions in FSP caseloads during the mid- to late 1990s. For example, in fiscal year 1994, 27.5 million Americans received food stamps per month, on average. This number had declined to 17.5 million over the first three months of fiscal year 2000, an unprecedented reduction of 10 million people (36 percent), over a six-year period. As FSP caseloads fall, there is a great deal of interest in learning how those who leave the FSP are faring.

To learn more about the situations of those who leave the FSP, the Economic Research Service of the U.S. Department of Agriculture provided grants to four organizations in fall 1998 to conduct studies to track the economic and other outcomes for FSP leavers in four states. As part of this project, Mathematica Policy Research, Inc. is tracking FSP leavers in Illinois. The other three states being studied are Arizona (Phoenix), Iowa, and South Carolina.

Similar to national food stamp caseload declines, Illinois food stamp caseloads have also fallen sharply. For example, the Illinois caseload declined from about 497,000 households in July 1994 to 348,000 households in July 2000, a 30 percent reduction over this six-year period. This report addresses several questions suggested by these steep declines in the FSP caseload in Illinois by examining what is happening to those who are leaving the FSP. In particular:

- # Are food stamp leavers getting good jobs due to the improving economy, and is this allowing them to remain off the program? Or, are food stamp leavers moving off food stamps into jobs but then quickly returning to the program because of low wages or other barriers to remaining employed?

- # What proportion of food stamp leavers were forced off food stamps because of sanctions or other aspects of welfare reform? As a result, are they struggling to make ends meet without government assistance?
- # What is going on with respect to other aspects of the lives of food stamp leavers, such as their overall income, health, housing situation, food security, and other indicators of well-being?

We address these questions using administrative records data and survey data on a sample of food stamp leavers in Illinois. In the remainder of this chapter, we first provide a brief description of the relevant literature. Next, we describe the sample and data used in this study. We then address the issue of survey nonresponse and assess and compare the quality of the survey and administrative records data. We end the chapter with a brief preview of the report.

A. RELATED LITERATURE

Three broad strands of literature have focused on food stamp and welfare leavers. One examines welfare and food stamp dynamics, including whether former participants reenter the program after exiting. A second focuses on understanding the reasons for the declining welfare and food stamp caseloads and on trying to disentangle program effects from economic conditions. The third strand, most closely related to the work in this study, examines the economic well-being of leavers, focusing largely on the transition from cash welfare to work, as those on public assistance leave the rolls.

In the first strand of the literature, several studies have examined welfare and food stamp dynamics, focusing on how long individuals stay on these public assistance programs and whether former participants reenter the program after exiting.¹ Burstein (1993) examined the dynamics of food stamp participation spells in the mid-1980s and found that the median participation spell was six months. This study also found that reentry was common and that nearly 40 percent of those who stopped receiving food stamps were back on the program within a year. Using data from the early 1990s, Gleason et al. (1998) found somewhat longer median food stamp participation spells, but they also found that reentry into the FSP was common. They found that economic conditions and household structure were the most important determinants of entry and exit, with economic conditions being particularly important for ABAWDs.

The second strand of the literature includes several recent studies that have begun to examine whether economic expansion or welfare reform has been responsible for the large decline in AFDC/TANF and FSP caseloads in recent years. These studies typically use national caseload data and exploit variation in economic conditions and program rules across states and over time. In these studies, researchers generally agree that caseload declines up to 1996 were driven primarily by economic expansion, both for AFDC/TANF (Council of Economic Advisors 1997; Figlio and Ziliak 1999; Wallace and Blank 1999; and Bartik and

¹Starting with the seminal work of Bane and Ellwood (1983), several studies, including Gritz and MaCurdy (1991); Harris (1996); and Pavetti (1992), have examined the welfare dynamics of AFDC participants.

Eberts 1999) and food stamps (Wallace and Blank 1999; Figlio et al. 2000; and Gleason et al. 2000). There is some debate, however, about the reasons for the post-1996 decline. While the Council of Economic Advisors (1999), Wallace and Blank (1999), and Rector and Youssef (1999) claimed that welfare reform legislation played a larger role than economic expansion in the 1996-to-1998 TANF caseload decline, Figlio and Ziliak (1999) reached the opposite conclusion. Similarly, Wallace and Blank (1999) claimed that welfare reform played the largest role in the more recent food stamp caseload decline, while Figlio et al. (2000) claimed a larger role for economic expansion. Although Gleason et al. (2000) did not distinguish between the 1994-1996 and 1996-1998 periods, they estimated that about 40 percent of the overall drop in the food stamp caseload from 1994 to 1998 was driven by economic factors, while 25 percent was driven by welfare reform.

The third strand of research examines the fate of those who have left welfare. Work in this area, often called “leaver studies,” follows a group of individuals who have exited cash welfare and examines their economic circumstances (for example, what proportion of them work and in what kind of jobs). A number of these studies are sponsored by state welfare agencies or the U.S. Department of Health and Human Services (DHHS). These studies track welfare leavers in individual states mostly based on post-PRWORA TANF leavers (U.S. General Accounting Office 1999; Brauner and Loprest 1999; Rangarajan and Wood 1999; and Rangarajan and Wood 2000). A few welfare leaver studies are based on national data, typically using data prior to implementation of PRWORA (Meyer and Cancian 1997; Rangarajan et al. 1998; and Loprest 1999). Based on these studies, the broad consensus is that a large proportion of welfare leavers can find some work (two-thirds seems to be typical), but it tends to be in low-paying jobs, and many lose their jobs after a short time.

Our study adds to this third strand of the literature by focusing on how food stamp leavers are faring. In particular, we examine the circumstances of those who left food stamps in Illinois in 1997 and track their economic and other situations over the two-year period since they exited the program. Food stamp leavers are a less homogenous group demographically than are cash welfare leavers, so we focus on how the different groups of leavers, including families, ABAWDs, and the elderly/disabled, are faring over time. We also focus on how rural leavers are faring, compared with urban leavers.

Some previous studies have examined aspects of TANF leavers in Illinois. For example, Shook (1999) examined the relationship between the decline in the welfare caseload and child welfare risk in Illinois. She found that declines in welfare income were significantly associated with child welfare risk in the absence of employment and that “this interaction was particularly problematic for recipients who received welfare sanctions related to various requirements of the state public aid system.” A study by the Institute for Public Affairs at the University of Illinois at Springfield (2000) found that slightly over one-half of TANF leavers reported that they exited the program because of employment or an earnings increase, while one-third said that they had been cut off from TANF. According to administrative data, 54 percent of leavers had some earnings four quarters after exiting TANF. According to survey data, median monthly household income among TANF leavers was \$895 six to eight months after their TANF exit. Finally, 28 percent of TANF leavers returned to the program during the first year after they exited TANF.

B. SAMPLE AND DATA

Studying food stamp leavers in Illinois is important and provides valuable insights into the status of food stamp leavers nationwide. Illinois is a large state with large urban areas and many rural areas, including high-poverty rural areas.² For instance, in July 1997, more than 58,000 food stamp households in Illinois (15 percent) were in rural areas, and about 40,000 were in high-poverty rural areas. Illinois also has a large food stamp caseload whose decline in recent years has roughly mirrored the decline nationally. In addition, a number of counties and cities in Illinois have received waivers exempting ABAWDs from work requirements and time limits, but others have not received waivers; this situation allows us to examine how ABAWD leavers exiting in areas or at times with and without waivers are faring.

1. Sample

The population of interest in this study includes those who left the FSP in Illinois in 1997. A leaver household (case) is defined as one that received food stamps at some point between December 1996 and November 1997 and in which no household member received food stamps in the subsequent two months. Households defined as leavers early in 1997 are not counted in the population a second time if they reenter and leave the program again before the end of the year; therefore, only their first exit from the program is included in the population of interest. Based on these criteria, we identified 239,703 leaver households in Illinois.

From these 239,703 cases, we drew two samples that form the basis of most of the analysis in this report. First, we drew an “administrative data sample,” a sample of 10,001 leaver households for whom we obtained administrative data from the state of Illinois. The administrative data sample was a stratified random sample, with the following household types used as strata:

- # *Time-Limited ABAWDs.* Households containing only able-bodied adults between 18 and 50 years old with no children living in the household and that exited from the FSP from a city/county and in a month in which they were subject to the work requirement/time limit for ABAWDs (431 cases)
- # *Unrestricted ABAWDs.* Households containing only able-bodied adults between 18 and 50 years old with no children living in the household that exited the program from a city/county and in a month in which there were no work requirements/time limits in place (1,884 cases)
- # *Elderly/Disabled Households.* Households containing elderly and/or disabled members (2,477 cases)
- # *TANF Households.* Households that received TANF in their last month on food stamps (3,480 cases)

²To identify rural counties, we used the 1993 rural-urban continuum codes for metro and nonmetro counties (Butler and Beale 1993). Rural areas in our study consist of nonmetro counties both adjacent to and not adjacent to a metro area.

Single Adults with Children Not on TANF. Households containing a single adult and one or more children that did not receive TANF in their last month on food stamps (1,189 cases)

Multiple Adults with Children Not on TANF. Households containing two or more adults and one or more children that did not receive TANF in their last month on food stamps (540 cases)

Second, from the administrative data sample, we drew a “survey sample” of 891 case heads of these households that we targeted for a survey. Again, we used stratified sampling, but we oversampled ABAWDs (both groups of ABAWDs, with slightly higher rates for the time-limit ABAWDs). We did this because ABAWDs were a group of interest for this study, and the actual numbers of ABAWDs for the survey sample would have been very small with proportional sampling.³

From the targeted sample, among those we could locate, we identified 38 cases as deceased by the time of the interview two years later, 7 institutionalized with severe impairments, and 15 ineligible because they denied, in two callbacks, ever receiving food stamps. Excluding the deceased and ineligible cases yields a target sample size of 831. We completed 497 interviews, to yield a response rate of 60 percent. We completed interviews with 193 families out of a targeted 282 families (68 percent response rate), 231 ABAWDs out of a targeted 419 ABAWDs (55 percent response rate), and 73 elderly/disabled leavers out of a targeted 130 elderly/disabled leavers (56 percent response rate).⁴

We created sample weights to adjust for oversampling and for nonresponse. These sample weights are used in all analyses of survey data presented in the report to make the results representative of all food stamp leavers in Illinois. The weights were initially constructed as the inverse of the probability of selection into the survey sample. Since ABAWDs were sampled with higher probabilities than the other subgroups, they received the lowest weights. The weights were then adjusted to account for nonresponse.⁵

2. Data Sources

The analysis in this report relies largely on two sources of data: (1) administrative records data, and (2) survey data. In the description of these two data sources below, we list strengths and limitations of each source. Section C assesses these strengths and limitations in greater detail.

³The administrative data sample included 23 percent ABAWDs, 25 percent elderly/disabled, and 52 percent families. The sample targeted for surveys included 50 percent ABAWDs, 16 percent elderly/disabled, and 34 percent families.

⁴While these response rates seem fairly low, they are consistent with, and in fact higher than, the response rates obtained in many leaver studies. The fact that we oversampled ABAWDs, a group that is highly mobile and hard to locate, and the fact that we were conducting a two-year followup (as opposed to a one-year followup in most studies) with very little contact information also contributed to these low response rates.

⁵We do not use weights for the administrative data analyses since the administrative data are representative of the population of food stamp leavers in Illinois.

Administrative Records Data. We use two main sources of administrative data: (1) public assistance data, and (2) wage records data.

Public Assistance Data. Data from the Illinois Department of Human Services provide information on sample members' monthly receipt of food stamps, TANF, and Medicaid benefits between August 1994 and September 1999. This provides a follow-up period of more than two years for most food stamp leavers and nearly two years for the rest of the sample. This data source also includes information on age, gender, race of household head, and location (from which urban/rural and waiver status can be determined). The main advantage of these data is that they include monthly information on program participation, which are generally fairly accurate and are not subject to recall error problems that can occur in survey data. The main limitation of these data is that they only include public assistance receipt in Illinois and do not capture any public assistance receipt for those who might have moved out of state.

Wage Records Data. Data from the Unemployment Insurance (UI) wage-reporting system provide information on the quarterly earnings of food stamp leavers between January 1995 and December 1999. This gives us almost two years of follow-up data since the time of program exit for most food stamp leavers. The main advantage of these wage records data is that they are available for all individuals and include all jobs covered by the UI system in Illinois. The main limitation of these data is that they include earnings only in Illinois and do not capture earnings of those living and working out of state. These data also do not include noncovered employment, including jobs in the underground economy, which may frequently be held by low-income populations.⁶ Finally, administrative wage data only contain quarterly earnings and therefore do not have the detailed kinds of information on jobs that surveys can provide.⁷

Survey Data. We conducted surveys with 497 FSP case heads from August through November 1999, which was typically two or more years following their exit from the FSP. The average length of time between time of FSP exit and the interview date was about 27 months.

The survey includes a variety of information on individuals' experiences since the time of FSP exit. It contains information on why the individual left the FSP in 1997, their employment experiences since the time of FSP exit (including detailed information on all jobs they held), participation in government assistance programs at the time of the interview, and income and its sources at the time of the interview. It also includes indicators of material

⁶Of necessity, in our administrative records analyses, these two groups of individuals are treated as if they are not employed.

⁷Both sources of administrative records lack information with which we can identify those who are deceased or who are institutionalized. Since we have no way of identifying who these individuals are, as with the case of those who have moved out of the state, these individuals will be treated as having no employment or public assistance receipt.

hardship during the year prior to the interview (such as information on food security, housing insecurity, and health problems). In addition, the survey includes information on household composition and basic demographic characteristics.

The survey data have many advantages over administrative records data (particularly the wage records data), in part because they contain fairly detailed information on the jobs held by FSP leavers. In addition, they include information on a variety of other key outcomes that are not available in administrative records data. However, the survey data also have several limitations. First, because the response rates are fairly low, the sample may not be fully representative of all leavers in Illinois. In particular, our response rates for ABAWDs and the elderly/disabled individuals are lower than response rates for families. Although we have attempted to adjust for nonresponse by using sample weights that take nonresponse into account, some bias may remain. As described in greater detail in the following section, we were generally more successful in finding and interviewing food stamp leavers who were either employed or had recently received some form of public assistance in Illinois; thus, our results based on survey data may be slightly skewed toward these groups.⁸ Second, survey data, particularly data that pertain to less recent information, may be subject to recall error.

C. ASSESSING THE QUALITY OF THE RECORDS AND SURVEY DATA

This section compares and assesses the administrative and survey data used in this study. It summarizes the differences between the two data sources and explores the reasons for these differences. In particular, we address the following three questions:

1. To what extent do the characteristics of food stamp leavers included in the survey sample differ from those in the administrative data sample?
2. To what extent do these differences between the survey and administrative samples arise from “nonresponse bias” on the survey (as opposed to sampling variability)?
3. Within the survey sample, to what extent do the survey data and administrative records data provide different or conflicting information regarding the experiences of food stamp leavers?

1. Differences Between the Administrative Records and Survey Samples

The administrative records provide information on a sample of 10,001 food stamp leaver households, randomly selected from among all households that left the FSP in Illinois in 1997. From among this group, the case heads of 891 leaver households were randomly selected for the survey sample of whom 831 were eligible caseheads, and 497 of these case heads responded to the survey. Thus, information drawn from administrative data sources in this report is based on the characteristics and experiences of 10,001 food stamp leaver

⁸The nonresponse weights attempt to make the samples representative with respect to baseline characteristics. To the extent that baseline characteristics are related to employment or other outcomes, these weights will partially (but not fully) take into account the fact that our survey respondents were more likely than nonrespondents to have employment reported in the wage records data.

households, while information drawn from the survey is based on 497 food stamp leaver case heads. As a result, the survey and administrative data may tell different stories simply because of differences in who belongs to each sample, which could arise either by chance or through systematic bias.

The first step in understanding differences between the samples is to document the extent to which they exist. We do this by comparing the mean characteristics of the survey and administrative records samples using administrative data. By using the same data source to measure the mean characteristics of the two samples, we can be certain that any resulting differences arise because of differences in who belongs to the two samples rather than because of differences in the way the characteristics are measured. Table I.1 shows the mean characteristics of the two groups.

Overall, the characteristics of the administrative data sample and the survey sample are similar. For example, the household structure of the two groups is nearly identical, with 35 to 36 percent being TANF families, 17 to 18 percent being families that do not receive TANF, 23 to 24 percent being ABAWDs, and 22 to 25 percent being elderly/disabled households.⁹ Similarly, the number of household members (2.3 for both groups), the age of the youngest child in the household (about 5 years), and the age of the case head (36 to 37 years) are also similar. Finally, the distribution of race/ethnicity is similar for the administrative data sample and survey sample--about half of each sample is black, just under 4 in 10 are white, and about 1 in 10 is Hispanic.

TABLE I.1
CHARACTERISTICS OF FSP LEAVERS IN THE ADMINISTRATIVE DATA AND SURVEY SAMPLES
(Administrative Data)

Characteristic	Administrative Data Sample	Survey Sample
Household Structure (Percentages)		
TANF families	35	36
Non-TANF families	17	18
ABAWDs	23	24
Elderly/Disabled	25	22
Number of Household Members (Mean)	2.3	2.3
Mean Age in Years of Youngest Child on Case (Among Those with Children)	5.0	5.2
Mean Age in Years of Household Head	36.9	35.5
Race/Ethnicity of Household Head (Percentages)		
White, Non-Hispanic	38	37
Black, Non-Hispanic	50	51
Hispanic	10	10
Other	2	2
Percentage Whose Food Stamp Spell Lasted More than 24 Months	38	43
Percentage with No Earnings During Prior Two Years	37	35
Sample Size	10,001	497

SOURCE: Illinois DHS Client Database.

NOTE: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months.

⁹The similarity of the distribution of household types across the two samples is not surprising, since the survey sample was a stratified sample with household structure serving as the main stratifying variable.

One difference between the two samples is that case heads in the survey sample were more likely to have had food stamp spells lasting two years or longer. While 43 percent of this group exited from food stamp spells of more than 24 months, only 38 percent of the administrative data sample exited from spells of this length. On the other hand, the percentage of food stamp leavers with no earnings at some point over the two years prior to their exit from the program is fairly similar for the two groups--37 percent of the administrative data sample had no earnings during the previous two years, compared with 35 percent of the survey sample.

A few additional differences between the administrative data sample and survey sample emerge when we examine their experiences over the two-year period after they leave the FSP. A larger proportion of food stamp leavers in the survey sample than in the administrative data sample had household earnings during this two-year period. In particular, 55 percent of the survey sample, compared with 46 percent of the administrative data sample, had positive earnings at some time over the two-year period after they exited the FSP, according to the administrative data (Table I.2). Among those with positive earnings, on the other hand, mean earnings are slightly higher in the administrative data sample. There are also differences in public assistance receipt. Food stamp leavers in the survey sample were somewhat more likely than those in the administrative data sample to have received both food stamps (34 percent versus 29 percent) and TANF (14 percent versus 10 percent) two years after exiting food stamps in 1997.

Thus far, we have presented information only on the existence and size of differences in the characteristics of administrative data sample and survey sample members. These comparisons show that the survey sample appear to have relied slightly more on food stamps and TANF and also to have had slightly higher employment levels. These differences may have arisen from sampling variability, especially since the survey sample is relatively small.

TABLE I.2
EXPERIENCES OF FSP LEAVERS DURING THE TWO YEARS FOLLOWING THEIR EXIT FROM THE
FSP BASED ON THE ADMINISTRATIVE DATA AND SURVEY SAMPLES
(Administrative Data)

Characteristic	Administrative Data Sample	Survey Sample
Percentage with Any Household Earnings in Eighth Quarter After Exiting the FSP	46	55
Mean Quarterly Earnings Among Households with Positive Earnings in Eighth Quarter After Exiting the FSP	\$3,806	\$3,656
Household Public Assistance Receipt 22 Months After Exiting the FSP		
Food Stamps	29	34
TANF	10	14
Sample Size	10,001	497

SOURCE: Illinois DHS Client Database.

NOTE: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months.

Alternatively, the fact that not all food stamp leavers selected for the survey sample responded to the survey may have led to these differences. If survey respondents differed from nonrespondents systematically, then the resulting survey sample would differ systematically from the administrative data sample. The following section addresses this issue.

2. Nonresponse Bias

Overall, 60 percent of food stamp leaver case heads responded to the survey. Among those who did not respond to the survey, most could not be located (although a few refused to participate in the study or did not participate for some other reason). With a reasonably large number of nonrespondents, the character of the survey sample might get altered if the factors that influence whether or not food stamp leavers respond to the survey are nonrandom. For example, if low-income leavers were more difficult to find, and thus had lower response rates than higher-income leavers, then the survey sample would be more likely than the administrative records sample to include higher-income individuals. In the analysis presented in the report, we attempt to account for nonresponse bias by developing weights that include adjustments for differential response rates among particular groups of sample members. However, large differences between survey respondents and nonrespondents would be difficult to completely account for through sample weights. Thus, in interpreting the results of the analysis, it is appropriate to consider such differences.

This section provides information on the potential nonresponse bias from our analysis by examining the response rates of different groups of food stamp leavers and also examining data on the post-exit experiences of food stamp leavers who completed the survey versus those who did not complete the survey. Since administrative records data are available for all leavers targeted for the survey, it is possible to determine whether the experiences of those who actually responded to the survey are representative of the full group of 1997 food stamp leavers included in the administrative records sample.

Table I.3 shows how the response rates of different groups of food stamp leavers differed. In several important categories, there are significant differences in the response rates by subgroup characteristics. Response rates differ significantly among the four main household structure subgroups, for example, from a high of 74 percent for non-TANF families to a low of 55 percent among ABAWD households. Since the smaller ABAWD households (typically consisting of a single adult) are much more mobile than family households, this difference may have arisen because it was more difficult to locate the ABAWD group. Similarly, the response rate among elderly/disabled households (which also tend to be relatively small) is low and the response rate among the larger TANF family households is a bit higher, at 66 percent.

In addition, there are large differences in response rates by gender and by urbanicity. While two-thirds of females responded to the survey, only half of sampled males did so.¹⁰ In rural areas, 71 percent of food stamp leavers responded to the survey, compared with

¹⁰The differences in the response rates shown in Table I.3 do not imply causality, since no other factors are being controlled. In other words, the difference in the response rates of males and females may have arisen either because of their gender or for some other reason, such as the fact that females are more likely to head family households while males are more likely to head ABAWD households.

TABLE I.3
 SURVEY RESPONSE RATES, BY SAMPLE MEMBERS' CHARACTERISTICS
 (Administrative Data)

Characteristic	Targeted Sample Size	Response Rate ^a (Percentage)
All Sample Members	831	60
Household Structure		**
TANF families	187	66
Non-TANF families	95	74
ABAWDs	419	55
Elderly/disabled	130	56
Gender		**
Male	336	50
Female	495	67
Race/Ethnicity		
White, non-Hispanic	292	66
Black, non-Hispanic	449	57
Hispanic	75	53
Other	15	53
Age		
Younger than 35	405	62
35 or older	422	58
Urbanicity		**
Cook County	439	59
Other urban	260	57
Rural	132	71
Quarter Exiting the FSP		
Quarter 1, 1997	224	57
Quarter 2, 1997	219	59
Quarter 3, 1997	199	61
Quarter 4, 1997	189	63

SOURCE: Illinois DHS Client Database.

^a Asterisks indicate whether response rates differ significantly by subgroup.

*Significantly different from zero at the .10 level, two-tailed test.

**Significantly different from zero at the .05 level, two-tailed test.

under 60 percent in urban areas. Within urban areas, the response rates in Chicago (Cook County) and elsewhere were similar. Response rate for non-Hispanic whites were higher than for the other racial/ethnic groups, but these differences were not statistically significant. Survey response rates did not dramatically differ by the age of the respondent or the quarter during 1997 in which the respondent exited the FSP.

In addition to differing by the characteristics of sample members, survey response rates may differ according to sample members' experiences. In particular, since most nonresponse was the result of an inability to locate sample members, it is possible that those who were more closely tied to administrative records systems would be easier to locate and more likely

to respond to the survey. For example, individuals who were employed in “on-the-books” jobs or who were receiving government assistance around the time of the follow-up interview would probably be easier to locate and interview than those who were not employed in these jobs or receiving assistance.

Survey respondents were more likely than nonrespondents to be employed or receiving public assistance around the time of the interview. Although respondents and nonrespondents were about equally likely to have earnings during the quarter in which they exited the FSP in 1997, respondents were 10 percentage points more likely to have earnings six quarters later (48 percent versus 38 percent, as shown in Table I.4). The mean earnings

TABLE I.4
SURVEY SAMPLE MEMBERS' EMPLOYMENT AND PUBLIC ASSISTANCE RECEIPT,
BY SURVEY RESPONDENT STATUS
(Administrative Data)

Characteristic	Respondents	Nonrespondents ^a
Percentage with Earnings		
4th quarter before FSP exit	38	34
Quarter of FSP exit	47	45
2nd quarter after FSP exit	45	41
4th quarter after FSP exit	46	40
6th quarter after FSP exit	48**	38
Average Quarterly Earnings Among Those with Positive Earnings (in Dollars)		
4th quarter before FSP exit	1,988	1,867
Quarter of FSP exit	2,213	2,357
2nd quarter after FSP exit	2,564	2,739
4th quarter after FSP exit	2,651*	3,029
6th quarter after FSP exit	2,957	3,043
Average Monthly FSP Participation Rate		
2nd quarter after FSP exit	25	21
4th quarter after FSP exit	29**	22
6th quarter after FSP exit	25**	16
7th quarter after FSP exit	23**	15
Average Monthly TANF Participation Rate		
2nd quarter after FSP exit	9*	6
4th quarter after FSP exit	10*	6
6th quarter after FSP exit	9**	4
7th quarter after FSP exit	7*	4
Average Monthly Medicaid Participation Rate		
2nd quarter after FSP exit	28**	22
4th quarter after FSP exit	28**	20
6th quarter after FSP exit	28**	19
7th quarter after FSP exit	26**	18
Sample Size	497	334

SOURCE: Illinois DHS Client Database.

NOTE: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months.

^a Asterisks indicate whether difference in characteristics between respondents and nonrespondents is statistically significant.

*Significantly different from zero at the .10 level, two-tailed test.

**Significantly different from zero at the .05 level, two-tailed test.

among employed individuals did not greatly differ in the period after their FSP exit, although the earnings of employed nonrespondents were slightly higher than those of employed respondents.

Similarly, there were large differences in public assistance receipt by survey response status. In quarters six and seven after their FSP exit, respondents were eight to nine percentage points more likely to have been receiving food stamps, three to five percentage points more likely to have been receiving TANF, and eight to nine percentage points more likely to be participating in Medicaid. For example, in the seventh quarter after exiting the FSP in 1997, 23 percent of respondents were receiving food stamps and 7 percent were receiving TANF in the average month, compared with only 15 and 4 percent, respectively, of nonrespondents. These differences in public assistance receipt were evident almost immediately after their FSP exit but grew larger in subsequent quarters (quarters that were closer to the follow-up interview date).

Assessing the overall status of survey respondents versus nonrespondents (and, hence, versus the full survey sample) is difficult. On the one hand, respondents look better off than nonrespondents, since they were more likely to be employed.¹¹ On the other hand, they were also more likely to be receiving public assistance. We can say that information drawn from the survey and based on the sample of survey respondents is likely to overstate food stamp leavers' connections with the legitimate labor market but also likely to overstate their reliance on government benefits. For these outcomes, information from the survey should be interpreted in light of findings based on analysis of the administrative records data on the employment and public assistance receipt of food stamp leavers.

3. Survey Versus Administrative Records Data Measurement Issues

The two preceding sections have focused on differences between the survey and administrative records *samples*. Another possible source of difference between the findings on the experiences of food stamp leavers based on analysis of administrative records data and survey data is the quality of the two data sources themselves. As noted earlier, the administrative data potentially miss employment of food stamp leavers that is either “off-the-books” or out of state. Similarly, the administrative data do not capture public assistance received from states other than Illinois. Although, in principle, the survey data capture these forms of employment and public assistance receipt, this data source potentially suffers from recall error or intentional misreporting among respondents. Although we cannot definitively identify the extent to which these errors exist in the two data sources, we can compare levels of reported employment and public assistance receipt for a given sample in the survey and administrative records data. We expect that undercounting of employment and public assistance receipt in the administrative data is more likely to be a serious problem than in the survey data. Thus, by limiting the sample to food stamp leavers who responded to the survey and examining employment and public assistance receipt according to survey and administrative data, we can assess the degree to which such undercounting in the administrative data appears to compromise this data source.

¹¹However, we have no information on “off-the-books” earnings, so it is possible that nonrespondents are receiving more of this type of earnings.

Undercounting of employment in the administrative records data does not appear to be a serious problem, based on reported percentages of households with positive earnings according to the two data sources. In particular, 58 percent of the food stamp leavers who responded to the survey reported having earnings from either themselves or their spouse/partner in the month prior to the interview (Table I.5). By contrast, 55 percent of these leaver households had positive earnings in the eighth quarter after their FSP exit according to the administrative records data.¹² Thus, the employment rate based on the administrative data appears to have only a small negative bias.¹³ Among those with positive earnings, mean earnings were also slightly lower according to the administrative records data.

TABLE I.5
SURVEY RESPONDENTS' EMPLOYMENT AND PUBLIC ASSISTANCE RECEIPT,
BASED ON SURVEY AND ADMINISTRATIVE RECORDS DATA
(Survey Respondent Sample Only)

Characteristic	Administrative Records Data	Survey Data
Percentage with Household Earnings Two Years After FSP Exit ^a	55	58
Mean Quarterly Earnings Among Those with Positive Earnings Two Years After FSP Exit ^b (in Dollars)	3,656	3,993
Percentage Receiving Public Assistance Two Years After FSP Exit ^c		
Food Stamps	34	32
TANF	14	10
Sample Size	497	497

SOURCE: Illinois DHS Client Database.

^a In the administrative data, this outcome is defined as any household earnings in the eighth quarter after the FSP exit. In the survey data, this is defined as any earnings from the respondent or spouse/partner in the month prior to the interview.

^b In the administrative data, this outcome is defined as the mean household earnings among those with positive earnings in the eighth quarter after the FSP exit. In the survey data, this is defined as the mean monthly earnings of the respondent or spouse/partner in the month prior to the interview (among those with positive earnings) times three.

^c In the administrative data, this outcome is defined as the percentage of food stamp leaver households with any member receiving food stamps/TANF in the 22nd month after the FSP exit. In the survey data, this outcome is defined as the percentage of food stamp leavers with any household income from food stamps/TANF in the month prior to the interview.

¹²The administrative records data do not include monthly employment/earnings data. The monthly employment rate among leavers is likely to be slightly below this quarterly employment rate. However, there does not appear to be much movement in and out of the labor force among food stamp leavers, so it is unlikely that there is a large difference between the monthly and quarterly employment rates. For example, while 55 percent of leaver households had positive earnings in the eighth quarter after their FSP exit, only 64 percent had positive earnings in the entire second year after their exit.

¹³This conclusion assumes that there is no negative bias in the self-reported employment data. If survey respondents substantially underreport “off-the-books” employment, both data sources could suffer from a substantial negative bias.

Even though administrative records provide data for Illinois only and miss public assistance receipt from other states, the percentages of leaver households receiving food stamps and TANF according to administrative data are somewhat higher than the self-reported rates of food stamp and TANF participation based on the survey data. In particular, the administrative data suggest that 34 percent of leaver households had food stamp income and 14 percent had TANF income in the 22nd month after their FSP exit (Table I.5). According to survey data, 32 percent of leaver households had food stamp income and 10 percent had TANF income. Rather than the administrative data undercounting public assistance participation substantially, it appears that survey respondents may be slightly more likely to underreport their public assistance program participation.

D. PREVIEW OF REPORT

In Chapter II, we use administrative records data to describe the characteristics of food stamp leavers in Illinois, and we discuss their reasons for leaving the FSP in 1997. Chapter III examines the employment and public assistance receipt of leavers after they have exited the FSP, also using administrative records data. In Chapter IV, we use survey data to examine leavers' income at the time of the survey and to give a broad view of their well-being during the period after they exited the FSP. In particular, we examine measures of income and poverty, food and housing security, health, and other measures of well-being around the time of the interview or during the year prior to the interview. Chapter V provides additional detail on the types of jobs that leavers hold and the problems they face in maintaining employment.

II

WHO LEAVES THE FOOD STAMP PROGRAM?

Unlike some other public assistance programs, the Food Stamp Program (FSP) has no categorical eligibility requirements; as a result, it consists of a fairly diverse group of households. For instance, the FSP includes families with and without children (including families with single or married adults, and families who are receiving Temporary Assistance for Needy Families [TANF] and others who are not). The FSP also includes households with prime-age, elderly, or disabled adults.

In addition to being diverse, the composition of the FSP caseload itself has changed in recent years as the program has experienced large caseload reductions. For example, as caseloads fell by about 25 percent nationally between 1994 and 1998, a smaller percentage of the caseload received cash welfare benefits, while there were increases in the percentage of the caseload with earnings (Gleason et al. 2000). In addition, as households that could get off of food stamps during this period did so, those remaining on the program were more likely to be long-term recipients. Finally, the legislative changes implemented by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) led to decreases in the percentage of food stamp recipients who are able-bodied adults without dependents (ABAWDs) and legal immigrants (Genser 1999).

Before looking at the situations of food stamp leavers in Illinois, it is useful to examine the following questions: Who is on the food stamp caseload in Illinois, and how many leave the program? Do equal proportions of people leave the program, or do certain groups leave at higher rates? How do the Illinois food stamp recipients and leavers compare with recipients and leavers nationally? Answers to these questions will put the results of this study of Illinois food stamp leavers into context. These answers can be used to highlight aspects of Illinois food stamp leavers' characteristics and experiences that are distinct from those of leavers nationally, as well as aspects that are similar. In addition to discussing these questions, this chapter also describes the reasons why FSP recipients in Illinois left the FSP in 1997.

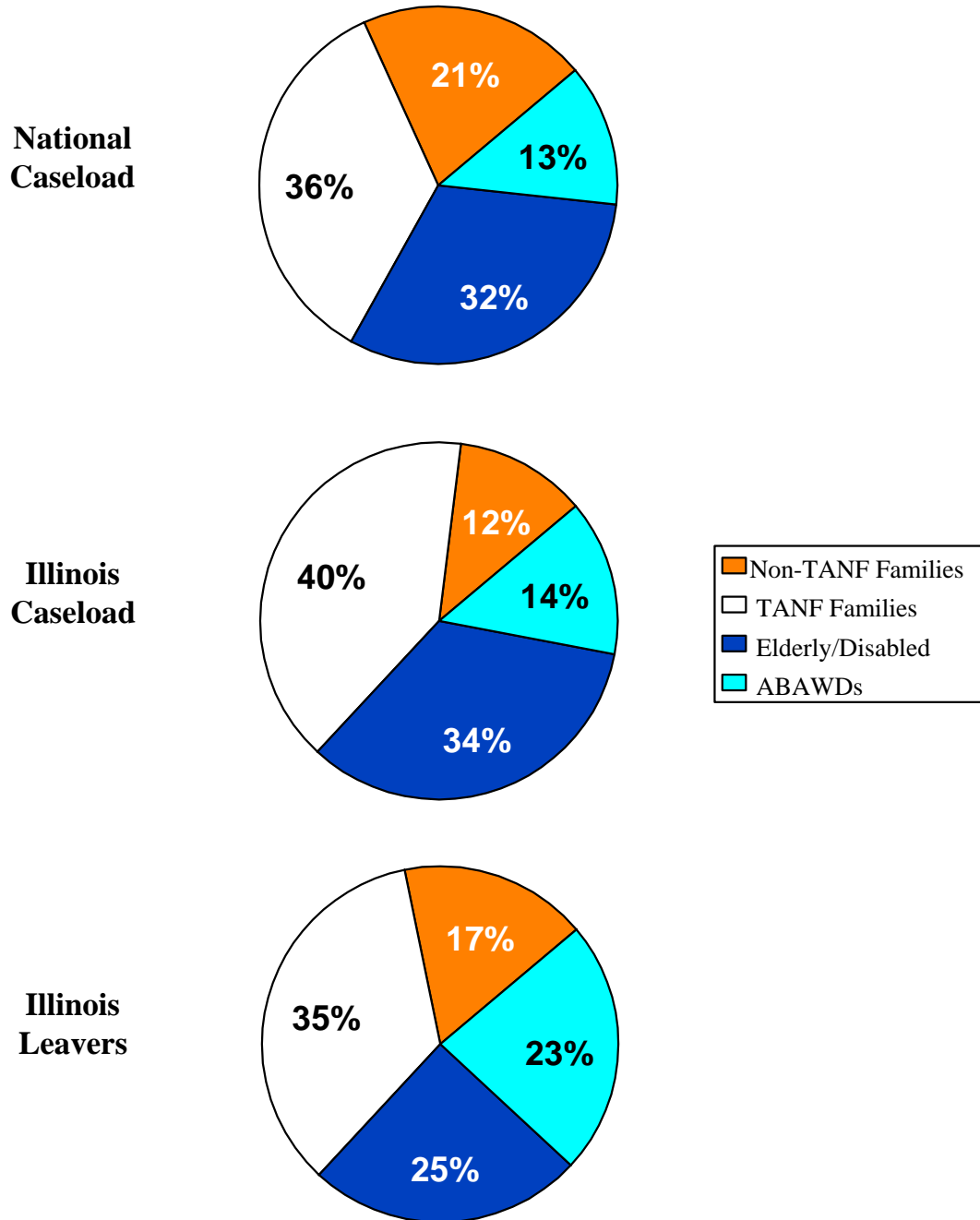
A. WHO ARE THE FOOD STAMP RECIPIENTS AND LEAVERS?

The food stamp caseload in Illinois is similar to the food stamp caseload nationally, with families being the largest household group.

As Figure II.1 shows, within the overall caseload in Illinois in 1997, TANF families were the single largest household group receiving food stamps (about 40 percent of FSP households), and another 12 percent were non-TANF families with children. Just over a third were elderly/disabled households, and 14 percent were ABAWDs. These numbers are broadly consistent with national figures of participating food stamp households in 1997. Nationally, 57 percent of the FSP caseload consisted of families; about 32 percent were

FIGURE II.1

DISTRIBUTION OF HOUSEHOLD TYPES AMONG 1997 FOOD STAMP CASELOAD AND LEAVERS IN ILLINOIS



Source: Illinois DHS Client Database and Food Stamp Quality Control database.

elderly or disabled, and 13 percent were households not containing children, elderly people, or disabled people.¹

The fraction of individuals who leave the FSP in Illinois in a given month is comparable to the numbers who exit the FSP nationally.

Based on the Food Stamp Quality Control database, 427,200 households (and just under one million individuals) received food stamps in Illinois in the average month in 1997. Among these households over the course of the year, 263,187 households--or an average of 21,932 a month--exited the program for at least two months.² Thus, five percent of the food stamp caseload in Illinois exited the program in the average month during 1997. This exit rate is broadly consistent with the four percent exit rate nationally among food stamp recipients in 1991 (Gleason et al. 1998). Given the PRWORA legislation, which tightened the rules for some groups of FSP households, combined with the strong economic conditions during the mid- to late 1990s, it is not surprising that the exit rates we observe in Illinois in 1997 are slightly higher than the national exit rates based on data from the early 1990s.

ABAWDs and non-TANF families have higher rates of exit than other groups of food stamp households.

The exit rates of the household subgroups mirror the comparable patterns of exit rates nationally, with non-TANF families and ABAWDs having higher-than-average exit rates and TANF families and elderly/disabled households having lower-than-average exit rates. In particular, compared with the average of a five percent exit rate among FSP households in Illinois, the exit rate in a given month in 1997 was nine percent among ABAWDs and seven percent among non-TANF families. (These rates were four percent among TANF families and elderly/disabled households.) Gleason et al. (1998) examined the relationship between food stamp households' characteristics and their likelihood of leaving the program (during the 1990 to 1993 period) and also found that the groups that were most likely to leave food stamps included ABAWDs and non-TANF households.

As a result of these differential exit rates by household type, the distribution of food stamp leavers in Illinois differs from the distribution of the food stamp caseload in Illinois.

As a group, food stamp leavers do not necessarily have the same characteristics as the food stamp caseload. The groups of recipients who are most likely to exit the FSP in a given month end up as a larger proportion of food stamp leavers than their proportion of the food stamp caseload. As Figure II.1 shows, just over a third of the 1997 food stamp leavers in Illinois received TANF, and another 17 percent were non-TANF families with children, implying that just over half of leaver households had children. The remaining leaver households were nearly equally divided between elderly/disabled households (25 percent)

¹Tabulations from the 1997-1998 Food Stamp Quality Control database.

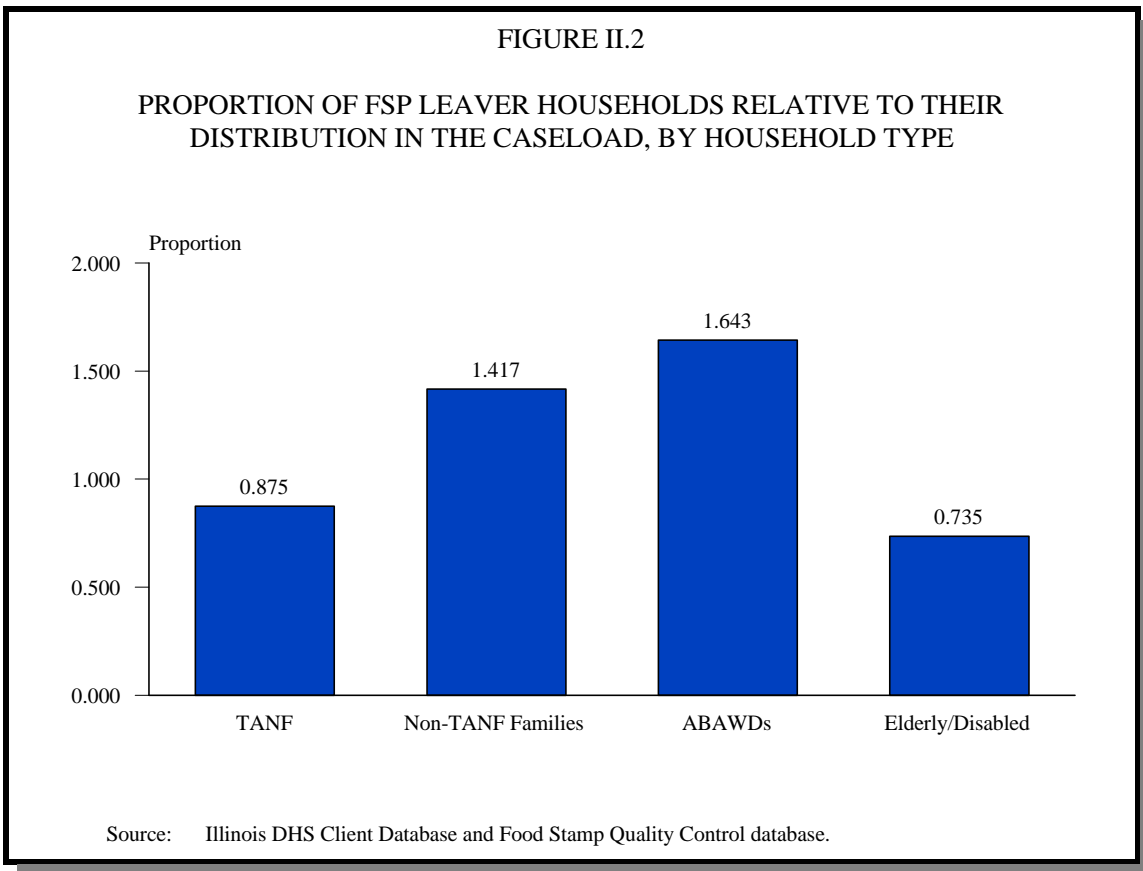
²To be considered a leaver household, the case must have been closed for at least two months with no member of the household receiving food stamps in Illinois under another case for that two-month period.

and ABAWDs (23 percent). As Figure II.2 shows, in contrast to their relatively small share of the food stamp caseload, ABAWDs and non-TANF families are a much larger proportion among food stamp leavers. The main implication of this finding is that the groups with a higher proportion of leavers will exert more influence on the overall experiences of food stamp leavers than one would expect given their size within the food stamp caseload.³

B. CHARACTERISTICS OF FOOD STAMP LEAVERS IN ILLINOIS

The demographic characteristics (such as race, gender, and head of household status) of food stamp leavers varied greatly by household type.

Across all household groups, the average age of the household head was 37 years, more than half the households had children, and females headed nearly 70 percent of households (Table II.1). Among households with children, the average age of the youngest child was about five years. About half the leavers were African American, just under 40 percent were white, and about 10 percent were Hispanic.



³In this food stamp leavers study, we examine the experiences of households that actually left the program in 1997. We cannot, however, infer that these results necessarily indicate what the experiences of those remaining on food stamps will be when they ultimately leave the program.

TABLE II.1
 DEMOGRAPHIC CHARACTERISTICS OF FSP LEAVERS AT THE TIME OF PROGRAM EXIT
 (Administrative Data)
 (Percentages)

Characteristic	All	Household Composition			
		TANF Households with Children	Non-TANF Families with Children	ABAWDs	Elderly/ Disabled
Number of Adults on Case					
0	1	1	2	0	0
1	83	82	66	95	83
2 or more	17	17	32	5	17
(Mean number)	(1.2)	(1.2)	(1.3)	(1.1)	(1.2)
Number of Children on Case					
0	46	2	0	100	90
1	22	39	40	0	4
2 or more	32	58	60	0	6
(Mean number)	(1.1)	(2.0)	(2.0)	(0.0)	(0.2)
Age of Youngest Child on Case (in Years) (Among Those with Children)					
Less than 6	64	66	64	n.a.	56
6 to 11	23	22	24	n.a.	22
12 to 17	13	13	13	n.a.	22
(Mean age)	(5.0)	(4.8)	(5.0)	n.a.	(6.3)
Age of Household Head (in Years)					
12 to 17	1	1	3	0	0
19 to 34	50	70	68	45	16
35 to 54	36	27	28	55	37
55 or older	13	2	1	0	47
(Mean age)	(37)	(30)	(30)	(35)	(53)
Gender					
Male	30	6	11	66	44
Female	70	94	89	34	56
Race of Household Head					
White, non-Hispanic	38	32	54	30	44
Black, non-Hispanic	50	55	27	66	43
Hispanic	10	12	18	3	9
Other	2	1	1	1	5
Sample Size	10,001	3,480	1,729	2,315	2,477

SOURCE: Illinois DHS Client Database.

NOTE: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months.

n.a. = not applicable.

ABAWD households that left the FSP nearly always consisted of a single adult, with only five percent having more than one adult. Most ABAWD leavers were male. For instance, two-thirds of ABAWDs who left the FSP were male, compared with 30 percent of all leaver household heads. Two-thirds of ABAWDs were African American, and three percent were Hispanic. Finally, only about one in five ABAWDs were subject to the

PRWORA three-month time limit at the time they left the FSP. The rest either exited the program before these time limits were implemented or were living in a county that had received a waiver from the time limits (or had a waiver pending).

Among elderly/disabled households that left the FSP in Illinois 1997, most also contained just a single adult (83 percent). The household head was 55 years old or older in about half of the cases and younger than age 35 in 16 percent of cases. Thus, just over half of this group consisted of households with disabled but not elderly members, and the remaining half consisted of elderly members who may or may not have been disabled. Just over half of these elderly/disabled case heads were female, and they were equally likely to be white or black.

The remaining two household types, which represent half of all food stamp leavers, were households that included children (and no disabled members). Females headed the majority of families with children. About two-thirds of these leaver households with children received TANF, and most of these TANF households were single-parent households. Overall, 83 percent contained a single adult, and even some of those households with more than one adult may have contained single parents living with a relative other than their child(ren)'s other parent. Similarly, most (68 percent) non-TANF families with children included a single adult (or no adults). In both types of leaver households with children, male household heads were rare, with about 90 percent of the households headed by females. Among TANF households leaving the FSP, more than half of the household heads were black, one-third were white, and just over 1 in 10 were Hispanic. Among non-TANF family households, the proportions of white and black heads were nearly reversed: more than half were white, 27 percent were black, and 18 percent were Hispanic.

A substantial number of leaver households had been receiving food stamps for a long time before their exit.

Well over one-third had been on food stamps for more than two years prior to their exit, and more than half had been on the program for more than one year (Table II.2). Consistent with the differential exit rates by household type reported above (and with findings from national data in Gleason et al. 1998), ABAWDs and non-TANF households with children had the shortest FSP spells prior to their exit, while TANF and elderly/disabled households had the longest spells. Over half of both TANF and elderly/disabled households had been on food stamps for more than two years before finally leaving the program in 1997.

The average 1997 food stamp leaver households in Illinois received \$174 in food stamp benefits (in 1999 dollars) in their last month on food stamps (Table II.2). Households with children had the highest average benefit levels--\$260 for TANF households and \$203 for non-TANF households with children--since they had the largest household sizes. Elderly/disabled households had the lowest benefit levels, at \$79 per month.

Receipt of other forms of public assistance while on food stamps was common among some types of leaver households.

Overall, one-third of all leaver households (and more than two-thirds of households with children) received TANF in their last month on food stamps (Table II.2). In addition, 67 percent received Medicaid, including nearly all TANF households and 79 percent of

TABLE II.2

PUBLIC ASSISTANCE RECEIPT AND EARNINGS OF FSP LEAVERS AT THE TIME OF PROGRAM EXIT
(Administrative Data)

Characteristic	Household Composition				
	All	TANF Households with Children	Non-TANF Families with Children	ABAWDs	Elderly/ Disabled
Public Assistance Receipt in Last Month on Food Stamps (Percentage)					
TANF	35	100	0	<1	1
SSI	5	0	0	<1	18
Medicaid	67	100	66	7	79
Length of Food Stamp Spell (Percentage)					
1 to 12 months	46	35	64	67	30
13 to 24 months	15	14	14	15	18
More than 24 months	38	51	22	18	52
Mean Food Stamp Benefit Amount (Dollars per Month)	\$174	260	203	124	79
Percentage of Households with Earnings in the Quarter Prior to Food Stamp Exit	45	48	76	44	19
Mean Earnings During Quarter Prior to Food Stamp Exit Among Households with Positive Earnings (1999 Dollars)	\$2,228	2,027	3,157	1,499	2,074
Sample Size	10,001	3,480	1,729	2,315	2,477

SOURCE: Illinois DHS Client Database.

NOTE: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months.

elderly/disabled households. Receipt of Supplemental Security Income (SSI) was rare and confined (by definition) to elderly/disabled households, about 18 percent of whom received SSI in their last month on food stamps. Finally, ABAWD leavers were unlikely to have received any other form of public assistance while on food stamps.

*Just under half of all leaver households had some earnings before leaving the program.*

A considerable fraction of leaver households had reported earnings prior to FSP exit. In the quarter prior to exit, for example, 45 percent of household had earnings, and the average level of earnings was \$2,228 among those who worked (Table II.2).⁴ Non-TANF

⁴We matched UI earnings records for all adults in the leaver household. Therefore, all earnings from the administrative data reported in this chapter and the next refer to household earnings of all adults in the food stamp unit prior to FSP exit.

households with children were most heavily active in the labor market, with more than three-fourths having earned an average of \$3,157 in the quarter prior to exit. By contrast, only 19 percent of elderly/disabled households had earnings during this period. Although about the same percentage of ABAWD leavers (44 percent) and TANF leavers (48 percent) had earnings prior to their exit, ABAWD leavers who worked had much lower earnings (\$1,499) than did TANF leavers who worked (\$2,027). Some portion of this difference in average earnings likely arises from the fact that TANF households are more likely than ABAWDs to include more than one adult, while non-TANF households with children are more likely than either group to include more than one adult.

The majority of leavers are from urban areas.

Given the size of the Chicago urban area, it is not surprising that a large majority of leaver households in Illinois came from urban areas. Overall, 85 percent were from counties considered urban, and only 15 percent were from counties considered rural (Table II.3). In fact, two-thirds of all leaver households came from the Chicago metropolitan area. Across all household types, non-TANF family leavers were most likely to be from rural areas (28 percent), compared with the other three household groups (11 to 15 percent).

TABLE II.3
ECONOMIC CONDITIONS IN FSP LEAVERS' COUNTIES AT THE TIME OF PROGRAM EXIT
(Percentages)

Characteristic	All	Household Composition			
		TANF Households with Children	Non-TANF Families with Children	ABAWDs	Elderly/ Disabled
County Location					
Urban	85	90	72	86	85
Cook County (Chicago)	57	63	36	59	60
Suburban Chicago	9	9	12	6	8
Other urban	20	18	25	21	17
Rural	15	11	28	14	15
County ABAWD Time Limit Status					
Time limits in effect	21	18	31	19	21
County has waiver	79	82	69	81	79
County Unemployment Rate					
4 percent or less	49	47	51	48	52
5 to 6 percent	45	48	38	46	42
7 percent or more	7	5	11	6	6
(Mean)	(5.1)	(5.1)	(5.2)	(5.1)	(5.1)
Sample Size	10,001	3,480	1,729	2,315	2,477

SOURCE: Illinois DHS Client Database and BLS Unemployment Rate Data.

NOTE: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months.

The economic conditions in leavers' counties were reasonably favorable in 1997 and varied little according to differences in the counties in which different types of leaver households lived.

Reflecting the strong economic conditions prevailing throughout the country and in Illinois, economic conditions in leavers' counties were reasonably favorable. On average, the unemployment rate was 5.1 percent in the month in which households left the FSP, and nearly half of all leaver households were in counties with an unemployment rate below 5.0 percent (Table II.3).

C. REASONS FOR LEAVING THE FSP

To fully understand the experiences of food stamp leavers after exiting the program, it is helpful to understand why they left the program. For example, we would expect the experiences of those who left the FSP because they found a job to be different from the experiences of those who were forced by sanctions to leave the program. In this section, we use two methods to explore the possible reasons for exiting the FSP. First, using administrative records data, we examine the employment and earnings (along with the receipt of public assistance) of leavers just before and just after their exit from the program. This provides indirect evidence as to the proportion who exited food stamps because they found new jobs, increased their hours of work, or received higher wages. Second, for the survey sample, we examine leavers' stated reasons for exiting the program.

1. Earnings Before and After Exiting the FSP

A substantial proportion of food stamp leavers appear to have left the program because of an increase in earnings rather than because they found employment.

Food stamp leavers in Illinois do not appear to have left the program because they just started working. For instance, between the quarter before and the quarter after their food stamp exit, the percentage of leaver households with some employment changed little: 45 percent had employment before and 48 percent were employed after exiting the program (Table II.4). This small increase in the percentage with earnings (or employment rate) was driven by the fact that 12 percent of leaver households changed from having no earnings prior to leaving food stamps to having positive earnings after leaving food stamps, while 9 percent of leaver households experienced the opposite change.⁵ Among the different types of leaver households, ABAWDs and TANF households were most likely to get a job around the time they left food stamps: 15 and 17 percent, respectively, changed from no earnings to positive earnings.

⁵In leaver households with more than one adult, their exit from the program could have been the result of one member of the household finding a new job while a second member continued in a previously held job. Thus, the household would not have changed from zero earnings to positive earnings even though a household member found a job. However, since relatively few leaver households contain more than one adult, we do not expect this to be a common occurrence, except perhaps among non-TANF households with children (30 percent of which contain multiple adults).

TABLE II.4

INCOME CHANGES AROUND THE TIME OF FOOD STAMP EXIT, FOOD STAMP LEAVER HOUSEHOLDS
(Administrative Data)

Characteristic	Household Composition				
	All	TANF Households with Children	Non-TANF Families with Children	ABAWDs	Elderly/ Disabled
Percentage with Earnings					
Quarter prior to the exit quarter	45	48	77	44	19
Quarter after the exit quarter	48	55	76	45	19
Pattern of Work in the Quarter Prior to and After the Food Stamp Exit Quarter (Percentages)					
No earnings/no earnings (did not work)	43	35	15	42	76
No earnings/earnings (got job)	12	17	8	15	5
Earnings/no earnings (lost job)	9	10	9	13	5
Earnings/earnings (worked in both)	36	39	68	31	14
Mean Earnings (Dollars)					
Quarter prior to the exit quarter	\$996	971	2399	658	392
Quarter after the exit quarter	\$1,471	1,641	2,902	1,079	512
Pattern of Earnings in the Quarter Prior to and After the Food Stamp Exit Quarter (Percentages)					
More than 20 percent decrease ^a	16	17	21	20	8
1 to 20 percent decrease ^a	4	4	10	3	2
No change ^b	44	35	15	42	76
1 to 20 percent increase ^c	5	5	12	3	2
More than 20 percent increase ^c	31	39	41	33	12
Sample Size	9,901	3,432	1,682	2,315	2,472

SOURCE: Illinois DHS Client Database.

NOTE: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months.

^a Includes households moving from positive earnings to zero earnings.^b Includes households without earnings in both quarters.^c Includes households moving from zero earnings to positive earnings.

However, while the overall employment rate increased only three percentage points, from 45 to 48 percent (a 7 percent increase), between the quarter before and the quarter after their exit, the increase in mean household earnings over this period was substantially larger. Among all households, including those with no earnings, mean earnings increased from \$996 in the quarter before exit to \$1,471 in the quarter after exit, an increase of 48 percent (Table II.4).

The bottom panel of Table II.4 shows the distribution of earnings gains among leaver households. The last row shows that almost one-third of leaver households experienced an increase in earnings of more than 20 percent between the quarter before and the quarter after

the time they left the program.⁶ An additional five percent experienced a smaller increase in earnings over this period. This indirect evidence suggests that employment explains why a sizable number (although far from a majority) of households left the FSP in Illinois in 1997.

Given the relatively small increase in employment among leaver households, the large increase in earnings must have been driven by one (or more) of three possibilities: (1) additional members of leaver households found jobs in households that already had some earnings; (2) already employed household members increased either their hours of work per week or their weeks worked during the quarter; or (3) already employed household members received higher wages, either because they received a raise in their existing job or because they changed to a higher-paying job. Since most leaver households contain only a single adult (and relatively young children), the first possibility seems unlikely to account for much of the increase in mean earnings. Unfortunately, the administrative records data from Illinois do not contain sufficient detail to distinguish between the second and third possibilities.

The proportion of leaver households experiencing a large increase in earnings was highest among households with children (both TANF and non-TANF), about 40 percent of whom had more than a 20 percent increase.

Among all household groups, families with children were most likely to experience an earnings increase. About 40 percent of leaver households with children (both TANF and non-TANF) had more than a 20 percent increase in earnings between the quarter before and the quarter after their exit from the FSP. Compared with this, one-third of ABAWD leavers had an increase in earnings of this magnitude. The elderly/disabled group was least likely to have experienced an earnings increase, with only 12 percent experiencing this type of earnings increase.

2. Public Assistance Receipt Before and After Exiting the FSP

Although changes in the percentage of food stamp leavers receiving other forms of public assistance before and after leaving the FSP do not fully reveal their reasons for exiting, they do tell us something about their circumstances around the time they made this decision. For example, households continuing to receive TANF after they left the FSP are unlikely to have exited because their income made them ineligible. Households continuing to receive Medicaid after their exit may or may not be eligible for food stamps, but their continued reliance on some form of public assistance tells us that their economic situation did not change dramatically when they left the FSP.

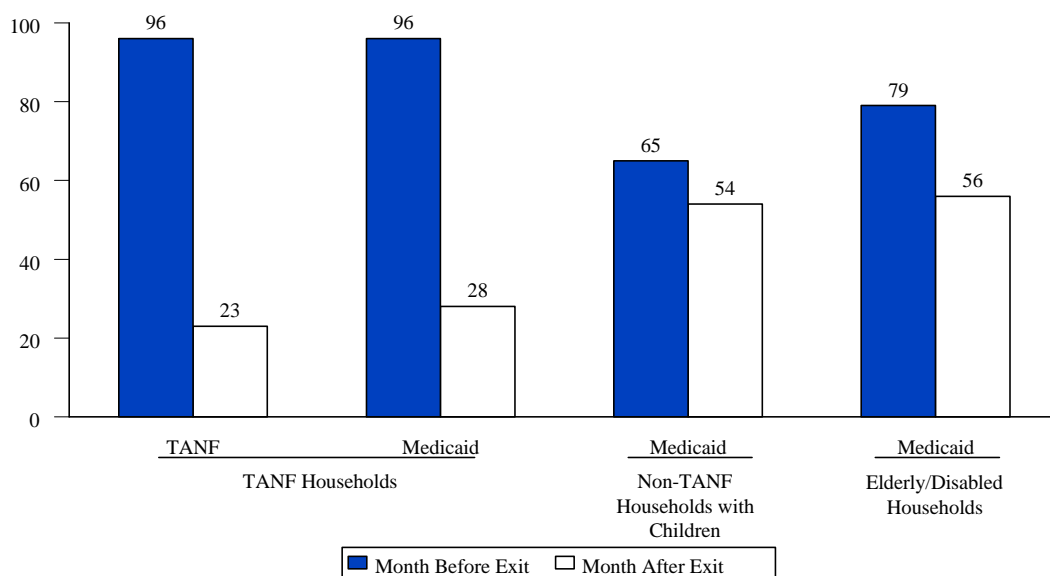
TANF households were likely to exit the TANF and Medicaid programs at the same time they exited the FSP.

Among households who received TANF in their last month on food stamps (and 96 percent of whom received TANF in the month prior to that), just under one-fourth continued to receive TANF after their exit (Figure II.3). Thus, three-fourths of these leaver

⁶This percentage experiencing more than a 20 percent increase in earnings includes households that had no earnings before their exit and positive earnings after their exit.

FIGURE II.3

CHANGES IN RECEIPT OF TANF AND MEDICAID FOLLOWING EXIT FROM THE FSP IN ILLINOIS IN 1997, BY HOUSEHOLD TYPE



Source: Illinois DHS Client Database.

Note: Only six percent of ABAWDs received Medicaid the month before the FSP exit; four percent of ABAWDs received Medicaid during the month after their exit.

households exited TANF and the FSP at the same time. Nearly the same percentage exited the Medicaid program at this time as well, and 28 percent continued to receive Medicaid in the month after leaving the FSP. Thus, most of these households apparently receive food stamps, TANF, and Medicaid as a package, so their exit decision involves discontinuing all three forms of public assistance.⁷

Unlike TANF households, other leaver households were less likely to stop receiving Medicaid when they exited the FSP.

The proportion of elderly/disabled households receiving Medicaid fell from 79 to 56 percent following their exit. The relatively large proportion continuing to receive Medicaid may be related to the relatively small proportion of this group who worked and consequently could have had access to health insurance through their jobs. Non-TANF leaver households with children were less likely to leave Medicaid at the time they left the FSP, as the percentage receiving Medicaid fell from 65 to 54 percent. These households apparently made separate decisions regarding food stamp and Medicaid receipt.⁸

⁷Since 1997, the Illinois Department of Human Services and Department of Public Aid have taken a number of steps to ensure that Medicaid eligibles continue to be served, when appropriate.

⁸Few ABAWDs received Medicaid before (six percent) or after (four percent) exiting the FSP.

3. Food Stamp Leavers' Stated Reasons for Exit

Food stamp leavers who completed the surveys were asked to report on reasons they left the FSP in 1997. Here, we discuss the reasons they reported for leaving the FSP.

Individuals reported a variety of reasons for leaving the FSP; however, the most common ones were employment or an earnings increase.

Across all household groups, many sample members reported new employment or an earnings increase as their primary reason for leaving the FSP in 1997. For instance, half of all families reported that they themselves or someone else in the household had experienced an earnings increase (Table II.5).⁹ Another five percent reported an increase in household income, either from SSI or some other program, or from retirement benefits for the elderly. Other common reasons for leaving the FSP included sanctions and “administrative difficulties.” Across all groups, 13 percent left because they were sanctioned for noncompliance with program requirements. Another 12 percent left because of

TABLE II.5
SELF-REPORTED REASONS FOR LEAVING THE FSP
(Survey Sample)
(Percentages)

Characteristic	All	Household Type		
		Families	ABAWDs	Elderly/ Disabled
Employment/Income	55	64	48	40
Employment	50	61	46	27
Unearned Income	5	3	2	12
Sanctions	13	14	19	11
Administrative Reasons	12	11	11	18
Difficulty getting food stamps	5	2	5	14
Did not reapply	5	6	5	3
Perceived ineligibility	2	3	1	1
Other	15	12	19	16
Moved out of state	5	5	5	6
Jail	2	^a	8	^a
Institutionalized	1	^a	^a	4
Other	7	7	6	6
Missing Reason	5	2	4	12
Sample Size	497	193	231	73

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^aLess than 1 percent.

⁹These numbers and trends in employment/earnings increases by household type are broadly consistent with the finding from the administrative records data discussed earlier.

administrative difficulties.¹⁰ Finally, almost 15 percent left for other reasons. One-third of this latter group left because they moved out of state. Other reasons among this group for leaving included changes in household composition, being in jail or in an institution, or other miscellaneous reasons.

Reasons for leaving varied considerably by household group.

Families and ABAWDs were more likely to report leaving the FSP because they had an increase in household earnings. For example, more than 60 percent of families and 46 percent of ABAWDs reported earnings as their primary reason for leaving (Table II.5). ABAWDs were also considerably more likely to be sanctioned (19 percent), and about 8 percent left the FSP because they went to jail. Just over one-quarter of the elderly/disabled reported leaving the FSP because of an earnings increase; another 12 percent reported having left the FSP for other increases in income (for example, SSI or retirement income). About 11 percent of the elderly/disabled left the FSP because they were sanctioned, and almost 18 percent left because of reasons related to administrative difficulties. Finally, we found that rural leavers were more likely than leavers in urban areas to leave for employment/income-related reasons and less likely to leave because of administrative difficulties (not shown).¹¹

¹⁰Those classified as leaving because of administration difficulties includes people who reported it was difficult for them to go to the food stamp office or to renew their benefits, those who perceived they became ineligible, and those who simply did not renew. Individuals who did not renew because they found a job or had increased household earnings or income were classified as having left for earnings- or income-related reasons. We include “perceived ineligibility” with this group because, more often than not, the reasons these individuals reported for becoming ineligible were not related to the FSP rules.

¹¹Chapters IV and V discuss in greater detail differences in outcomes for rural and urban leavers.

III

EMPLOYMENT AND PUBLIC ASSISTANCE RECEIPT AMONG FOOD STAMP LEAVERS

The current emphasis of welfare policy, as exemplified by the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), is to move individuals and families off public assistance and into the labor market. This emphasis is most apparent in the work requirements and time limits placed on recipients of Temporary Assistance for Needy Families (TANF). However, since many food stamp recipients also receive TANF, these policies also influence their actions. In addition, able-bodied adults without dependents (ABAWDs) who are not working can receive food stamps for only 3 months out of every 36-month period.¹ A measure of the success of these policy initiatives is the extent to which food stamp leavers move into high-paying, stable jobs and remain off public assistance following their exit from the program.

As described in Chapter II, half of all 1997 food stamp leavers in Illinois reported that they left the program because they got a job or had an increase in earnings. However, the analysis in that chapter did not examine (1) the extent to which these leavers remained employed and off food stamps after leaving the program, or (2) the future experiences of leavers who did not move immediately into the labor market. These leavers may have returned quickly to the Food Stamp Program (FSP) or they may have eventually found stable jobs and remained off public assistance.

In this chapter, using administrative records data on a sample of 10,001 food stamp leavers in Illinois in 1997, we examine food stamp leavers' public assistance receipt and their employment and earnings during the two-year period after their 1997 exit from the program. In particular, the analysis focuses on the FSP case head's experience during the month prior to the exit. The food stamp and other public assistance program participation of this individual is tracked by month, and the total earnings of all members of the individual's household are tracked by quarter, during the two-year period.

As discussed in Chapter I, the administrative records data have both strengths and weaknesses. The main strength of the administrative data is that they are available for all sample members. Unlike analysis based on survey data, selection bias resulting from nonresponse or attrition is not a problem. In addition, we do not have to rely on sample members' recall, as with survey data. The main weakness of the administrative data is that they do not capture all forms of employment and public assistance receipt. For example, the administrative records data will not capture the earnings of leavers employed out of state or in the underground economy. Nor will they capture the public assistance receipt of leavers who have moved out of Illinois. In addition, the administrative data do not contain details

¹Areas with poor economic conditions, such as high unemployment rates, can receive waivers from these work requirements for ABAWDs.

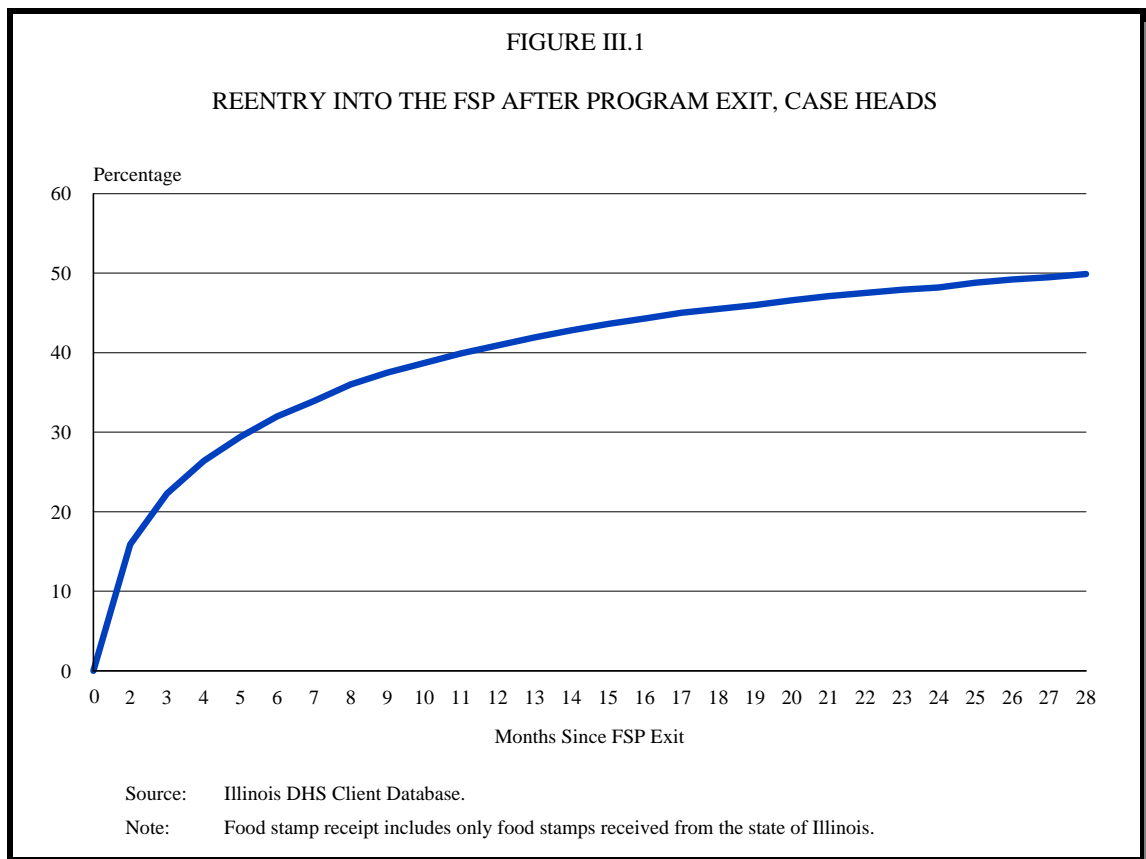
on the types and characteristics of jobs held by food stamp leavers. Chapter V discusses job characteristics and other factors related to employment barriers based on survey data.

A. RETURNING TO THE FSP

Nationally, about half of all adult leavers who exited the FSP during the 1990 to 1993 period returned to the program within two years (Gleason et al. 1998). For those who exited the FSP in Illinois in 1997, during a period of greater economic growth than the early 1990s, reentry rates were similar. Leavers had the following patterns of FSP participation following their 1997 exit:

Many food stamp leavers return to the program. Among those who exited in 1997, nearly half had returned to the FSP within the next 24 months.

Figure III.1 shows the probability of food stamp leavers' return to the program during the 28-month period following their 1997 exit.² Overall, 48 percent returned to food stamps within 24 months, and 50 percent returned within 28 months. Most of those who return to the program do so quickly. Among the leavers in our sample, for example, nearly half of those who came back onto the program within two years did so during the first four months after having exited in 1997.



²Figure III.1 was generated using life table analysis.

While the numbers cited above describe the likelihood that food stamp leavers will return to the program at any given point during the first two years after they exit, they do not reveal whether these individuals stay on food stamps or quickly exit again. An alternative measure of leavers' dependence on food stamps is the proportion of the full group receiving food stamps in any given month following their exit. Figure III.2 shows leavers' food stamp participation rate by the number of months following their 1997 exit.

In any given month during the two years after their 1997 FSP exit, about one-fourth of leavers were back on food stamps. By definition, no leavers received food stamps during the first two months following their exit. By month 5, however, 22 percent were receiving food stamps again. The percentage receiving food stamps increased until it reached 27 percent by month 9, then declined slowly. Twenty-four months after their 1997 exit from the program, 22 percent of leavers were receiving food stamps.

Food stamp leavers who are also on TANF when they exit the program are more likely than other leavers to return to the FSP.

Among food stamp leavers in Illinois who were also receiving TANF at the time of their 1997 exit, nearly one-third were back on food stamps within just four months, and 57 percent were back on food stamps within two years (Table III.1). By contrast, the two-year reentry rates for the other three household types were well under 50 percent. In particular, 41 percent of elderly/disabled leavers, 43 percent of non-TANF households with children, and 45 percent of ABAWDs had returned to the FSP within two years of their 1997 exit.

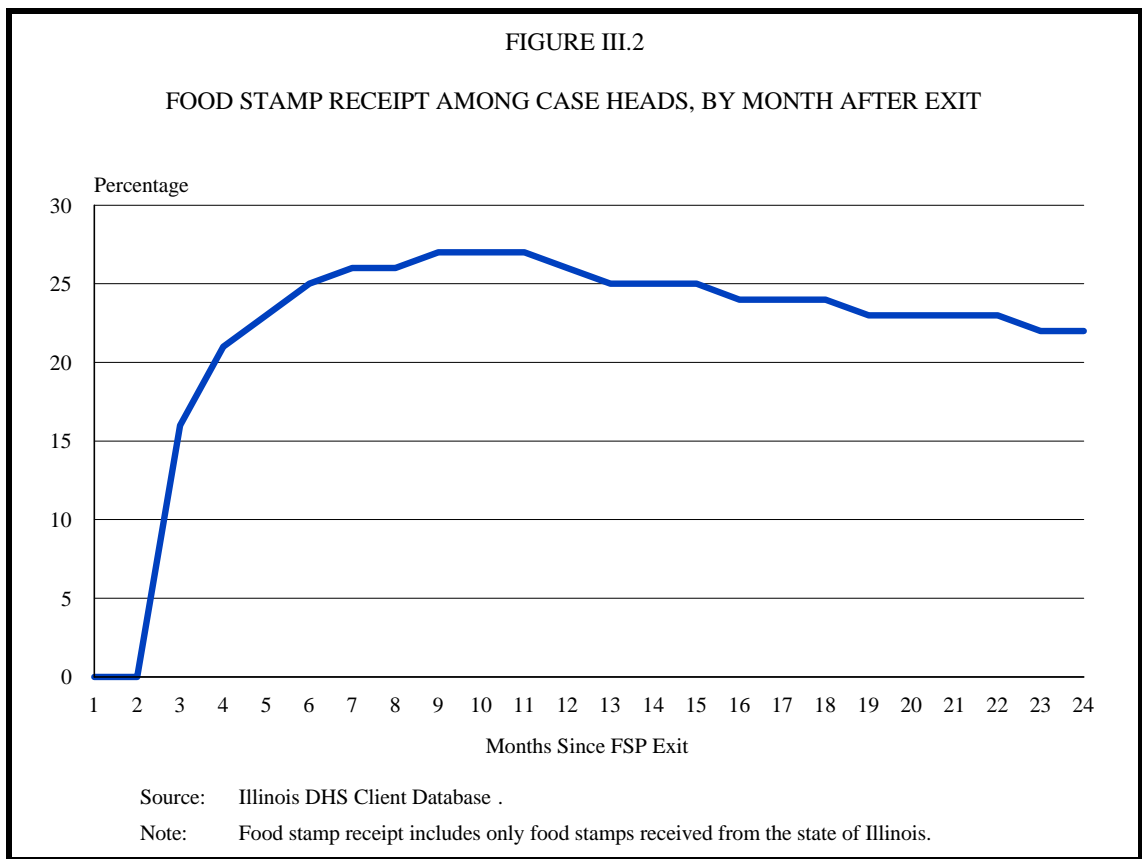


TABLE III.1
REENTRY INTO THE FSP BY CASE HEAD AFTER PROGRAM EXIT, BY SUBGROUP
(Percentages)

Subgroup	Cumulative Reentry Rate			Sample Size
	4 Months or Less	12 Months or Less	24 Months or Less	
All Leavers	22	40	48	10,001
Household Type				
TANF household with children	31	50	57	3,480
Non-TANF household with children	18	35	43	1,729
ABAWD	17	36	45	2,315
Elderly/disabled	18	33	41	2,477
Number of Children on Case				
0	17	34	42	4,629
1	25	42	51	2,159
2 or more	28	47	54	3,213
Age of Youngest Child on Case				
Less than 6	25	44	53	5,039
6 to 11	21	38	46	3,614
12 to 18	16	29	33	1,248
Gender of Leaver				
Male	16	34	42	3,011
Female	25	43	50	6,990
Race of Household Head/Caretaker				
White, non-Hispanic	18	35	43	3,812
Black, non-Hispanic	27	46	54	4,983
Hispanic	17	29	34	1,010
Other	17	33	43	196
Urban Status				
Rural	19	38	46	1,540
Urban	23	40	48	8,461

SOURCE: Illinois DHS Client Database.

NOTE: Food stamp receipt includes only food stamps received from the state of Illinois.

Among food stamp leavers, household heads who have young children are more likely than those without children or those with older children to reenter the FSP.

While the heads of more than half of all leaver households with children reentered the FSP within two years, only 42 percent of those without children reentered the program during this period (Table III.1).³ Among households with children, the younger the child, the more likely the head of the household is to reenter the program. Among 1997 leavers,

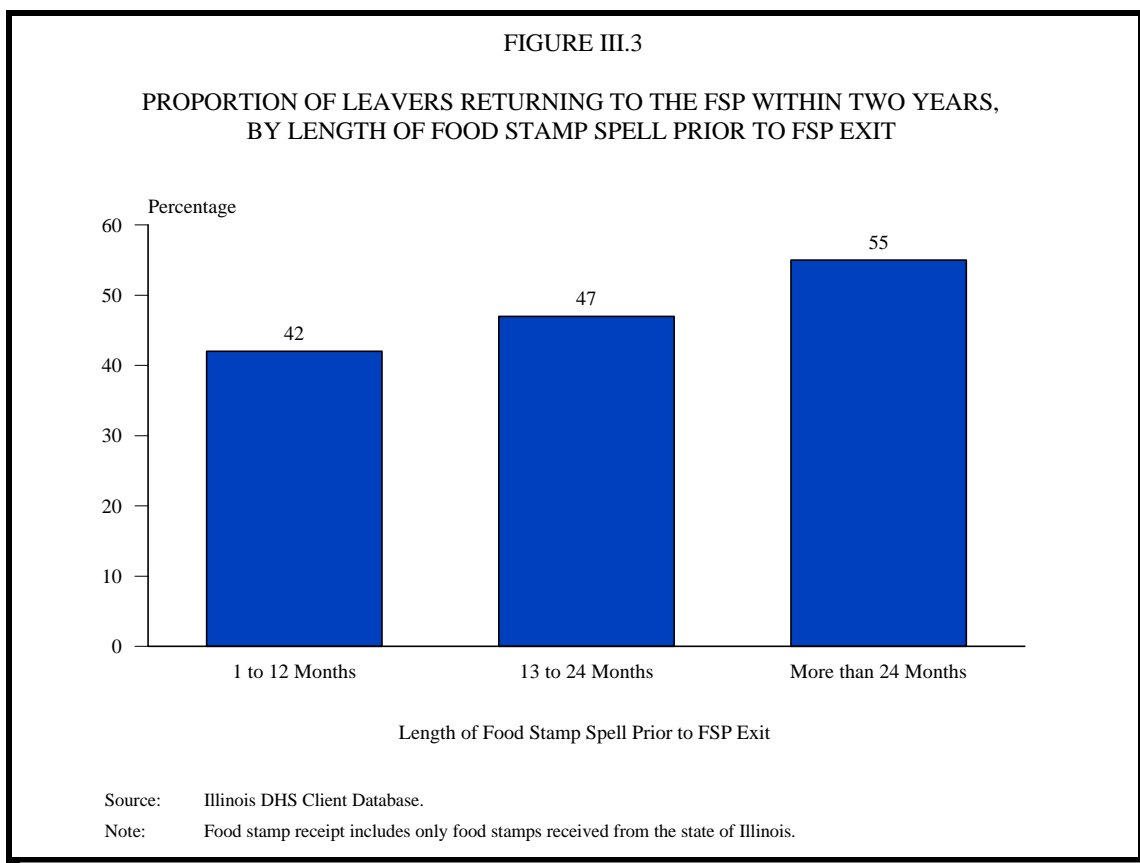
³These findings are consistent with the patterns of reentry rates by household type.

in fact, only one-third of case heads whose oldest child was 12 to 18 at the time of their exit had returned to food stamps within two years, which is even lower than the two-year reentry rate among households without children.

The race/ethnicity of the case head is also correlated with the likelihood of reentering the FSP. More than half (54 percent) of black 1997 food stamp leavers in Illinois came back onto food stamps within 24 months, compared with 43 percent among white food stamp leavers and 34 percent among Hispanic food stamp leavers (Table III.1). Finally, female food stamp leavers were more likely than male leavers to return to the FSP.

Food stamp leavers who are more heavily dependent on food stamps prior to their exit are more likely than less heavily dependent leavers to return to the program.

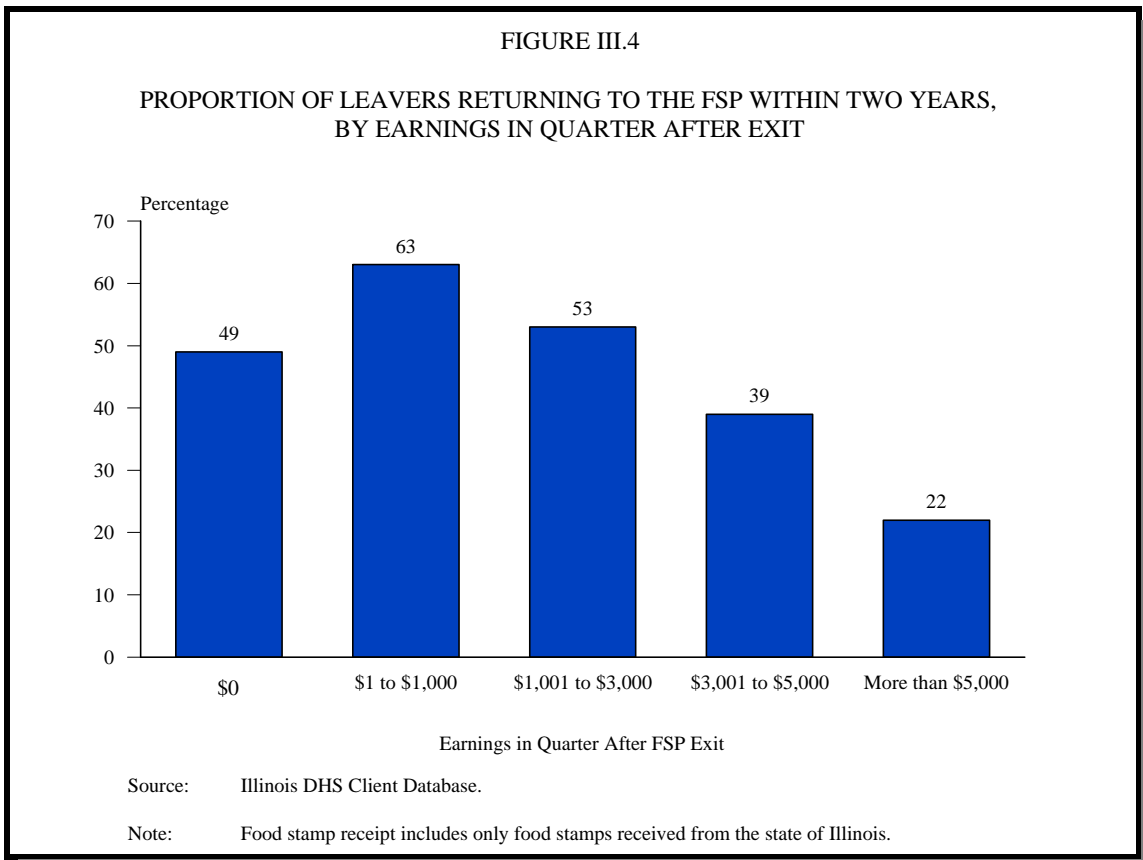
As Figure III.3 shows, the longer that leavers had spent on food stamps prior to their 1997 exit, the more likely they were to return to the program during the next two years. While only 42 percent of those who had spent a year or less on food stamps prior to their exit returned to the program within two years, 47 percent of those who had been on food stamps between one and two years and 55 percent of those who had been on food stamps for more than two years returned to the program during the follow-up period.



Food stamp leavers with high earnings immediately after their exit from the program are less likely to return than those with no earnings or low earnings.

As discussed in Chapter II, about half of the food stamp leavers in our sample had positive earnings in the quarter after they exited the program. However, simply having a job was not sufficient to ensure that they would not return to food stamps. Among those with relatively low quarterly earnings between \$1 and \$1,000, nearly two-thirds (63 percent) had returned to the FSP within two years (Figure III.4). Among leavers with higher earnings levels in the quarter after their food stamp exit, the two-year reentry rates declined. For example, 53 percent of those with earnings between \$1,000 and \$3,000 and 39 percent of those with earnings between \$3,000 and \$5,000 had returned to the FSP within two years. Among the highest-earnings group, those with quarterly earnings greater than \$5,000, only 22 percent had returned to the program within two years.⁴

Surprisingly, the results suggest that leavers with no earnings are less likely than some groups of leavers with earnings to return to the FSP. In particular, just under half of 1997



⁴To put these earnings categories into context, an individual who worked full-time (40 hours a week) during the entire quarter (13 weeks) at the minimum wage of \$5.15 per hour (as of September 1, 1997) would have earned \$2,678. Thus, food stamps leavers may have had low earnings in the quarter after their exit for three possible reasons. First, their wages may have been low. As shown above, even those working full-time for the full quarter would have earnings less than \$3,000 if they were making the minimum wage. Second, they may not have worked the full three-month period. For example, a leaver who worked full-time for only one of the three months at \$10 per hour would have had quarterly earnings of only \$1,733. Finally, leavers may not have worked full-time. A leaver working only 20 hours a week for the full three months at \$10 an hour would have had quarterly earnings of \$2,600.

food stamp leavers in Illinois who had no earnings in the quarter after their exit had returned to food stamps within two years. This reentry rate is lower than the reentry rates for leavers with quarterly earnings that were positive but less than \$3,000. Some of these leavers with no earnings may have alternative forms of support, such as public assistance or help from family or friends who do not live with them. Some of these leavers may be retired and receiving social security or pension income. Some others may have no earnings but do not return to the FSP because they were sanctioned or because of the difficulties they experienced in getting food stamps.⁵

ABAWDs who leave food stamps when time limits are in effect are less likely to return to the program than those who leave food stamps when they are not subject to time limits.

There is some evidence to suggest that time limits may work to keep ABAWDs off the FSP. Although the PRWORA legislation set a three-month limit on the number of months that ABAWDs can receive food stamps when they are not working, states or areas within states can obtain waivers exempting ABAWDs from this time limit if economic conditions are sufficiently poor. The IDHS sought and received waivers on behalf of a number of areas within Illinois during 1997. In addition, the time limits did not go into effect in Illinois until March 1997. Thus, some of the ABAWDs in our sample exited the FSP in months and in locations in which they were subject to time limits, and others exited the FSP in months and in locations in which they were not subject to time limits.

The significance of this variation in whether ABAWDs exited the FSP under time limits is that it reflects the degree to which the PRWORA policy may have forced ABAWDs off the program. In particular, ABAWDs who left food stamps when they were not subject to time limits are likely to have exited the program voluntarily, while some of those who exited when time limits were in effect may have been forced off the program. Differences in the reentry rates and, more generally, the well-being of the two groups are suggestive of the influence of the policy (in either forcing them to find work or in removing a key source of support) on this group of food stamp recipients.⁶

ABAWDs whose 1997 exit took place under time limits were less likely to return to food stamps in the subsequent two years than those who were not under time limits when they exited the FSP. Among ABAWDs who left the program under a time limit, just over

⁵An additional explanation for this result is that the group with no earnings may include some individuals who have died, moved out of state, or been institutionalized. Those who have died or been institutionalized would not have had the opportunity to work or return to food stamps. Those who moved out of state may have worked or entered the FSP in the state they moved to, but the Illinois administrative data would not reflect these outcomes.

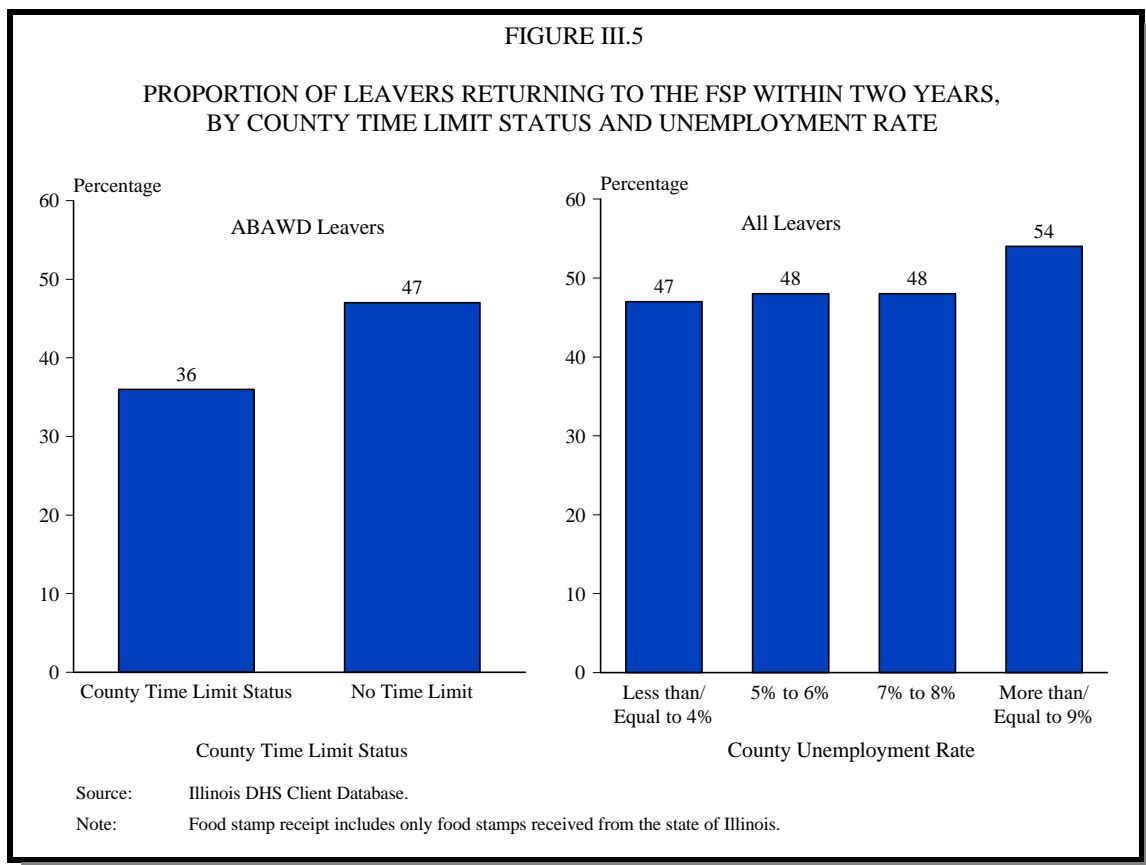
⁶However, the simple correlations presented in this chapter are not estimates of the impact of the policy on the experiences of ABAWDs. Other factors related to a county's time limit/waiver status may have influenced these experiences. For example, since counties must face poor economic conditions to receive a waiver, those counties with waivers are likely to have higher unemployment rates and lower wages than counties without waivers. During 1997 in Illinois, for example, ABAWDs who left food stamps in counties with waivers (or before the time limit was implemented) faced an unemployment rate of 5.3 percent, compared with 4.3 percent among ABAWDs in counties without waivers and in months with time limits.

one-third (36 percent) had returned within two years, compared with 47 percent of those who were not under a time limit when they exited (Figure III.5).

As a check on the extent to which this difference may have resulted simply from the difference in economic conditions between counties with and without waivers, we examined the relationship between the unemployment rate of a county (in a given month) and the reentry rate among all individuals who exited the FSP from that county (in that month). This correlation is not very high. Figure III.5 shows that the two-year reentry rate is similar for those in counties with unemployment rates under 4 percent (47 percent reenter within two years), 5 to 6 percent (48 percent), and 7 to 8 percent (48 percent), and is only slightly higher for those in counties with unemployment rates greater than or equal to 9 percent (54 percent).⁷

B. RECEIPT OF OTHER FORMS OF PUBLIC ASSISTANCE

In addition to returning to the FSP, leavers may receive other forms of public assistance following their exit from food stamps. In this section, we measure the degree to which leavers receive Medicaid and TANF during the two-year period after their exit, with their exit from the FSP used as a point of reference.



⁷However, only two percent of the sample (217 leavers) exited the program from these high-unemployment counties.

Medicaid is the most common form of public assistance that food stamp leavers receive. Half of all leavers receive Medicaid at some point during the subsequent two years, and those who receive it tend to be on Medicaid for much of the two-year period.

Overall, 51 percent of 1997 food stamp leavers in Illinois received Medicaid at some point during the 24-month period following FSP exit (Table III.2). Most of these Medicaid recipients were on that program for a majority of these months. On average, those who received Medicaid were on the program for 14.5 months.

Elderly/disabled food stamp leavers were most likely to be on Medicaid after their exit from the FSP. In the Illinois sample, two-thirds of this group received Medicaid benefits at some point during the follow-up period. The average elderly/disabled leaver who was ever on Medicaid during this period was on the program for three-fourths of the follow-up period, or 18 months. Households with children were nearly as likely as elderly/disabled leavers to have been covered by Medicaid at some time during the two years after their exit from the FSP, but they tend to have been covered for shorter periods of time (13 months, on average). ABAWDs were least likely to have been covered by Medicaid; only 11 percent were covered at some point during the follow-up period.

TABLE III.2

TOTAL TIME ON PUBLIC ASSISTANCE DURING 24 MONTHS AFTER FSP EXIT, CASE HEADS
(Percentages)

Type of Assistance (Number of Months)	All	Household Composition			
		TANF Households with Children	Non-TANF Households with Children	ABAWDs	Elderly/ Disabled
FSP					
None	52	43	57	55	60
1 to 12	28	30	30	33	19
13 to 22	20	27	12	12	21
(Mean among participants)	(11.0)	(11.9)	(9.1)	(8.9)	(13.3)
TANF					
None	81	54	87	97	99
1 to 12	11	25	10	2	1
13 to 24	8	21	3	1	<1
(Mean among participants)	(11.1)	(11.7)	(8.5)	(10.0)	(10.0)
Medicaid					
None	49	39	38	89	34
1 to 12	21	30	30	6	17
13 to 24	30	32	32	5	49
(Mean among participants)	(14.5)	(13.0)	(13.4)	(12.7)	(18.0)
Sample Size	10,001	3,480	1,729	2,315	2,477

SOURCE: Illinois DHS Client Database.

NOTES: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months. Public assistance receipt includes only public assistance received from the state of Illinois.

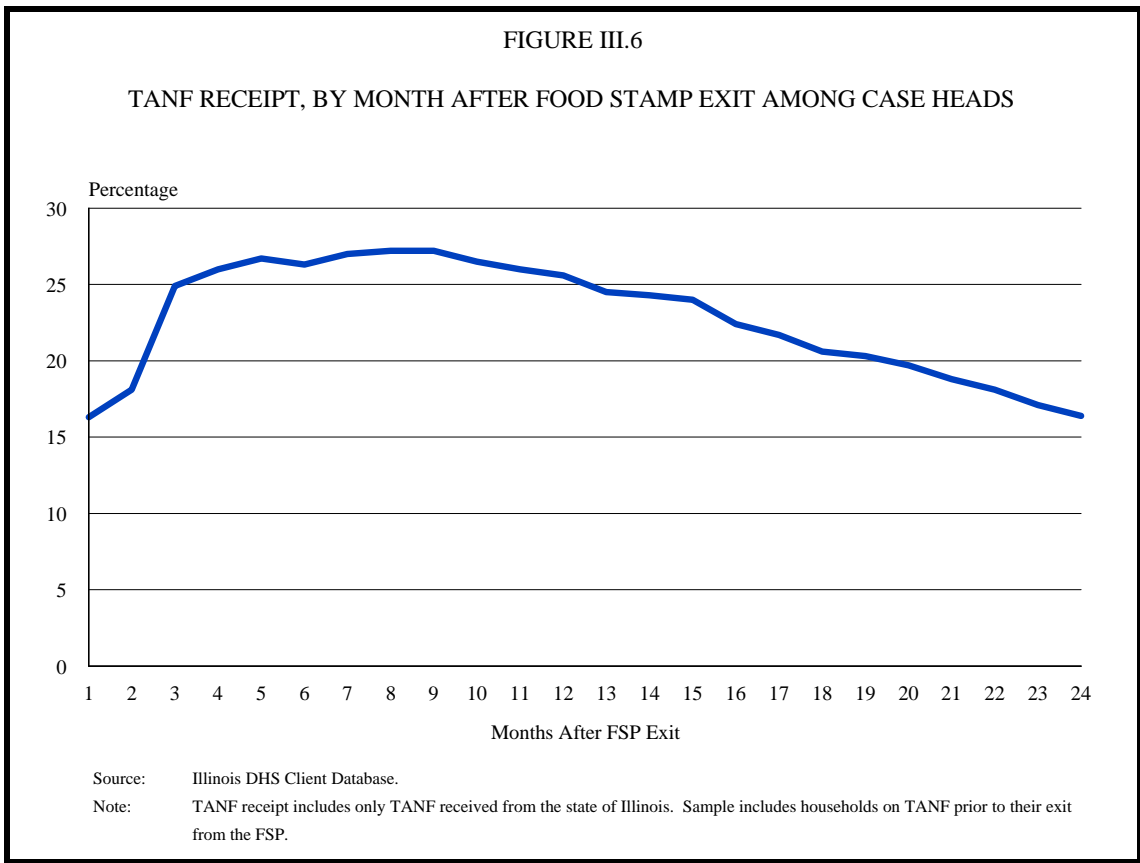
Overall, about one in five leavers received TANF during the two-year period after leaving the FSP. Among those on TANF prior to their exit, nearly half received it during the follow-up period.

Among all leavers in our sample, 19 percent received TANF at some point during the two years following their exit from the FSP (Table III.2). However, since a substantial number of leavers were categorically ineligible for TANF because they did not have children, examining reentry rates among leavers with children is more relevant. Among households that were on TANF prior to their exit from the FSP, 46 percent were on TANF for an average of about 12 months during the subsequent two years. Figure III.6 shows the pattern of their TANF receipt during the follow-up period. In months 5 through 10 after their exit from the FSP, about 27 percent of this group receives TANF. The percentage on TANF then slowly declines, to about 16 percent by month 24.

Among other leaver households with children, 13 percent received TANF at some time during the subsequent two years. Very few of the other two types of households (ABAWDs and elderly/disabled households) received TANF during the follow-up period.

C. EMPLOYMENT AND EARNINGS AMONG FOOD STAMP LEAVERS

For leavers to remain off food stamps and other forms of public assistance, most will have to find employment (except, perhaps, for those in elderly/disabled households). Therefore, the employment and earnings of food stamp leaver households after their exit from the FSP is a key indicator of their success in making the transition away from public

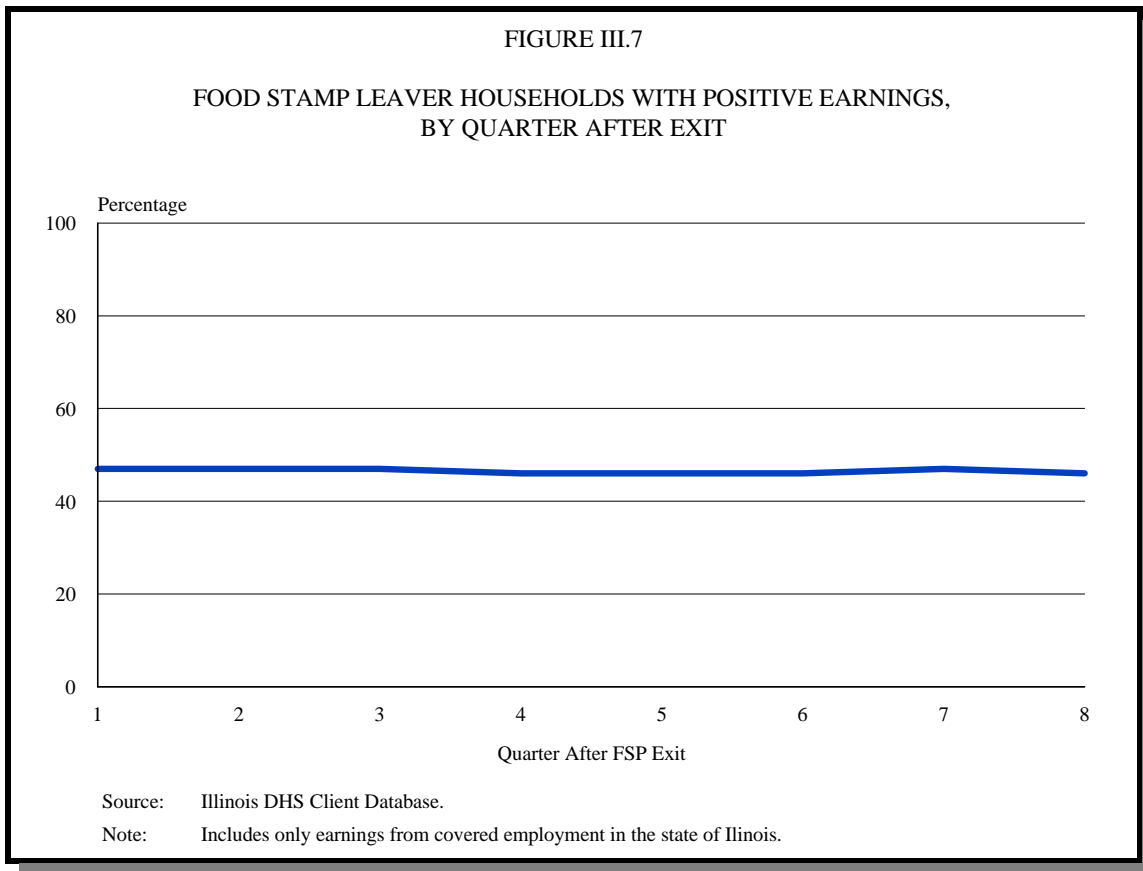


assistance. This section examines the earnings levels of leaver households (including earnings from all members of leaver households) during their first two years after leaving the program.

Surprisingly few food stamp leaver households have earnings after leaving the program. In each of the first eight quarters after exiting food stamps, less than half of all leavers have positive household earnings.

During the first two years after leaving food stamps in 1997, the percentage of food stamp leavers with positive earnings during a given quarter ranged around 46 to 47 percent (Figure III.7). In other words, in any given quarter during the follow-up period, fewer than half of these households had at least one employed member. Employment rates were slightly higher when earnings levels were measured over longer time periods. In their first year off food stamps, 59 percent of leavers had positive earnings; in their second year, 58 percent had positive earnings (Table III.3). Over the full two-year follow-up period, just under two-thirds (65 percent) of food stamps leavers had positive earnings at some point.⁸

Even among leaver households with some employment, this employment appears to be relatively unstable. Among 1997 leavers, the average household had positive earnings in 46 percent of quarters during the follow-up period (that is, just under four out of eight quarters) (Table III.3). Among those with positive earnings in at least one quarter, the average household had positive earnings in 71 percent of quarters.



⁸When elderly/disabled households were excluded, the employment rates increased to 70 percent for year 1, 68 percent for year 2, and 77 percent over the full follow-up period.

TABLE III.3
HOUSEHOLD EMPLOYMENT AND EARNINGS AMONG FSP LEAVERS
DURING 24 MONTHS AFTER FSP EXIT

	Household Composition				
	All	TANF Households with Children	Non-TANF Households with Children	ABAWDs	Elderly/ Disabled
Employment (Percentages)					
Year 1	59	70	82	60	25
Year 2	58	71	80	56	24
Ever	65	79	86	68	29
Quarters Employed (Percentages)					
Among all leavers	46	56	73	43	18
(Among those ever employed)	(71)	(71)	(85)	(63)	(62)
Mean Earnings (Dollars)					
Year 1	\$6,028	6,791	12,360	4,438	2,021
Year 2	\$6,786	8,005	13,588	4,815	2,168
Total	\$12,814	14,756	25,948	9,253	4,189
Gain in Earnings (Percentages)					
Quarter 1 to 8					
All	21	30	17	13	7
Those with positive earnings	27	32	23	27	18
Year 1 to year 2					
All	13	18	10	8	23
Those with positive earnings	15	19	12	9	12
Sample Size	10,001	3,480	1,729	2,315	2,477

SOURCE: Illinois DHS Client Database.

NOTE: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months. Employment includes only covered employment in the state of Illinois.

The average earnings of leaver households are low. On average, their yearly household earnings are well below the federal poverty level.

During the first year after they left the FSP in 1997, food stamps leavers in Illinois earned an average of \$6,028 (Table III.3).⁹ Among the 59 percent of leavers who worked during this year, mean earnings were \$10,217 (not shown). Median earnings were even lower. Earnings were slightly higher in year 2, when mean earnings were \$6,786 among all households and \$11,700 among households with positive earnings. The mean and median

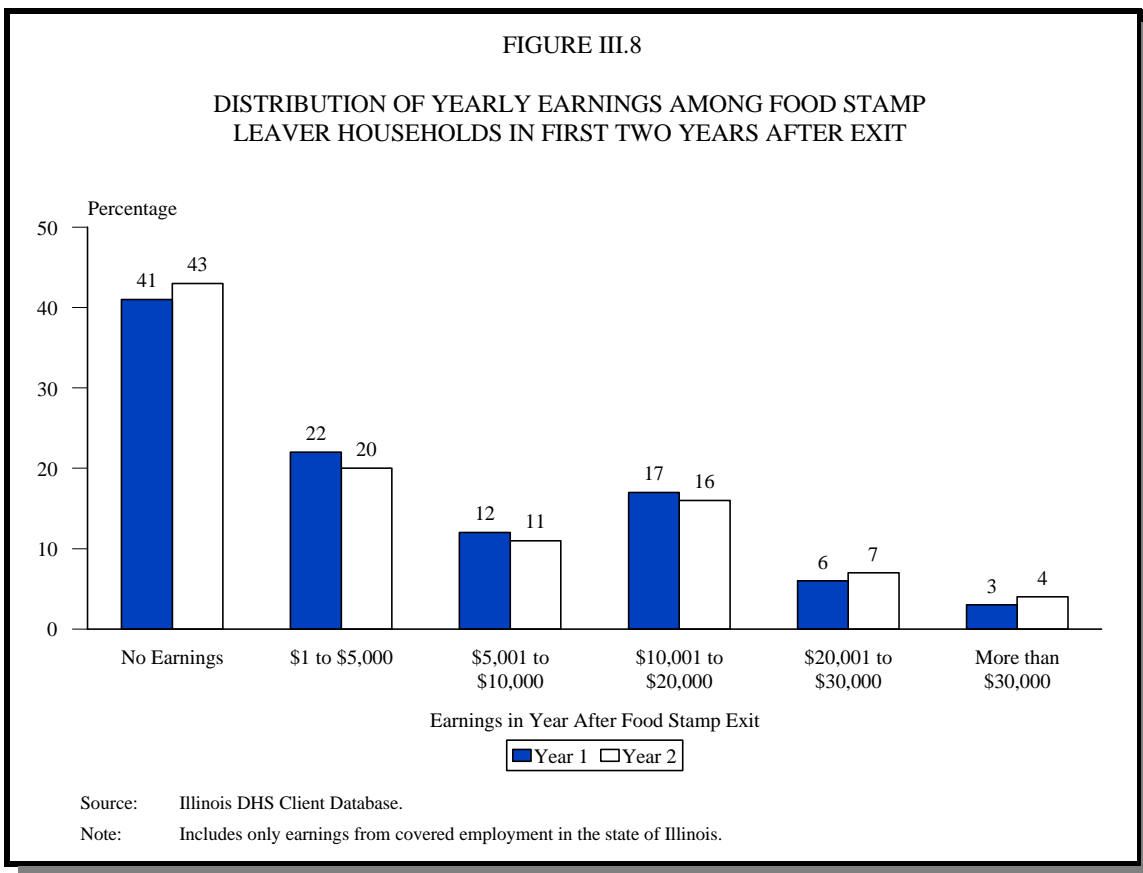
⁹The inclusion of elderly/disabled households depressed this average because this group had such a low employment rate. When elderly/disabled households were excluded, mean earnings during year 1 were \$7,347 for all leavers and \$10,496 for employed leavers.

earnings levels among all leaver households were well below the federal poverty level, which was \$13,880 for a family of three and \$8,667 for a single person (under age 65) in 1999.¹⁰

Few food stamp leaver households in Illinois had high earnings during the first year after their 1997 exit. For example, only three percent had earnings of more than \$30,000, and only nine percent had earnings of more than \$20,000 (Figure III.8). At the other end of the income distribution, 41 percent had no earnings, and 22 percent had yearly earnings between \$1 and \$5,000. Three-fourths of Illinois leaver households earned no more than \$10,000 during the first year after exiting the FSP.

Earnings of those food stamp leaver households who are employed after leaving the program increased substantially over time.

Figure III.9 shows the pattern of quarterly earnings among all food stamp leaver households in the sample, including those with no earnings. Mean quarterly earnings increased steadily over time, from \$1,464 in quarter 1 to \$1,766 in quarter 8, an increase of 21 percent over less than two years.¹¹ This increase appears to be relatively stable, with an

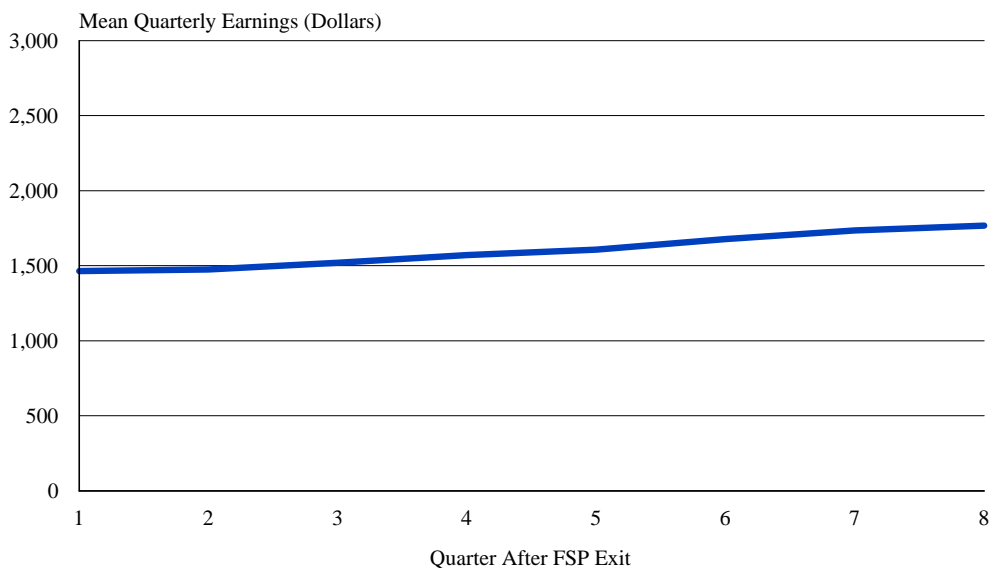


¹⁰The poverty thresholds are meant to be applied to total household income rather than just earnings. Thus, it is not possible to infer rates of poverty from the figures presented in this chapter. In Chapter IV, we examine total household income relative to the federal poverty level.

¹¹This represents an increase in real earnings, as all dollar amounts have been adjusted for inflation and translated into 1999 dollars.

FIGURE III.9

MEAN QUARTERLY EARNINGS AMONG FOOD STAMP LEAVER HOUSEHOLDS,
BY QUARTER AFTER EXIT



Source: Illinois DHS Client Database.

Note: Includes only earnings from covered employment in the state of Illinois.

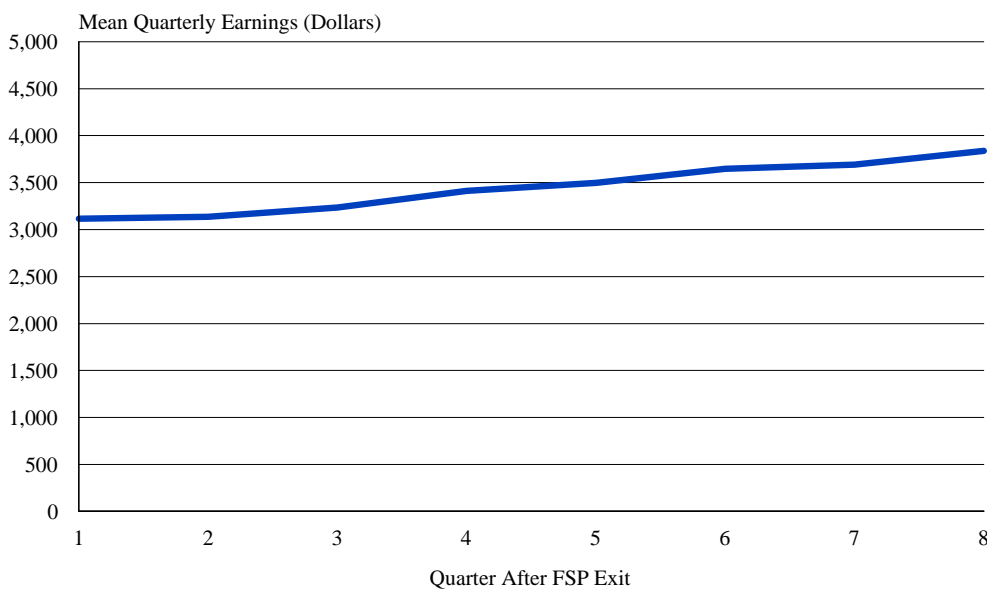
increase in mean earnings in each of the eight quarters. In addition, the increase was not driven by an increase in the percentage of households with positive earnings, as the employment rate stayed about the same over the eight-quarter period.

When households with positive earnings are examined, mean earnings for this group rose from \$3,115 in quarter 1 to \$3,839 in quarter 8, an increase of 23 percent (Figure III.10). Considering only leaver households with positive earnings in both quarter 1 and quarter 8, mean quarterly earnings increased by 27 percent (Table III.3). Mean *yearly* earnings increased by 15 percent among food stamps leavers with positive earnings during both year 1 and year 2.

Because the earnings data included no information on hours worked per week or weeks worked per quarter or year, we cannot say whether the increase in earnings was due to an increase in the hourly wages earned by leavers, the number of hours worked per week, or the number of weeks worked per year. Furthermore, despite the large percentage increase in real earnings over the follow-up period, mean earnings remain relatively low at the end of this two-year period. We cannot say whether or not the increase in the earnings of leavers continued for more than two years after they left the FSP.

FIGURE III.10

MEAN QUARTERLY EARNINGS AMONG FOOD STAMP LEAVER HOUSEHOLDS WITH POSITIVE EARNINGS, BY QUARTER AFTER EXIT



Source: Illinois DHS Client Database.

Note: Includes only earnings from covered employment in the state of Illinois.

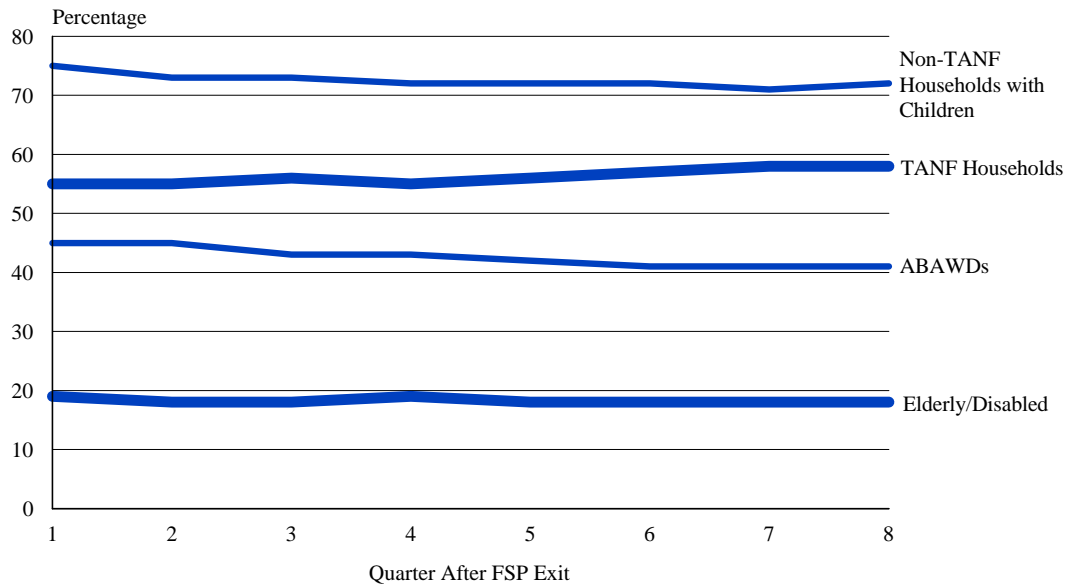
Food stamp leavers with children are more likely to be employed and earn substantially more than ABAWD or elderly/disabled leavers. The average earnings of non-TANF households with children is nearly three times as large as the average earnings of ABAWDs and six times as large as the average earnings of elderly/disabled households.

As Figure III.11 shows, both TANF and non-TANF households with children are more likely than households without children to have positive earnings. Among 1997 food stamp leaver households in Illinois, for example, 72 percent of non-TANF households with children had at least one employed member eight quarters after leaving the program, compared with 58 percent of TANF households, 41 percent of ABAWDs, and 18 percent of elderly disabled households. This difference was fairly consistent over all eight quarters of the follow-up period. Over the full follow-up period, more than four-fifths of households with children had positive earnings, compared with about two-thirds of ABAWDs and less than one-third of elderly/disabled households (Table III.3).

The earnings of the different household types show a similar pattern. Table III.3 shows that, in the first year after leaving food stamps, non-TANF households with children earned an average of \$12,360, almost twice as much as TANF households with children (\$6,791), almost three times as much as ABAWDs (\$4,438), and more than six times as much as elderly/disabled households (\$2,021). These differences also show up in the distributions of earnings. While 22 percent of non-TANF households with children and 9 percent of TANF households earn more than \$20,000 in their first year after leaving food stamps,

FIGURE III.11

PERCENTAGE OF FOOD STAMP LEAVER HOUSEHOLDS WITH POSITIVE EARNINGS,
BY QUARTER AFTER EXIT AND HOUSEHOLD TYPE



Source: Illinois DHS Client Database.

Note: Includes only earnings from covered employment in the state of Illinois.

only 4 percent of ABAWDs and 2 percent of elderly/disabled households earn this much (Figure III.12).

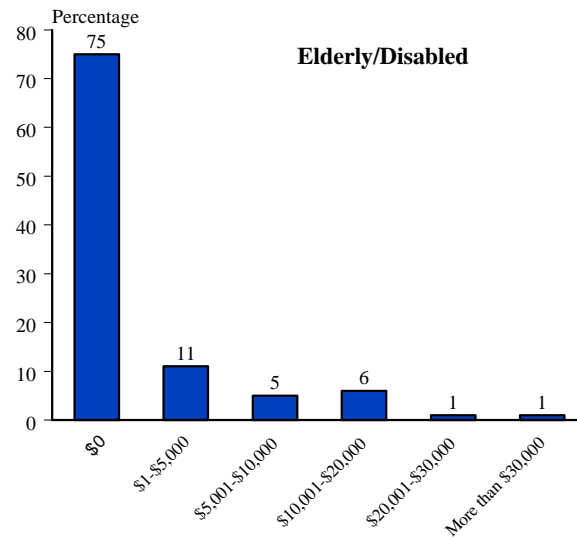
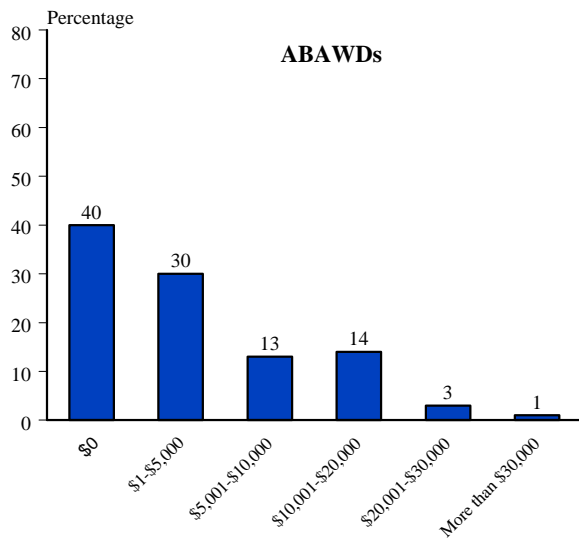
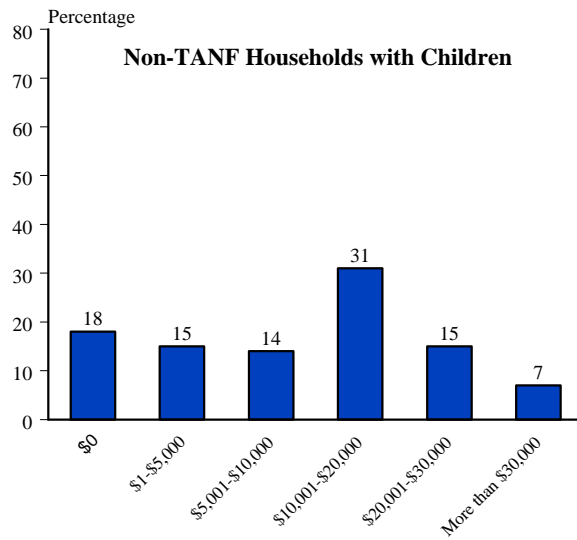
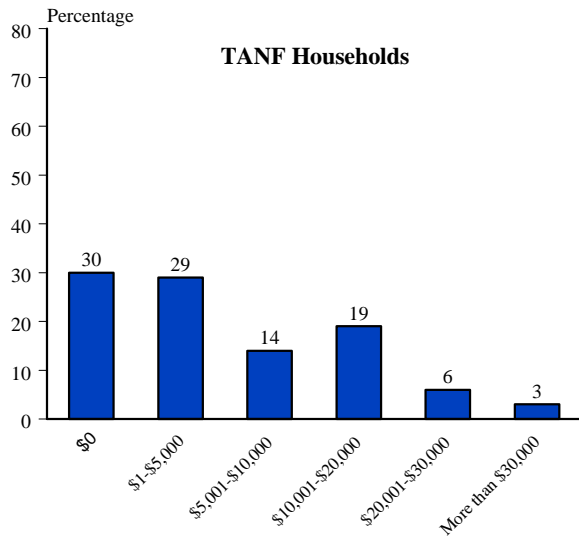
Food stamp leavers living in larger households are more likely than those living in small households to work and earn more two years after leaving the program. In addition, leavers in households headed by females are more likely to be employed than those in leaver households headed by males.

As Table III.4 shows, 1997 food stamp leavers in households with two or more adults were much more likely than those in single-adult households to be employed eight quarters after exiting the program.¹² While nearly two-thirds (65 percent) of multiple-adult leaver households were employed, well under half (43 percent) of single-adult households were employed. Employed multiple-adult households also earned more during the quarter than employed single-adult households (\$5,409 versus \$3,311). Similarly, households with children were more likely to be employed and had higher earnings than households without children. These differences may have arisen because larger households have greater needs for household income or more potential workers to contribute to household earnings, or because of some other factor related to family size. For example, most elderly/disabled leaver households in the sample had a single adult, as did nearly all ABAWD households.

¹²We define employment here as having positive household earnings in the quarter. Thus, an employed household is a household in which at least one member was employed at some time during the quarter.

FIGURE III.12

DISTRIBUTION OF EARNINGS AMONG FOOD STAMP LEAVER HOUSEHOLDS IN FIRST YEAR AFTER EXIT, BY HOUSEHOLD TYPE



Source: Illinois DHS Client Database.

Note: Includes only earnings from covered employment in the state of Illinois.

TABLE III.4

EMPLOYMENT AND EARNINGS AMONG FOOD STAMP LEAVERS EIGHT QUARTERS
AFTER EXITING THE FSP, BY LEAVER CHARACTERISTICS

Characteristic	Percentage Employed in Quarter 8	Mean Quarter 8 Household Earnings Among Employed (Dollars)	Sample Size
Total	46	\$3,803	10,001
Number of Adults			
0 or 1	43	\$3,311	8,331
2 or more	65	\$5,409	1,670
Number of Children			
0	28	\$2,908	4,629
1	62	\$3,767	2,159
2 or more	63	\$4,403	3,213
Age of Youngest Child			
Less than 6	60	\$4,100	3,443
6 to 11	64	\$4,307	1,217
12 to 18	68	\$4,116	712
Gender			
Male	34	\$3,608	3,011
Female	52	\$3,857	6,990
Race/Ethnicity			
White	50	\$3,917	3,812
Black	45	\$3,492	4,983
Hispanic	45	\$4,735	1,010
Other	26	\$5,005	196
Length of Food Stamp Spell Prior to FSP Exit			
1 to 12 months	49	\$4,092	4,450
13 to 24 months	47	\$3,826	1,437
More than 24 months	43	\$3,436	4,114
Whether Have Earnings One Quarter Prior to Exit			
No	26	\$2,932	5,529
Yes	71	\$4,204	4,463
Time Limit (ABAWDs only)			
No	38	\$3,005	1,884
Yes	50	\$2,972	431

SOURCE: Illinois DHS Client Database.

NOTE: Food stamp leavers are defined as cases that received food stamps at some time during 1997 and then did not receive food stamps during the subsequent two months. "Employed" households are defined as those households with positive earnings during the quarter (that is, at least one employed member). Includes only earnings from covered employment in the state of Illinois.

These groups (in particular, the elderly/disabled) had lower employment rates than did households with children (as seen in Figure III.11).

Among households with children, the age of the youngest child was somewhat related to the likelihood of having positive household earnings. Households with a child under six, which presumably had more challenging child care issues, were less likely to be employed than households with older children. These differences were not large, however, as 67 percent of households with youngest children between age 12 and 18 were employed, compared with 60 percent of households with children less than 6.

More than half of food stamp leaver households headed by females were employed, compared with about a third of food stamp leaver households headed by males. This reflects the difference in employment rates between ABAWDs, who were mostly male, and households with children, who were mostly female. Among employed households, however, the difference between those headed by males and females in household earnings was relatively small--\$3,857 among female-headed households and \$3,608 among male-headed households.

Differences in earnings among food stamp leavers who spent different amounts of time on food stamps prior to their 1997 FSP exit are surprisingly small. However, those leavers who were employed just before exiting the program were much more likely to be employed two years later than those who were not employed just prior to their FSP exit in 1997.

Earlier in this chapter, we showed that food stamp leavers with longer spells on the program are more likely than those with short spells to return to the program. A similar difference arises in the two groups' likelihood of being employed, but the difference is not as large. In particular, 1997 leavers who spent a year or less on food stamps prior to their exit had an employment rate of 49 percent, compared with 43 percent among those who had spent more than two years on food stamps prior to their exit (Table III.4).

However, being employed immediately prior to exiting food stamps makes a big difference in leavers' earnings two years later. Among leaver households with positive earnings in the quarter before their 1997 exit, just under three-fourths (71 percent) had positive earnings eight quarters later (Table III.4). Among those who had no earnings prior to their exit, only a little over one-fourth (26 percent) had earnings eight quarters later. In addition to having higher employment rates, earnings were also higher among those who were employed before their exit. Among those with positive earnings in quarter 8, those employed in the quarter before their exit had mean earnings of \$4,204, and those not employed had mean earnings of \$2,932.

ABAWD leavers subject to time limits when they exited the FSP were more likely than those not subject to time limits to be working, but the two groups earned about the same amount if they worked.

Earlier, we saw that ABAWD leavers subject to time limits when they exited the FSP in 1997 were less likely than those not subject to time limits to receive food stamps two years later. This finding is consistent with the view that time limits keep some ABAWDs off food stamps.

Table III.4 shows that ABAWD leavers subject to time limits when they exited the program were also *more* likely than those not subject to time limits to be employed two years later. In particular, 50 percent of those subject to time limits were employed in quarter 8 after their 1997 exit, compared with 38 percent of other ABAWDs. However, the earnings of those members of the two groups who were employed were no different from one another and were low relative to other groups of food stamp leavers.

A substantial proportion (nearly one-third) of food stamp leavers have no earnings and do not receive food stamps, TANF, or Medicaid two years after exiting the program.

As Table III.5 shows, 30 percent of food stamp leavers have no reported earnings and do not receive food stamps, TANF, or Medicaid in the eighth quarter after their exit from the program. This represents a substantial number of households that must receive their support from some other source (for example, from friends or family members with whom they do not live, from social security benefits, or by drawing on their savings). Some of these leavers may use all of these strategies and also cut way down on their expenses.¹³

Among the household groups, ABAWDs are most likely to be without earnings or public assistance. By quarter 8, 44 percent of ABAWDs fall into this category (Table III.5). Among elderly/disabled households, 37 percent are without either earnings or public assistance. However, these households may receive social security benefits or pension payouts, sources of support that are less readily available to ABAWDs. Among families with children, 15 to 22 percent have neither earnings nor public assistance benefits.¹⁴

Finally, the percentage of households without earnings or public assistance slowly increases over time. In the second quarter after their food stamp exit, 25 percent of leaver households have neither earnings nor public assistance. By the eighth quarter, this percentage has increased to 30 percent. The increase is most pronounced among elderly/disabled households but is also present for ABAWD and TANF households.

¹³In Chapter IV, we discuss the sources of income and standards of living of food stamp leavers based on survey data. Overall, the survey data indicate that 11 percent of leaver households have no reported income (including 20 percent of ABAWDs). Common sources of income aside from earnings and food stamps/TANF/Medicaid include supplemental security income (SSI), child care subsidies, social security or retirement benefits, and income from friends and relatives.

¹⁴Some food stamp leavers do receive income from other sources. As we show in Chapter IV, fewer leavers (20 percent of ABAWDs, 11 percent of the elderly/disabled, and 8 percent of families) reported no income from any source at the time of the survey.

TABLE III.5

PERCENTAGE OF FSP LEAVERS WITH NO HOUSEHOLD EARNINGS AND
NO FOOD STAMPS, TANF, OR MEDICAID RECEIPT,
BY QUARTER AND HOUSEHOLD TYPE

Quarter	Household Composition				
	All	TANF Households	Non-TANF Households with Children	ABAWDs	Elderly/ Disabled
1	26	21	10	42	29
2	25	20	12	38	30
3	25	19	12	39	31
4	26	20	13	39	32
5	27	20	14	42	34
6	28	20	14	43	35
7	28	21	15	43	36
8	30	22	15	44	37
Sample Size	10,001	3,480	1,729	2,315	2,477

SOURCE: Illinois DHS Client Database.

Note: Public assistance receipt includes only public assistance received from the state of Illinois; earnings include only earnings from employment covered in the state of Illinois.

IV

INCOME AND QUALITY OF LIFE OF FOOD STAMP LEAVERS

Low-income individuals who leave the Food Stamp Program (FSP) may lose a significant fraction of their purchasing power. If individuals who leave the FSP experience an increase in earnings or some other source of income, these increases may be sufficient to offset the reductions in food stamp benefits. However, some leave the FSP because they may be sanctioned for not complying with program requirements or leave because they do not want to deal with the program requirements. Such individuals may be more likely than others to experience adverse outcomes after leaving the program.

In the previous chapter, we saw that the earnings of leavers as a group increased modestly over time. However, nearly half of those who left the FSP in 1997 returned to the program at some time during the two-year period following their exit. In addition to knowing about employment and food stamp receipt, it is also important to know about the life quality of those who have left the FSP. For instance, do those who have left the FSP have a decent standard of living, or are they living in poverty? Do they generally have enough to eat, or are many food insecure? How is their health? Do they experience other hardships? What is the overall quality of their lives?

In this chapter, we examine sample members' income from various sources and how their income relates to the poverty level. We then look at several other indicators of life quality, such as health status, food security, housing status, and the prevalence of other hardships. We conclude with some summary measures of life quality. We examine these various measures of life quality using data collected from surveys with 497 food stamp leavers approximately two years after FSP exit.

The main advantage of the survey data is that they contain fairly detailed information on outcomes that are not available in the administrative records data. For instance, they include information on leavers' income at the time of the survey, the characteristics of jobs they have held since FSP exit, and indicators of material hardships such as food and housing insecurity and health status. However, as noted in Chapter I, the survey response rate was 60 percent, and we were generally more successful in finding and interviewing food stamp leavers who were employed and who had recently received some form of public assistance in Illinois. Thus, on the one hand, our respondents may look better off than nonrespondents because they were more likely to be employed. On the other hand, respondents were also more likely as a group to be receiving public assistance.

In all the analyses conducted using survey data, we have attempted to adjust for nonresponse by using sample weights that take nonresponse into account. These weights attempt to make the survey sample representative of the full population of food stamp leavers with respect to baseline characteristics. To the extent that baseline characteristics are related to employment or other outcomes, these weights will partially take into account the fact that survey respondents were more likely than nonrespondents to have employment reported in

wage records data or to be receiving public assistance. However, some bias may remain, and information from the surveys should be interpreted in light of the findings based on the analysis of administrative records data on employment and public assistance receipt of food stamp leavers.

As with the earlier chapters, here we examine the income and measures of life quality for all food stamp leavers, as well as separately by groups defined by household type. Because of the small sample sizes of some subgroups of survey respondents, we group together Temporary Assistance for Needy Families (TANF) and non-TANF families, and report findings separately for families, for able-bodied adults without dependents (ABAWDs) and for the elderly/disabled.¹ For each of the three household groups, we conducted tests of significance to examine whether the outcomes for those in a group are significantly different from those not in that group (that is, the outcomes reported for those in the other two groups). We report significance levels at the 1 and 5 percent levels (and occasionally note in the text where the groups are different at the 10 percent level).²

A. INCOME AND POVERTY LEVELS OF FOOD STAMP LEAVERS

Income and poverty levels of those who have left the FSP are important indicators of life quality. If food stamp leavers have high incomes, or at least incomes that put them above the poverty level, we may be more assured that they are moving toward self-sufficiency. However, if many have incomes below the poverty level, policymakers have to worry about the situations of leavers and try to determine what other supports, if any, can be provided to help them.

Income figures reported in this section are calculated by adding income received from earnings, public assistance, and other sources during the month prior to the survey. These figures represent family income and include the income of sample members, their children, and, if applicable, their spouse or partner.³ Monthly income includes own earnings, earnings of spouse/partner, food stamp benefits, TANF benefits, child care subsidies, child support, Supplemental Security Income (SSI), retirement income, and money from friends or relatives. Annual income numbers are generated by multiplying the monthly income figures by 12. This method may overstate income during the past 12 months for some individuals and understate it for others, because earnings levels, as well as amounts from other sources of income, may change over time. However, in general, these annualized income calculated from the monthly numbers are broadly consistent with individuals' reported annual income in 1998 (the year prior to the survey). The poverty levels reported in this chapter are based

¹In general, we found that most outcomes were fairly similar for TANF and non-TANF family leavers, and there were very few significant differences between these two groups of leavers.

²Because we compare people in one group with those in the other two groups combined, it is possible that we may find no significant differences because a high and a low value of the outcome for those in two groups average to get close to the value of those in the first group. In such cases, we looked at whether those in a particular group had outcomes significantly different from those in each of the remaining two groups.

³The definition of family income includes only the sample member's immediate family. Our experience from previous surveys indicates that individuals generally do not know the amount of income other household members obtain from different sources, so we did not ask our sample members for this information.

on federal poverty guidelines for 1999. Based on these guidelines, a family of three is considered to be in poverty if its annual income is below \$13,880.⁴

Food stamp leavers as a group have fairly low incomes. Approximately two years after they exit the FSP, more than half have incomes below the poverty level.

On average, food stamp leavers in Illinois had a monthly family income of \$1,080 during the month prior to the survey (Table IV.1). A large fraction of the total income for the group as a whole was from earnings (\$772), and only one-fifth of the total income was

TABLE IV.1
AVERAGE MONTHLY INCOME AND INCOME SOURCES AMONG FOOD STAMP LEAVERS
AT THE TIME OF THE SURVEY
(In Dollars)

	All	Household Type		
		Families ^a	ABAWDs ^a	Elderly/Disabled ^a
Earnings	\$772	\$1,080**	\$567**	\$248**
Own	621	826**	514	237**
Spouse/partner	152	254**	53**	11**
Public Assistance	\$202	\$202	\$116**	\$299**
Food Stamps	60	79**	36**	40
SSI	106	65**	69**	246**
TANF	23	34**	8**	13
Child Care Subsidy	14	25**	4**	0*
Other Unearned Income	\$107	\$108	\$68*	\$147
SS/Retirement	45	17**	38	120**
Child Support	28	50**	2**	0*
Friends/Relatives	19	18	14	27
Other	16	23	15	0
Percentage with No Reported Income	11	8**	20**	11
Total Monthly Income	\$1,080	\$1,387**	\$751**	\$690**
Total Monthly Income (Among Those with Positive Income)	\$1,218	\$1,504**	\$933**	\$775**
Sample Size	497	193	231	73

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^a Significance tests refer to the difference in the outcome among those in a household group relative to the outcomes for those not in that household group.

*Significantly different from zero at the .05 level, two-tailed test.
**Significantly different from zero at the .01 level, two-tailed test.

⁴Our income figures include food stamp benefits and child care subsidies. Income from these sources is typically not included while calculating poverty guidelines. Hence, actual poverty levels for our sample members may be somewhat higher.

from public assistance (\$202), with SSI and food stamps being the two largest sources of public assistance income. If we annualize these monthly income levels, the income of food stamp leavers translates into about \$12,960 per year.

Eleven percent of those in the survey sample reported no income during the month prior to the interview. These individuals may have reported no income because they were in jail or institutionalized, because they were between jobs, or because they indeed have no steady source of income.⁵ The number of survey sample leavers reporting having no income at the time of the surveys (11 percent) is considerably lower than the fraction with no income in the administrative records data discussed in Chapter III (30 percent). These differences are primarily because the administrative data only include income from earnings, food stamps, and TANF. If we only considered income from only these three sources, about 24 percent of those in the survey sample would have no reported income in the month prior to the survey.⁶

Just over 20 percent of all food stamp leavers reported incomes that, when annualized, were \$20,000 or more (Figure IV.1). In contrast, nearly 50 percent reported incomes that were less than \$10,000 annualized (11 percent reported no income and another 38 percent reported positive income under \$10,000 annualized). These annualized income figures are fairly consistent with individuals' reported income in the previous year. For instance, average self-reported annual income in 1998 was about \$12,000 (not shown). About 50 percent of all food stamp leavers had income less than \$10,000 in 1998, and about 17 percent of food stamp leavers reported income greater than \$20,000.

Many food stamp leavers remained poor two years after FSP exit in 1997. For instance, over one-quarter of leavers were in extreme poverty (defined as those with income below 50 percent of the poverty threshold) at the time of the interview about two years later (Figure IV.2). Across all groups, 56 percent of food stamp leavers reported monthly incomes that put them below the federal poverty level. Only 14 percent of all leavers had incomes that put them at 185 percent of the poverty level or higher.

Family leavers reported more income than ABAWDs or the elderly/disabled leavers two years after exiting the FSP. Even after adjusting for family size, those in families were more likely to have incomes above the poverty level compared to ABAWDs and the elderly/disabled.

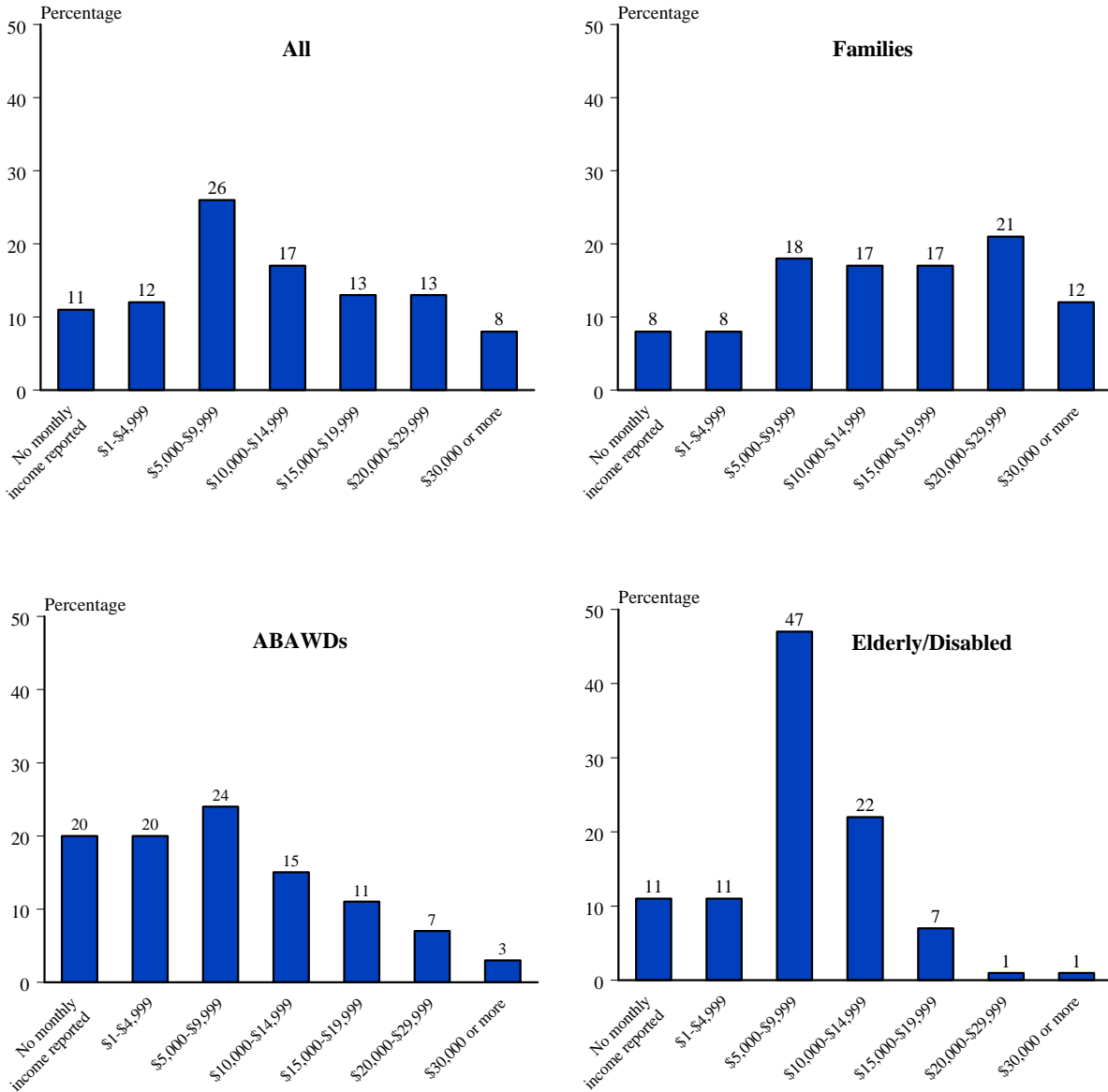
As a group, family leaver households were economically better off than the ABAWD or the elderly/disabled leavers. Reported monthly incomes for families were significantly higher than incomes reported by those in the other two groups. For instance, family leaver households reported monthly incomes of nearly \$1,400, compared to \$690 and \$750 among the elderly/disabled and ABAWD leavers, respectively. Annualizing these monthly incomes, nearly 33 percent of families reported incomes of over \$20,000 per year, compared to 10 percent of ABAWD leavers and 2 percent of elderly/disabled leavers (Figure IV.1).

⁵Sample members who reported no income at the time of the interview, however, also reported very low incomes during the year prior to the survey.

⁶In addition, as noted earlier, the surveys did include a larger fraction of those with reported earnings in Illinois and those receiving public assistance in Illinois than those in the full administrative sample.

FIGURE IV.1

DISTRIBUTION OF ANNUAL FAMILY INCOME
AMONG FOOD STAMP LEAVERS



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: The distribution of annual family income for each group of leavers is significantly different from the distribution of income among those in the other groups at the .01 percent level.

It is not surprising that families have higher incomes than the other two groups; since families generally have more household members, they will need greater income to maintain the same standard of living and they also are more likely to have multiple earners in the household. Income relative to poverty is a better measure of standard of living, since it takes family size into account. We find that families as a group are also significantly less likely to be poor than ABAWDs and the elderly/disabled. For instance, about 46 percent of families have incomes below the poverty level, compared with nearly two-thirds of elderly/disabled or ABAWD leavers (Figure IV.2). Among the three household groups, ABAWDs were significantly more likely than those in the other two groups to be living in extreme poverty. For example, nearly 40 percent of ABAWDs have incomes that put them below 50 percent of the poverty level, compared with 22 percent of families and 19 percent of the elderly/disabled. At the high end of income levels, few elderly/disabled leavers have relatively high incomes. Only 4 percent of elderly/disabled leavers have incomes greater than 185 percent of poverty, compared with 18 percent of families and 14 percent of ABAWDs.

Many leavers report receiving income from earnings, food stamps, and SSI at the time of the interview. Families and ABAWDs rely on earnings and food stamps as their main sources of income, while the elderly/disabled rely on SSI, food stamps, and retirement benefits.

The majority of food stamp leavers (about 60 percent) received income from earnings, either their own or those of their spouse/partner, at the time of the survey (Table IV.2). Among those who work, the average amount of household earnings (from either own and/or spouse's earnings) was about \$1,400 per month. The next most common source of income was food stamps; about one-third of all leavers received food stamp benefits during the month prior to the interview.⁷ The average food stamp benefit amount among those receiving benefits was just under \$200.

TABLE IV.2
RECEIPT OF INCOME FROM KEY SOURCES AT THE TIME OF THE SURVEY

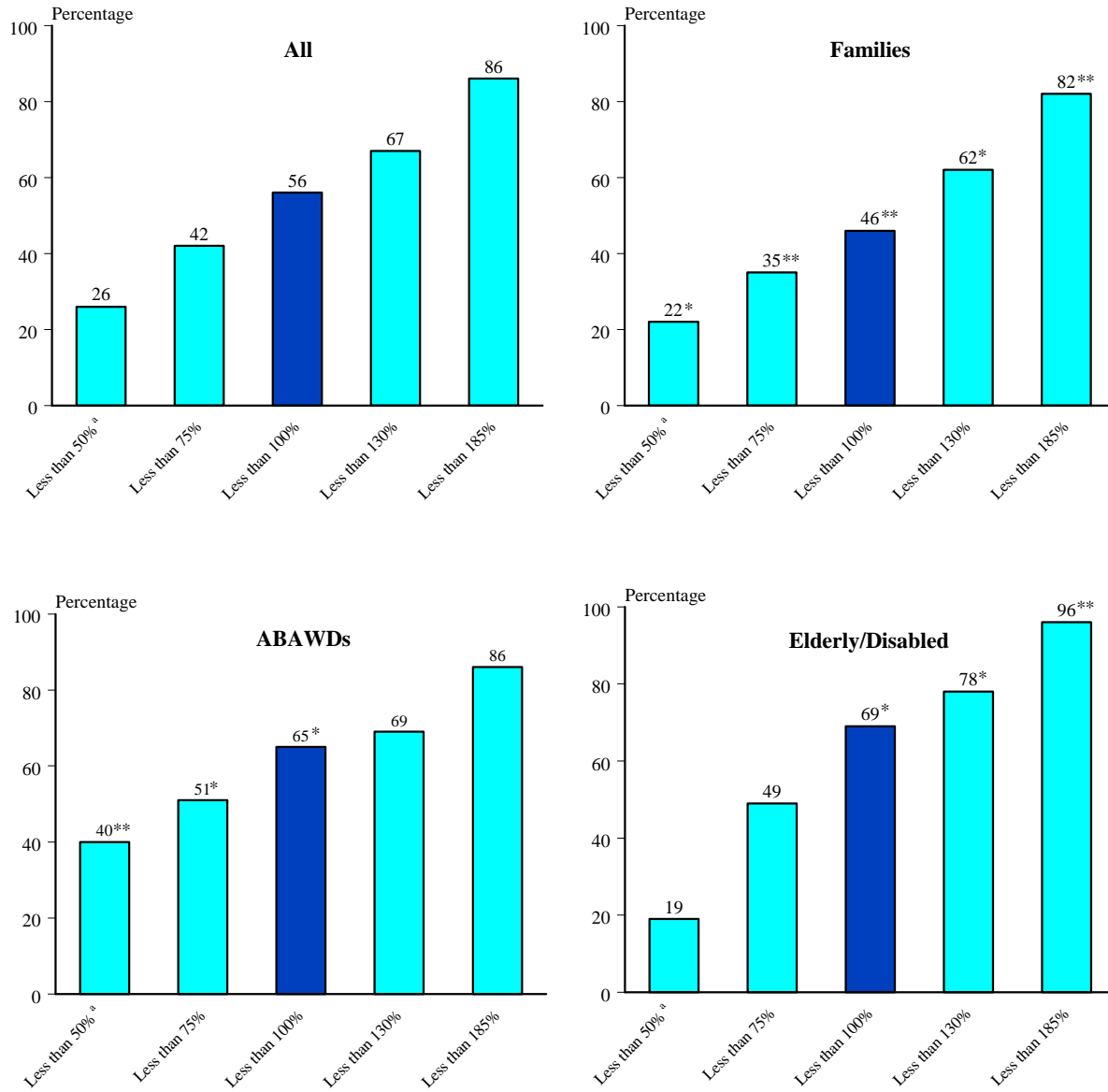
	Percent Receiving Income from Source	Average Amount Among Those Receiving Income (Dollars)
Own and/or Spouse/Partner's Earnings	58	\$1,395
Food Stamps	32	187
TANF	10	229
SSI	21	515
Social Security/Retirement	13	465
Child Support/Child Care Subsidy	15	266
Income from Friends/Relatives	9	261
Other	4	370
Sample Size	497	497

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

⁷Survey data show a slightly higher fraction of leavers reporting earnings and receiving food stamps than shown in the administrative data described in Chapter III. As described earlier, these differences partly reflect the fact that the survey respondents included a higher fraction of those with earnings and public assistance receipt.

FIGURE IV.2

FAMILY INCOME RELATIVE TO FEDERAL POVERTY LEVEL



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: Significance tests refer to the difference in the outcome among those in a household group relative to the outcomes for those not in that household group.

^aIncludes those who reported no income at the time of the interview.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

Other sources of income reported by food stamp leavers include SSI, social security/retirement, TANF, child support, child care subsidies, and income from friends and relatives. About one in five food stamp leavers reported receiving SSI benefits at the time of the interview, and the average amount of SSI benefits reported among those receiving these benefits was just over \$500. Nearly 15 percent each report receiving social security or income from child support or child care subsidies, and nearly 10 percent report receiving TANF or income from friends and relatives.

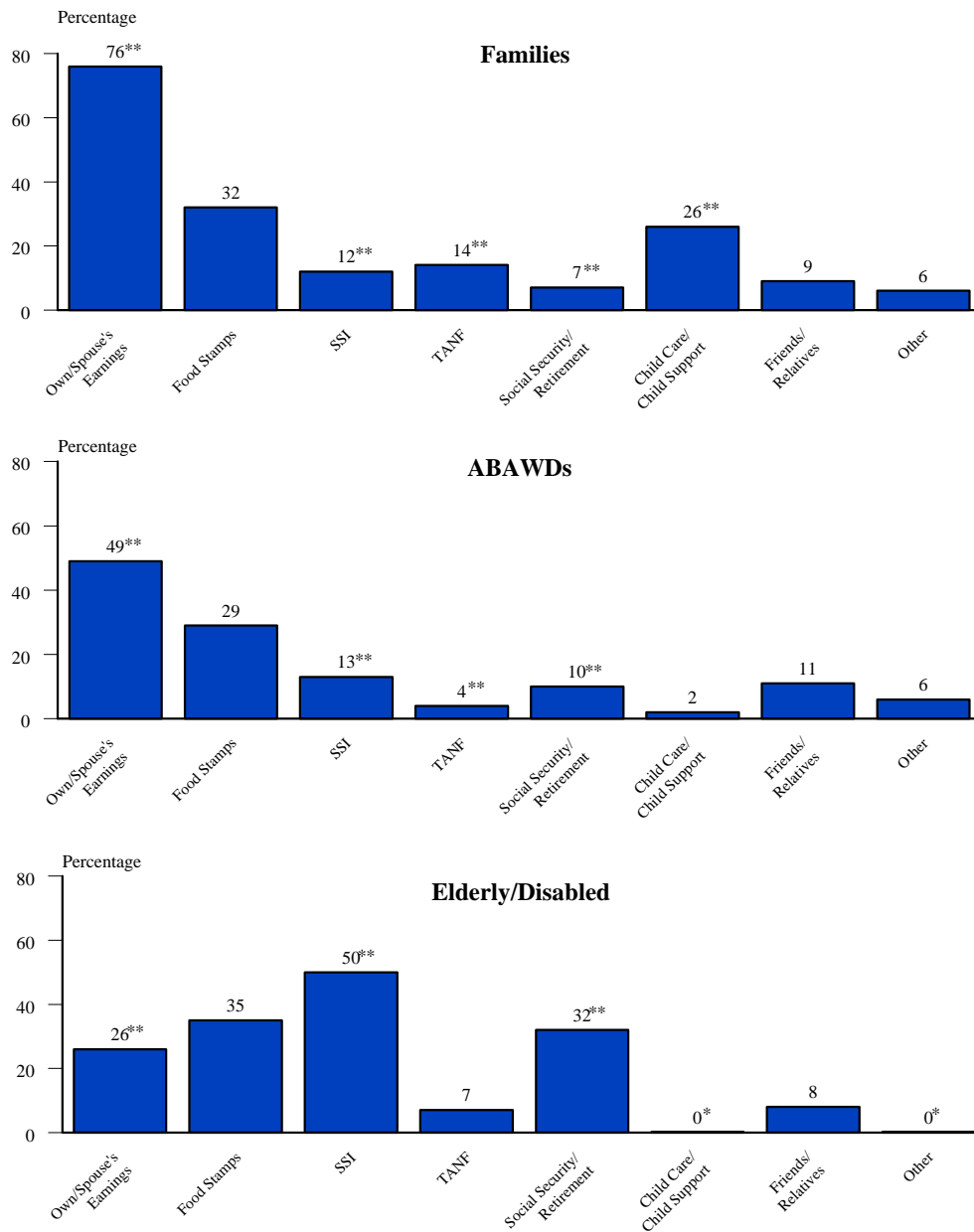
As expected, considerable diversity exists in sources of income by household type. For instance, families and ABAWDs were significantly more likely than the elderly/disabled to report income from earnings at the time of the interview. In contrast, the elderly/disabled were more likely than those in the other two groups to rely on SSI and retirement benefits. More than three-quarters of families who had left the FSP reported income from earnings (either their own or those of their spouse/partners) at the time of the interview two years later (Figure IV.3). In addition, for families, earnings contributed an average of about two-thirds of total income (Figure IV.4). Food stamps and child support are the next two main sources of spending power for families: about one-third of families received food stamps, and just over one-quarter of families received child support payments or child care subsidies (Figure IV.3). These sources of income, however, contributed only a small fraction of families' total income due to the small average value of their benefits. For instance, food stamp benefits contributed about 11 percent of families' total income, and child care subsidies or income from child support contributed only 6 percent of families' total income. Similarly, although 14 percent of families received TANF, benefits from TANF amounted to only about 4 percent of family leavers' income (and is included in the "other" group in Figure IV.4)

Nearly half of ABAWD leavers received income from earnings at the time of the interview, and earnings contributed about half the total income for this group (Figures IV.3 and IV.4). Food stamps were another common source of income for ABAWDs: nearly one-third of ABAWDs received food stamps at the time of the interview, and food stamp benefits contributed about 20 percent of their total income. Nearly 13 percent of ABAWDs reported receiving SSI benefits, and SSI benefits contributed approximately 13 percent of their income. Nearly 11 percent of ABAWDs reported receiving money from friends or relatives, which contributed to about 5 percent of their overall income (Figures IV.3 and IV.4).

The elderly/disabled obtain their incomes from different sources. Not surprisingly, earnings are a less frequent source of income for this group, and SSI, food stamps, and social security/retirement benefits are primary sources of income. Nearly half of the elderly/disabled get SSI income, and that source contributes nearly 40 percent of their overall income (Figures IV.3 and IV.4). Social security or retirement income is another key source of income for this group: one-third received retirement benefits, and this source of income contributed about one-quarter of their overall income. As with families, 35 percent of the elderly/disabled received food stamp benefits, and that source contributed about 10 percent of their overall income. Finally, about one in four of the elderly/disabled leavers reported earnings at the time of the interview, and earnings contributed about one-quarter of their total income.

FIGURE IV.3

RECEIPT OF INCOME FROM DIFFERENT SOURCES,
BY HOUSEHOLD TYPE



Source: IFSL surveys conducted in fall 1999, approximately two years after FSL exit in 1997.

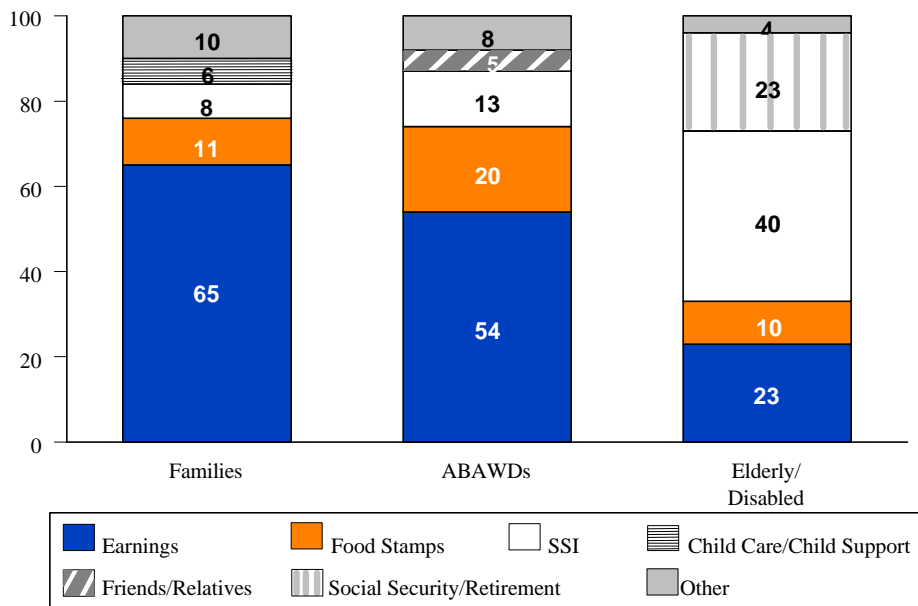
Note: Significance tests refer to the difference in the outcome among those in a household group relative to the outcomes for those not in that household group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

FIGURE IV.4

PROPORTION OF INCOME FROM KEY SOURCES



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Rural leavers have slightly higher levels of income than urban leavers, and they are somewhat less likely to be in poverty.

Rural food stamp leavers reported an average monthly income of \$1,178 at the time of the interview, slightly higher than the monthly income of \$1,062 reported by urban leavers, but the differences were not statistically significant (Table IV.3). These income levels translate to annualized incomes of \$14,132 and \$12,741 for rural and urban leavers, respectively. Consistent with these income levels, rural leavers were also less likely than urban leavers to be in poverty (42 percent of rural leavers had income below the poverty level, compared with 58 percent of urban leavers, a difference significant at the 10 percent level). Rural leavers had higher incomes because more rural leavers than urban leavers were working (or had a spouse/partner who was working). For instance, 67 percent of rural leavers had own or spouse/partner's earnings, compared with 57 percent of urban leavers (not shown).

Those who left the FSP for earnings- or income-related reasons had higher average incomes and were less likely to be in poverty two years later than those who left because they were sanctioned, because of administrative hassles, or for other reasons.

Individuals who left the FSP in 1997 for earnings/income-related reasons reported income levels two years later that were nearly twice as high as those of individuals who left the FSP for other reasons. For example, they reported monthly income of nearly \$1,400,

TABLE IV.3
INCOME AND POVERTY, BY RURAL/URBAN STATUS AND BY REASONS
FOR LEAVING THE FSP

	Sample Sizes	Income (In Dollars)		Poverty (Percentage)	
		Monthly	Annualized	Percent Below Poverty	Percent in Extreme Poverty
Rural/Urban					
Rural	93	\$1,178	\$14,132	42	18
Urban ^a	404	1,062	12,741	58*	27
Leaver Status					
Earnings/income ^a	264	\$1,369**	\$16,423**	41**	19**
Sanctions ^a	75	725**	8,701**	75**	37*
Administrative hassles ^a	58	745**	8,938**	73**	28
Other ^a	77**	712**	8,549**	75**	40**

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^aSignificance tests refer to the difference in the outcome among those in a household group relative to the outcomes for those not in that household group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

compared to between \$720 and \$745 for the other three groups of leavers (Table IV.3). These monthly incomes translate into annualized incomes of nearly \$16,500 for those who left for earnings/income-related reasons, compared with annualized incomes between \$8,500 and \$9,000 for the other groups. Those who left the FSP for earnings/income-related reasons were also significantly more likely than those who left the FSP for other reasons to be working and to have higher earnings if they were working. For instance, nearly two-thirds of those who left for earnings/income-related reasons were receiving income from earnings at the time of the interview, compared with only 30 to 40 percent among those who left for other reasons (not shown). Those who left for earnings/income-related reasons were also significantly less likely to be poor: about 41 percent had income levels that put them below the poverty level, compared with almost 75 percent of those who left for other reasons.

B. WHAT IS THE HEALTH STATUS OF FOOD STAMP LEAVERS?

Health conditions can be a major barrier to employment. Health problems may make it difficult for food stamp leavers to find jobs or for those who have found jobs to keep them. Furthermore, health status is an important indicator of life quality for individuals. Here, we examine the extent to which food stamp leavers have health problems, as well as the extent to which they have health insurance coverage.

*Many food stamp leavers reported having fair or poor health or reported other health problems during the year prior to the interview. While the elderly/disabled were the most likely to report severe health problems, fairly large numbers of ABAWDs and families also reported them.*

A large number of food stamp leavers reported some health problem. Overall, nearly 40 percent of all food stamp leavers reported having fair or poor health (Table IV.4).⁸ Other indicators of health problems show similar patterns. For instance, about one in five leavers reported having been seriously ill in the past year, and 30 percent of all leavers reported being unable to work because of health problems (Figure IV.5). Across the three household groups of leavers, nearly 40 percent reported having a serious health problem, including being in poor health, having been seriously ill in the previous year, being unable to work because of health problems, or having a mental or emotional health problem, having a learning disability.

Not surprisingly, the elderly/disabled are the most likely to report having poor or fair health: more than 60 percent this group reported having fair or poor health (Table IV.4).⁹ Nearly 40 percent of them had been seriously ill in the previous year, and more than one-third reported a mental/emotional health problem (Figure IV.5). Two-thirds of the elderly/disabled were unable to work because of health problems, and 63 percent had reported some other serious health problem.¹⁰ However, the incidence of health problems is also prevalent in the other two groups, especially among ABAWDs. For instance, nearly one in three ABAWDs reported having fair or poor health (Table IV.4). This is more than three times as high as the percentage of the national population of nonelderly adults who reported having fair or poor health (10 percent) (National Center for Health Statistics, 1998). Nearly one in three ABAWDs had a serious health problem in the previous year. Twenty-two percent of ABAWDs reported being unable to work because of health issues, and nearly 18 percent reported that they had been seriously ill in the past year (Figure IV.5).

⁸Self-assessed health is a broad indicator of health and well-being and incorporates a variety of physical, emotional, and personal components of health. Several studies have shown self-assessed health to be a valid and reliable indicator of a person's overall health status and a powerful predictor of mortality and of changes in physical functioning (National Center for Health Statistics 1998).

⁹While we do not have direct national estimates, it appears that the prevalence of fair/poor health among the elderly/disabled in our sample is higher than it is nationally. Our sample of elderly/disabled is about 47 percent elderly and 53 percent disabled. Nationally, 62 percent of disabled individuals receiving Medicare report fair or poor health, and about 24 percent of elderly aged between 65 and 74 report fair or poor health (Gold et al. 2001; and National Center for Health Statistics 1998). Based on these estimates, about 44 percent of elderly/disabled nationally would report fairly or poor health, compared to 61 percent in our sample.

¹⁰Because the inability to work because of health problems may apply less to the elderly (and to the disabled), we only counted the fraction that reported any other health problem in this measure for this group.

TABLE IV.4
SELF-REPORTED HEALTH STATUS
(Percentages)

Rates Health as	Household Type			
	All	Families ^a	ABAWDs ^a	Elderly/ Disabled ^a
		**		**
Excellent/Very Good	36	45	39	17
Good	26	27	28	22
Fair	25	22	22	35
Poor	13	7	11	26
Sample Size	491	190	229	72

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^aSignificance tests refer to the difference in the outcome among those in a household group relative to the outcomes for those not in that household group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

While there were no large differences in the health status of leavers by rural/urban status, we did observe some differences in health status by reasons for leaving the FSP. In general, those who left for employment- or income-related reasons were significantly less likely to report serious health problems than those in the other groups.¹¹ For instance, about 21 percent of those who left for employment/income-related reasons reported any type of health problem in the past year, compared with 32 percent of those who left for sanction-related reasons and 40 to 50 percent of those who left because of administrative problems or for other reasons (not shown).

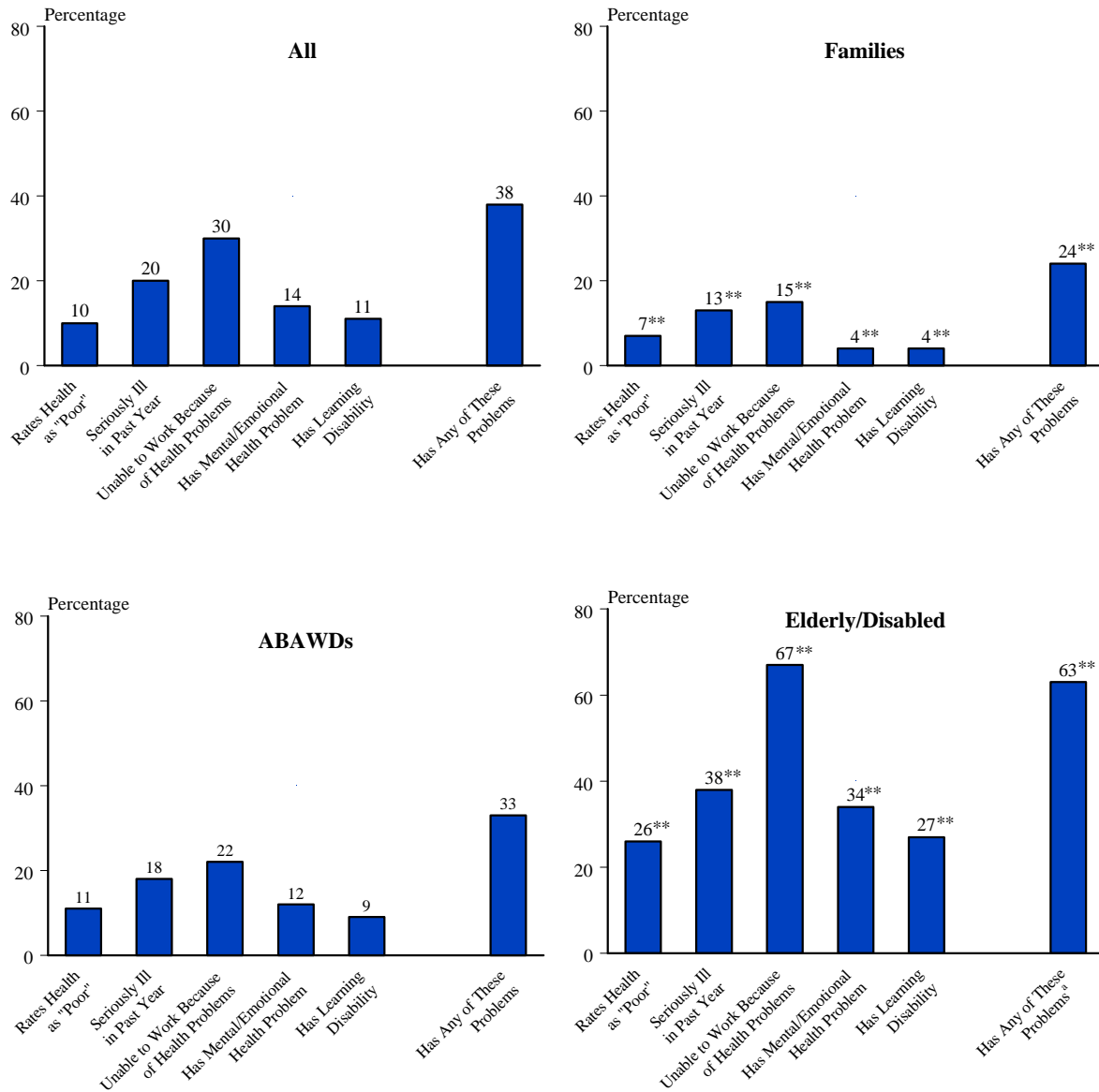
Health insurance coverage among food stamp leavers is somewhat low for all groups of food stamp leavers, but it is especially low among ABAWDs.

As a group, just over half of all food stamp leavers (56 percent) had any health insurance (Figure IV.6). Overall, two-thirds of those with health insurance had public health insurance (Medicare or Medicaid), while one-third had private health insurance. Families and the elderly/disabled were significantly more likely than ABAWDs to have some type of health insurance coverage. For instance, nearly 60 percent of families and more than 70 percent of

¹¹Some food stamp leavers left the program because they received SSI. Because we combined the groups that left for earnings-related reasons and for income-related reasons, some food stamp leavers who started receiving SSI are in this group and are likely to report health problems as well.

FIGURE IV.5

HEALTH PROBLEMS AMONG FOOD STAMP LEAVERS



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: Significance tests refer to the differences in the outcome among those in a household group relative to the outcomes for those not in that household group.

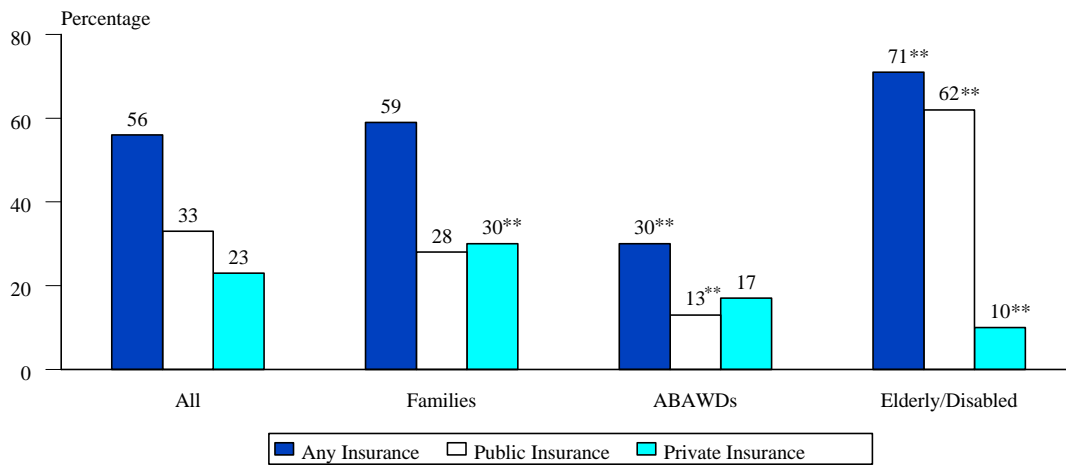
*We excluded inability to work because of health problems in calculating the prevalence of any problems for this group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

FIGURE IV.6

HEALTH INSURANCE COVERAGE AMONG FOOD STAMP LEAVERS



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: Significance tests refer to the difference in the outcome among those in a household group relative to the outcomes for those not in that household group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

elderly/disabled food stamp leavers had health insurance. Studies that have examined the extent of health insurance coverage among families who have left TANF have found that between 60 and 70 percent of families that have left welfare have health insurance a year or two after exiting welfare (Loprest 1999; and Rangarajan and Wood 2000). Thus, health insurance coverage among families who leave the FSP is fairly comparable those of TANF leavers nationally. In contrast to families and the elderly/disabled, very few ABAWDs leavers have health insurance coverage. For instance, less than one in three ABAWDs had any health insurance at the time of the survey (Figure IV.6).¹²

A significant minority of those with no health insurance reported being eligible for public insurance but not using it, and a significant minority do not know if they are eligible for public health insurance. For instance, among those with no insurance, about 22 percent reported they were eligible for Medicaid or Medicare, and another 17 percent reported not knowing whether or not they were eligible for public health benefits.

There is also little relationship between the prevalence of health problems and health insurance coverage. For instance, among the elderly/disabled, those with health problems are most likely to have coverage (74 percent among those with health problems, compared with 63 percent among those with no health problems, not shown). Among ABAWDs and families, by contrast, there is a negative relationship between health problems and the health

¹²Among those with health insurance, the elderly/disabled were more likely to have public health insurance, while the other two groups had similar numbers of individuals having public insurance and private insurance.

insurance coverage. In particular, among ABAWDs with health problems, 28 percent have insurance, while 32 percent of those with no health problems have health insurance. Similarly, among families with health problems, 54 percent have coverage, while 62 percent of those with no health problems have health insurance coverage (not shown).

C. HOW FOOD SECURE ARE FOOD STAMP LEAVERS?

The primary purpose of the FSP is to ensure that Americans have enough to eat. If individuals leave the FSP and have other sources of income, they can use this income to buy food. However, if they leave the FSP without alternative sources of income, they may have less to eat or face greater food insecurity. In this section, we look at measures of food insecurity among food stamp leavers and see how they compare with all Americans and with those who are poor nationally.

The food security measures included here are based on an 18-item food security scale that covers the 12-month period prior to the interview.¹³ This scale classifies households into four broad categories of food security status that represent increasing levels of food insecurity:

1. ***Food Secure.*** Households show no or minimal evidence of food insecurity.
2. ***Food Insecure Without Hunger.*** Food insecurity is evident in households' concerns and in adjustments to household food management, including reductions in diet quality, but with no or limited reductions in quantity of food intake.
3. ***Food Insecure With Moderate Hunger.*** Food intake for adults in the household is reduced to an extent that implies that adults are experiencing hunger due to lack of resources.
4. ***Food Insecure With Severe Hunger.*** Households with children reduce the children's food intake to an extent that implies that the children experience hunger as a result of inadequate household resources; adults in households with or without children experience extensive reductions in food intake (for example, going whole days without food).

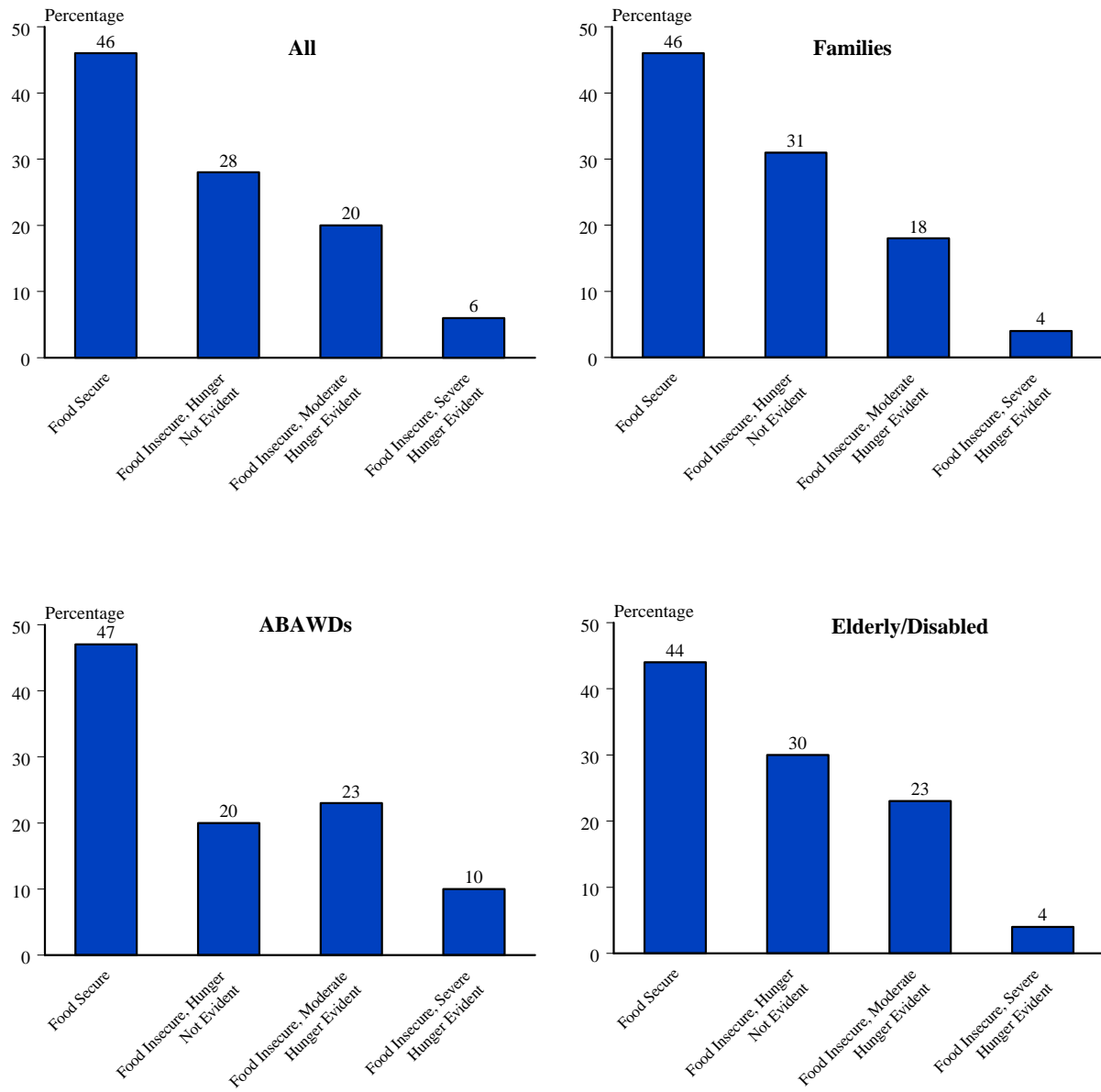
There is considerable prevalence of food insecurity among food stamp leavers as a group. Food insecurity is higher among ABAWDs than among other groups of leavers.

As a group, nearly one-quarter of food stamp leavers are food insecure with either moderate or severe hunger. About 20 percent report moderate hunger, while about 6 percent report severe hunger (Figure IV.7). Another quarter are food insecure without hunger, and just under half of all food stamp leavers are food secure.

¹³Because the interviews were conducted approximately two years after FSP exit, the measures of food security pertain to the period 12 to 24 months after FSP exit in 1997, on average.

FIGURE IV.7

MEASURES OF FOOD SECURITY AMONG FOOD STAMP LEAVERS



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: The distribution of the food security measure for ABAWDs is significantly different from that for non-ABAWDs at the .01 percent level.

Food stamp leavers are more food insecure than Americans nationally and are also more food insecure than Americans whose incomes are below the poverty level. For example, 88 percent of all Americans are food secure, 8 percent are food insecure without hunger, 3 percent are food insecure with moderate hunger, and 1 percent are food insecure with severe hunger. Among all Americans with incomes below the poverty level, these numbers are 65 percent, 22 percent, 10 percent, and 3 percent, respectively (Hamilton et al. 1997).

ABAWDs were significantly more likely than those in the other two groups to experience food insecurity. For instance, 33 percent of ABAWDs experienced food insecurity with moderate or severe hunger, compared with 27 percent of the elderly/disabled and 22 percent of families. ABAWDs also had the highest levels of *severe* food insecurity among all household groups, with about 1 in 10 experiencing food insecurity with severe hunger. This prevalence of severe hunger is more than twice the prevalence of the other two groups of food stamp leaver households in our study, three times the prevalence of severe hunger among poor people nationally, and 10 times the prevalence of severe hunger among all Americans nationally (Hamilton et al. 1997).

Those who left the FSP program in 1997 because they were sanctioned or for “other” reasons were somewhat more likely to experience food insecurity with moderate or severe hunger than those who left for employment/income-related reasons or because of administrative hassles. Between 30 and 34 percent of those who were sanctioned or left for other reasons were likely to experience food insecurity with severe or moderate hunger, compared with 22 to 23 percent of those who left for income-related reasons or because of administrative hassles, although these differences were not statistically significant at the traditional levels (not shown).

D. WHAT ARE THE HOUSING SITUATIONS OF FOOD STAMP LEAVERS?

Housing is another critical need for food stamp leavers. People need safe and affordable housing in order to care for themselves and their families and to be productive at work. When low-income individuals lose a major source of support, such as food stamps, and this is not compensated by some other increase in income, they may lose their own housing. They might move in with friends or relatives, become homeless, or live in shelters. We find that most food stamp leavers do not face severe housing problems. However, ABAWDs are more likely than other groups of leavers to face severe housing problems.

The majority of food stamp leavers, especially families and the elderly/disabled leavers, rent or own their homes. ABAWDs tend to have less stable housing situations than the other groups.

The majority of food stamp leavers either rent or own their homes. More than two-thirds of leavers rent their homes, and 17 percent own their homes (Table IV.5). Home ownership and renting is more common among families and elderly/disabled households, while ABAWDs are more likely to live with friends or relatives. For instance, more than 90 percent of families and the elderly/disabled owned or rented their homes, compared with about 75 percent of ABAWDs. Nearly 22 percent of ABAWDs lived with their friends or relatives. Across all groups, the majority of food stamp leavers (94 percent) lived in apartments or houses, and a small fraction (4 percent) lived in mobile homes or trailers.

TABLE IV.5
LIVING ARRANGEMENTS AT THE TIME OF THE INTERVIEW
(Percentages)

	All	Household Type		
		Families ^a	ABAWDs ^a	Elderly/Disabled ^a
Own/Rent Status ^b			**	
Rents	71	72	62	78
Owns	17	18	14	16
Lives with friends/relatives	12	9	22	6
Other	1	1	2	0
Living Arrangements ^b				
Apartment/home	94	95	90	96
Mobile home/trailer	4	4	5	1
Shelter/group home	3	1	5	3
Other	0	0	1	0
Housing Costs/Subsidies ^b				
No housing cost, lives with friends/relatives	2	3	3	0
No housing cost, other	3	2	4	2
Institutionalized/incarcerated	2	0**	5*	4
Sample Size	492	189	231	72

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^a Significance tests refer to the difference in the outcome among those in a household group relative to the outcomes for those not in that household group.

^b Only includes those who are not incarcerated or institutionalized.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

About five percent of ABAWDs were living in a group home or shelter the time of the survey, as were three percent of the elderly/disabled.

About five percent of ABAWDs we surveyed were incarcerated, and four percent of the elderly/disabled were living in an institution. It is possible that a larger number of food stamp leavers we did not interview were in jail or were living in institutions. For instance, at least seven percent of those we did not interview were in jail or were institutionalized (based on information we gathered in the process of trying to locate and interview them). Since we did not have good contact information on over half of those we did not interview, and some of them could also have been in jail or in institutions, the number institutionalized among those we did not interview is likely to be higher than this 7 percent figure.

Overall, a fairly large number of food stamp leavers reported some type of housing problem during the year prior to the interview. ABAWDs were more likely than those in the other groups to have experienced a housing problem.

While extreme housing problems, such as being homeless or living in a shelter, are relatively rare among food stamp leavers as a group, a fairly large number of food stamp

leavers do report some type of housing problem. We defined housing problems to include living in overcrowded conditions at the time of the interview or experiencing one of the following problems during the year prior to the interview: electricity or water cut off, having to move in with others, being evicted, living in a shelter/group home, or being homeless.¹⁴ Based on this definition, about 29 percent of leavers experienced one or more serious housing problems (not shown). The incidence of these types of housing problems was significantly lower among the elderly/disabled (15 percent) than among ABAWDs (34 percent) or families (23 percent) (not shown).

For families, the most common housing problems were living in overcrowded conditions and having the electricity/water cut off. For instance, 15 percent of family leavers lived in overcrowded conditions. By comparison, only three percent of all American households, and seven percent of poor households nationally reported living in overcrowded conditions in 1997 (HUD User Web Site, accessed August 1999). For ABAWDs, housing problems were reflected in a significantly larger number of those in this group moving in with friends or relatives, or living in shelters or institutions. For instance, 11 percent of ABAWDs had been homeless or lived in an emergency shelter during the year prior to the interview, compared with 3 percent of those in the other groups. ABAWDs were also twice as likely as those in the other two groups to have moved in with friends or relatives (Figure IV.8).

In general, rural and urban leavers faced similar housing problems, except that urban leavers were more likely to live in overcrowded conditions. Nearly 13 percent of urban leavers were living in overcrowded conditions, compared with 2 percent of rural leavers (not shown). Those who left the FSP for employment-related reasons were considerably less likely than those who left for other reasons to have moved in with friends or relatives or to live in overcrowded conditions. For instance, 6 to 7 percent of those who left for employment-related reasons lived in overcrowded conditions or had moved in with friends/relatives in the previous year, compared with 15 to 20 percent of those who left because of other reasons (not shown).

E. WHAT ARE THE PATTERNS OF FOOD AND HOUSING EXPENDITURES?

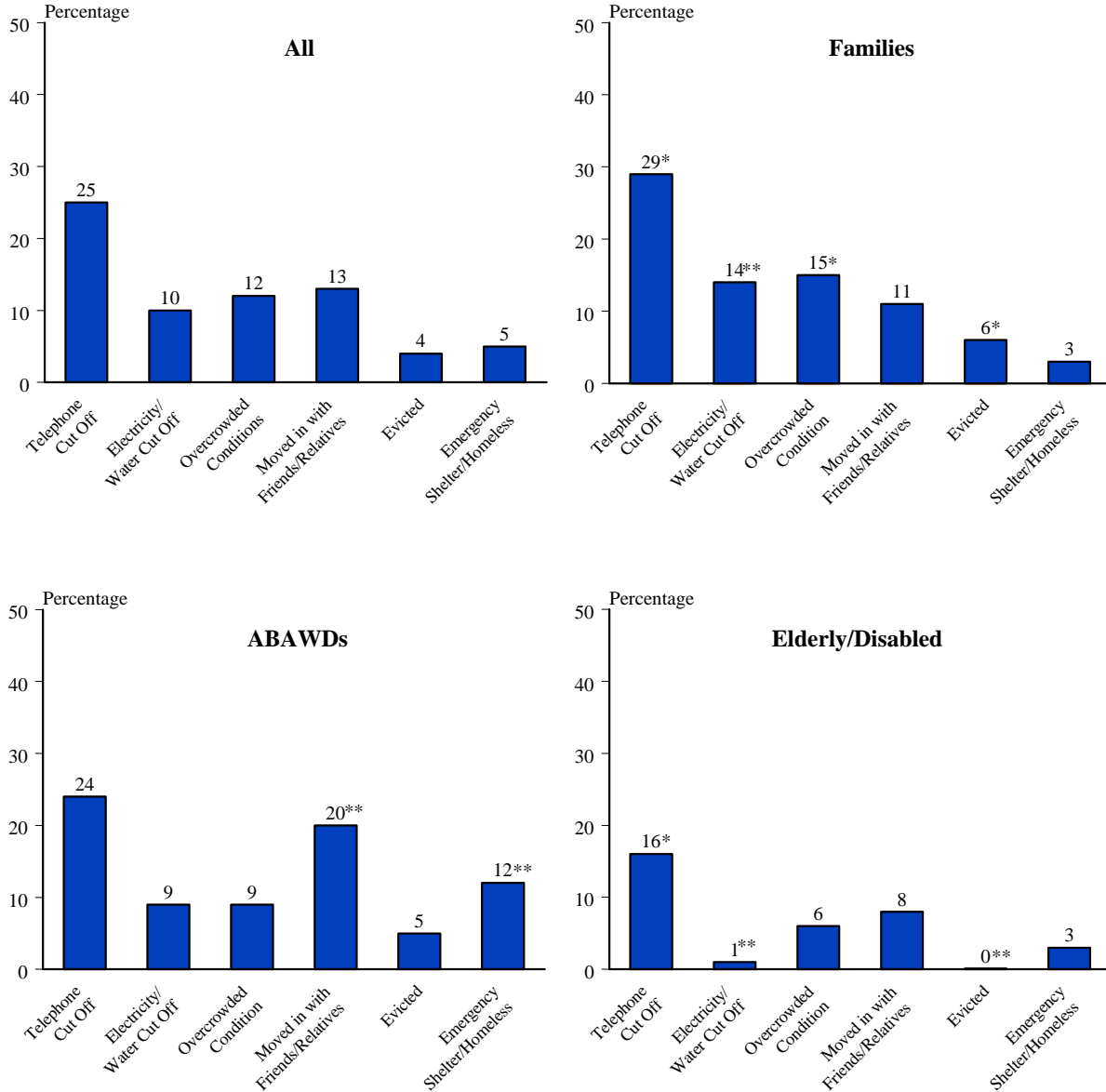
Since food and housing are two basic necessities of living, we examined how much food stamp leavers spent on these two categories. On average, leaver households spent about \$460 per month on housing costs and about \$370 on food (Table IV.6). Not surprisingly, expenses were highest for families (which tend to be larger in size) and smallest for the elderly/disabled. Monthly housing expenditures were \$526 among family leavers, \$396 among ABAWDs, and \$341 among the elderly/disabled.¹⁵ We observed similar patterns in food expenses by households, with families spending more on food than ABAWDs or the elderly/disabled. For instance, monthly food expenditures of families were around \$430 per month, compared with \$333 per month for ABAWDs and \$247 for the elderly/disabled.

¹⁴The term “living in overcrowded conditions” is drawn from the housing literature and is defined as living in a household with more than one person per room.

¹⁵Average housing costs for ABAWDs appear relatively low because a large number of them (18 percent) reported that they have no monthly housing costs.

FIGURE IV.8

HOUSING PROBLEMS AMONG FOOD STAMP LEAVERS



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: Significance tests refer to the differences in the outcome among those in a household group relative to the outcomes for those not in that household group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

TABLE IV.6
MONTHLY HOUSING AND FOOD EXPENDITURES AMONG FOOD STAMP LEAVERS
(Percentages)

	Household Type			
	All	Families ^a	ABAWDs ^a	Elderly/ Disabled ^a
Monthly Housing Costs		**	**	
No cost ^b	10	5	18	12
\$1 to \$200	13	8	19	18
\$201 to \$400	30	31	26	34
\$401 to \$600	22	30	18	26
More than \$600	26	26	19	10
(Average)	(\$461)	(\$526)**	(\$396)	(\$341)*
(Average Among Those with Costs)	(\$509)	(\$544)**	(\$474)	(\$387)*
Monthly Food Expenditures		**	**	**
\$100 or less	11	5	13	27
\$101 to \$200	19	10	24	40
\$201 to \$300	19	18	27	9
\$301 to \$400	16	20	12	9
\$401 to \$500	12	17	6	6
More than \$500	27	31	18	9
(Average)	(\$374)	(\$431)**	(\$332)	(\$241)**
Food and Housing Expenditures as Percentage of Poverty Levels		*		
Less than 25	5	3	10	5
26 to 50	23	22	22	31
51 to 75	32	30	30	41
75 to 100	22	28	16	10
More than 100	18	18	21	13
(Mean)	(74)	(76)	(76)	(66)
Sample Size^c	427	183	189	55

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^a Significance tests refer to the difference in the outcome among those in a household group relative to the outcomes for those not in that household group.

^b Includes those who pay zero costs as well as those who are institutionalized.

^c Sample sizes are lower since expenditures were missing for many individuals.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

To compare food stamp leavers expenditures on food and housing relative to other populations, it is helpful to relate these expenditures to their total income. It is difficult to obtain reliable estimates of food and housing spending as a fraction of income from this survey, for several reasons. First, survey respondents report *family or individual* incomes but generally report *household* expenditures, so when food stamp leavers live with people outside of their immediate families, their food and housing costs may be overstated relative

to their income.¹⁶ Second, we suspect there was some underreporting of income in the survey. This underreporting of income, when combined with reports of food and housing expenses, may overstate how much food stamp leavers spend on these necessities. Finally, housing/food expenditures are more likely to be constant over time, whereas income at the time of the survey is likely to be more transitory. Consistent with these hypotheses, we find that expenditures on food and housing are a very high fraction of households' actual income levels. Across all three household groups, total amount spent on food and housing was approximately equal to income levels (somewhat higher for ABAWDs and somewhat lower for the elderly/disabled). Because of the potential problems that arise from using reported income, we also calculated food and housing shares on a fraction of the federal poverty thresholds.¹⁷ These estimates provide some benchmark of how food and housing expenditures for leavers tie in to the poverty levels for the households that they are living in.

Food and housing expenses for food stamp leavers are a high fraction of the poverty-level incomes for these households.

ABAWD and family leavers reported food and housing expenses that add up to just over three-quarters of the poverty-level income for their household sizes. The elderly/disabled households, with their lower housing and food expenses, spend about two-thirds of poverty-level income on these two items, while the other two groups spend just over three-quarters of the poverty level (Table IV.6). These expenditures are fairly consistent with budget shares for housing and food for food stamp participants nationally (70 percent) reported in the consumer expenditure survey data. Across the three household groups, about 18 percent of food stamp leavers reported expenses on food and housing that added up to more than 100 percent of poverty-level income for their household sizes.

F. DO FOOD STAMP LEAVERS FACE OTHER PERSONAL PROBLEMS/HARDSHIPS?

The lives of leavers can include many other hardships that pose additional challenges to their ability to become self-sufficient. For instance, some may face domestic violence at home or from a spouse/partner. Some may have substance abuse problems. By understanding the frequency with which these events occur, policymakers may be able to improve the programs and policies designed to address these issues.

A relatively modest fraction of food stamp leavers experience other problems, such as domestic violence or substance abuse, or have been arrested or convicted. The prevalence of these hardships is highest among ABAWDs.

Based on their self-reported information, 15 percent of all leavers had experienced a serious personal hardship in the year prior to the interview (not shown). About seven percent

¹⁶We did try to prorate expenditures based on household size. However, we suspect that, for those living with families and friends, like many ABAWDs, even per-capita expenditures may overstate the actual amount they spend on these items.

¹⁷We use the federal guidelines in accordance with the number of household members with whom food stamp leavers live.

reported that they were the victim of domestic violence, and four percent reported being the victim of some other violent crime (Figure IV.9). Across all leavers, six percent reported being arrested/convicted, and a similar fraction reported seeking treatment for alcohol or substance abuse.¹⁸ ABAWDs reported significantly more personal hardships in the previous year than those in the other two groups. For instance, 27 percent had experienced at least one personal hardship during the past year, compared with between 10 and 12 percent of families or the elderly/disabled households (not shown). The high prevalence of these hardships among ABAWDs is driven by a large number of ABAWDs (18 percent) who had been arrested or convicted and 10 percent who sought treatment for substance abuse (Figure IV.9).

In general, there were no large differences between rural and urban leavers on the prevalence of these personal hardships. We did observe some differences by leaver status: those who were sanctioned or left for other reasons were significantly more likely to report having received substance abuse treatment (27 percent) than those who left for reasons other than sanctions.

G. OVERALL PREVALENCE OF SERIOUS HARDSHIPS AND LIFE QUALITY OF FOOD STAMP LEAVERS

We now examine the prevalence of all these hardships in the lives of FSP leavers. For instance, how common are extreme poverty, hunger, serious illness, or extreme housing difficulties? If these types of hardships are fairly common or prevalent, it is going to be much more difficult for individuals to be able to move toward self-sufficiency. We examine the proportion of food stamp leavers who have faced eight serious hardships: (1) extreme poverty (defined as income below 50 percent of the poverty level) at the time of the interview; (2) food insecure with moderate or severe hunger evident in past year; (3) serious illness in past year; (4) faced an extreme housing crisis (such as being evicted, living in a shelter, or being homeless) in past year; (5) arrested or convicted in past year; (6) had mental health or substance abuse treatment in past year; (7) victim of a violent crime (including domestic violence) in past year; and (8) has health problem but had no health insurance at the time of the interview.

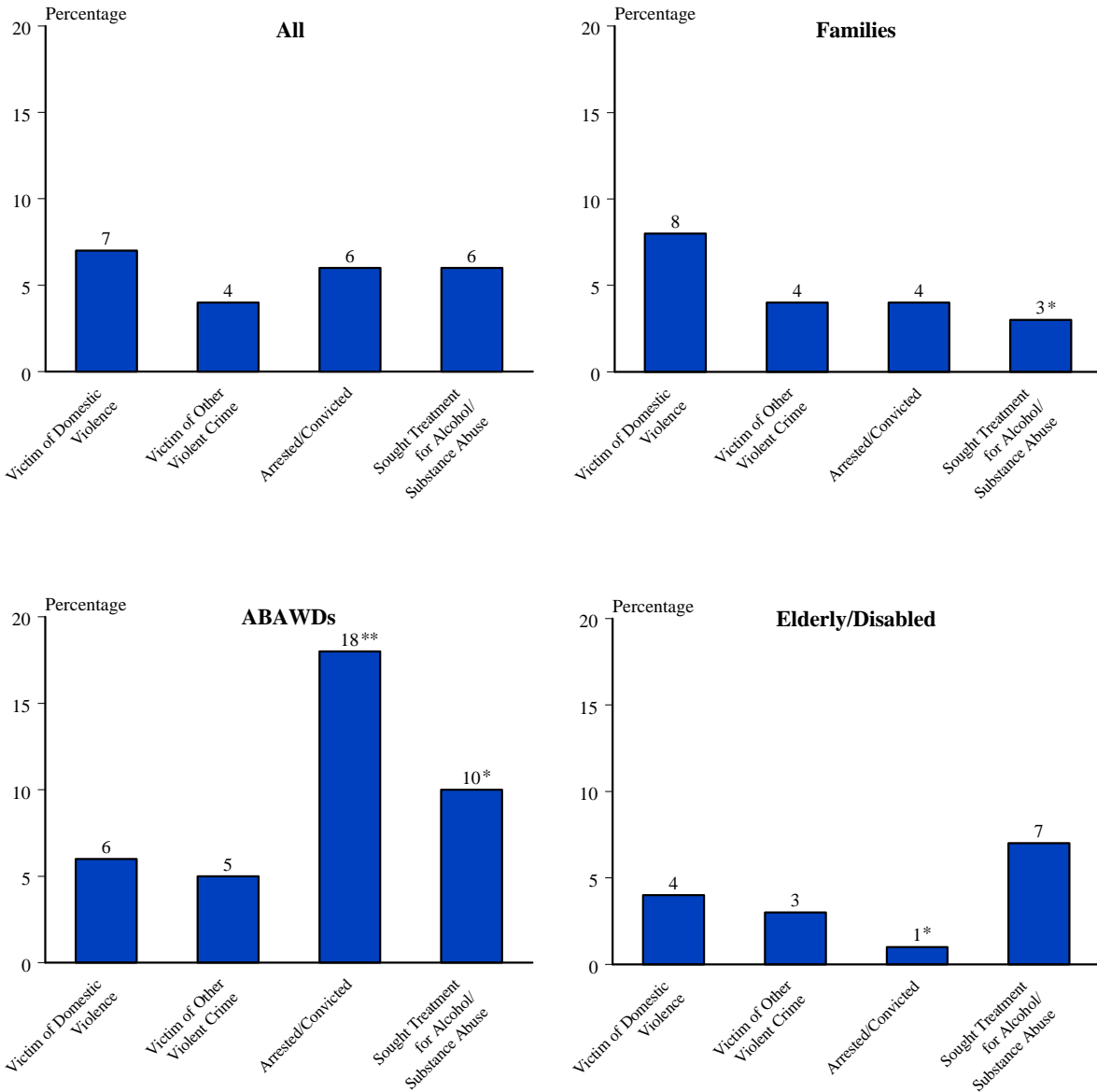
Serious hardships are fairly common among food stamp leavers as a group. The majority of the ABAWDs and elderly/disabled have experienced such hardships over the past year.

Nearly 60 percent of all individuals in the sample had experienced one or more of these serious hardships (Figure IV.10). The most common problems were living in extreme poverty, facing moderate or severe food insecurity, and having been seriously ill in the previous year; at least 20 to 25 percent of food stamp leavers experienced these problems. Across all groups, about one-third of food stamp leavers had experienced two or more serious hardships, and more than 15 percent had experienced three or more serious hardships.

¹⁸We use seeking treatment for substance abuse as an indicator of prior substance abuse. These numbers are likely to underestimate the prevalence of substance abuse among leavers, since some leavers with substance abuse problems are unlikely to receive treatment. Additionally, it should be kept in mind that while substance abuse is a problem, seeking treatment for substance abuse should not be viewed as a problem.

FIGURE IV.9

MEASURES OF DOMESTIC VIOLENCE, CRIME, AND SUBSTANCE ABUSE TREATMENT
IN PAST YEAR AMONG FOOD STAMP LEAVERS



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

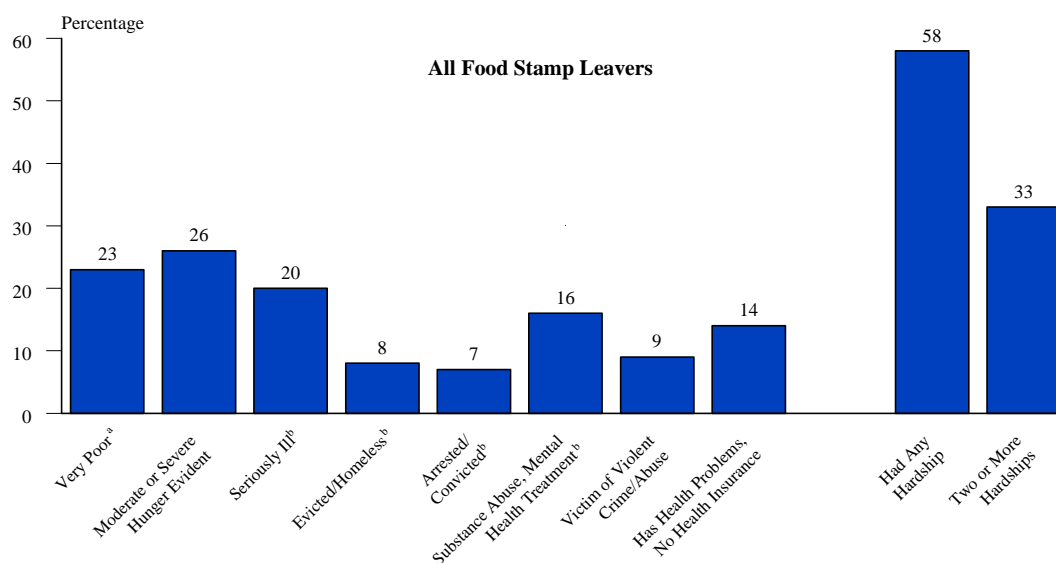
Note: Significance tests refer to the differences in the outcome among those in a household group relative to the outcomes for those not in that household group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

FIGURE IV.10

MEASURES OF HARDSHIPS



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^aFamily income is less than 50 percent of the poverty level.

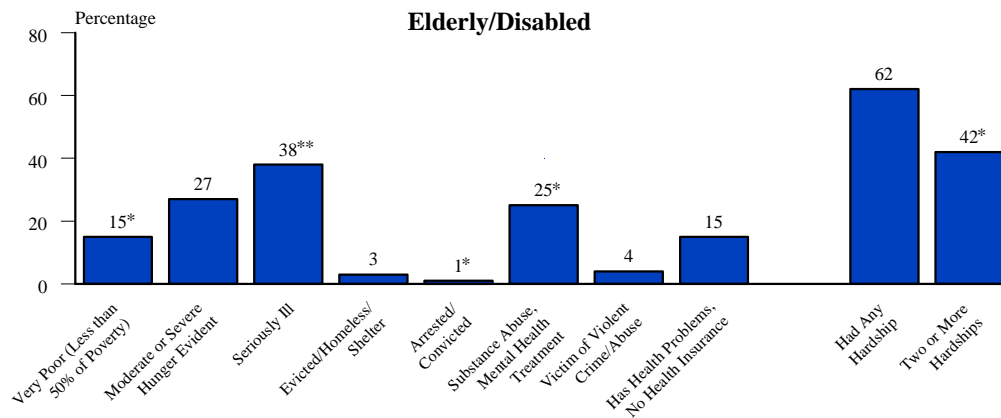
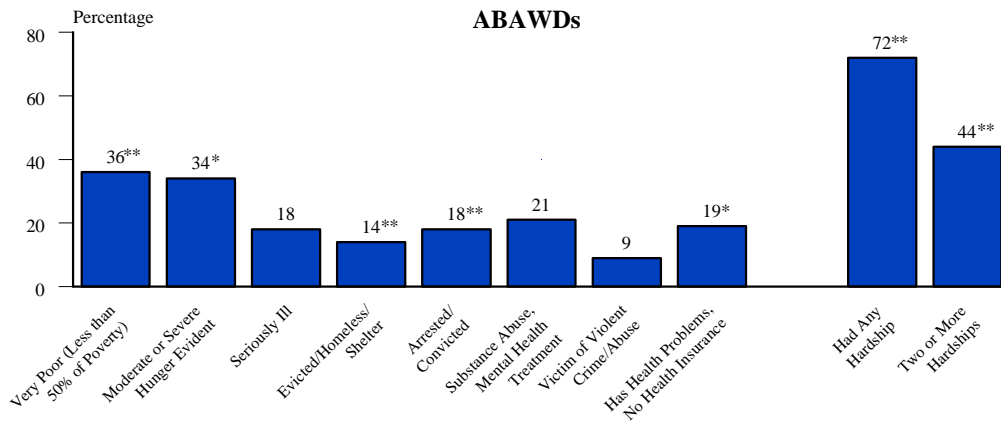
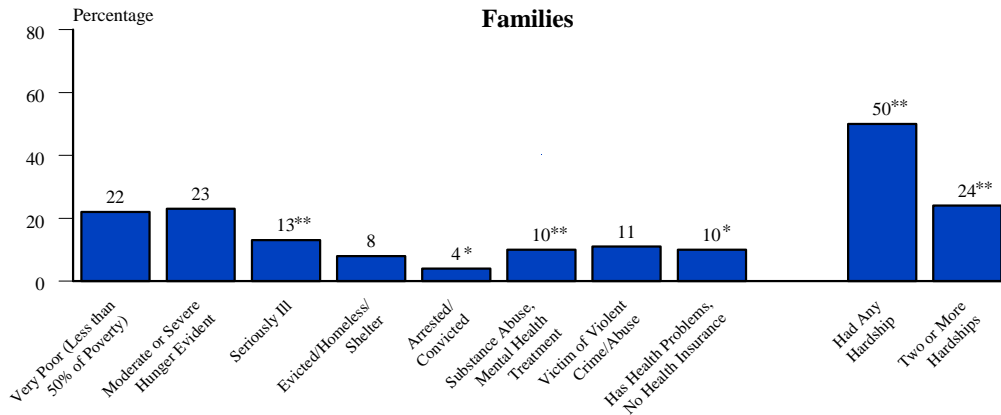
^bExperienced this indicator of hardship in past year.

ABAWDs as a group were significantly more likely to experience serious hardships than those in the other two groups. For instance, nearly 72 percent of ABAWDs had experienced one of these hardships over the past year, compared with about 50 percent of families and just over 60 percent of the elderly/disabled (Figure IV.11). Forty-four percent of ABAWDs had experienced two or more of these hardships, and more than one-quarter had experienced three or more hardships. As seen earlier, the major kinds of problems for ABAWDs include extreme poverty and food insecurity, with more than one in three experiencing each problem. Another 20 percent had sought treatment for substance abuse, had been seriously ill in the past year, or had a health problem and had no health insurance. For the families, the most prevalent problems were extreme poverty and food insecurity. For the elderly/disabled, the most prevalent hardships were serious illness, seeking treatment for mental health or substance abuse, and food insecurity.

Those who left for employment- or income-related reasons were significantly less likely than those who left for other reasons to face serious hardships. For instance, about 46 percent of this group experienced some serious hardship, compared with between 72 and 73 percent of those who left for other reasons (not shown). Similarly, about 32 percent of those who left the FSP for employment/income-related reasons faced two or more serious hardships, compared with 37 to 45 percent of those who left because they were sanctioned or for other reasons (not shown).

FIGURE IV.11

MEASURES OF HARDSHIPS, BY TYPE OF HOUSEHOLD



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: Significance tests refer to the differences in the outcome among those in a household group relative to the outcomes for those not in that household group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

*The overall quality of life of food stamp leavers, as defined by income and the absence of other hardships, appears to be relatively low. Families have a somewhat higher quality of life than ABAWDs and the elderly/disabled.*

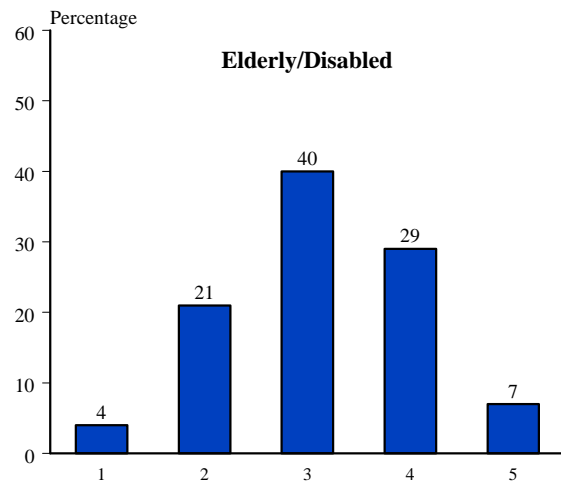
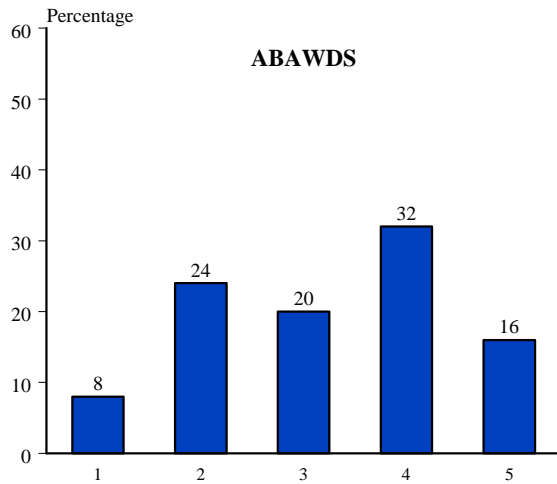
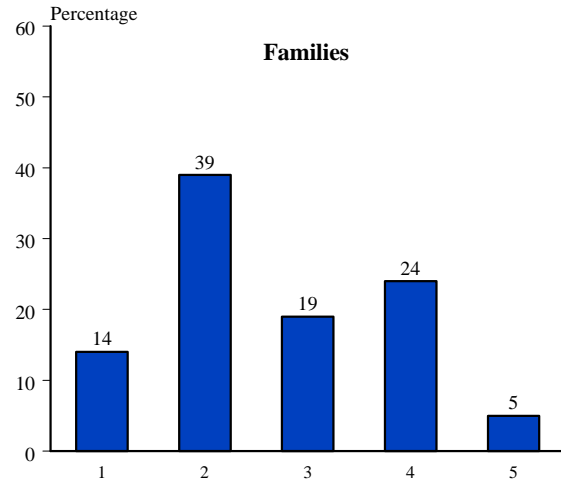
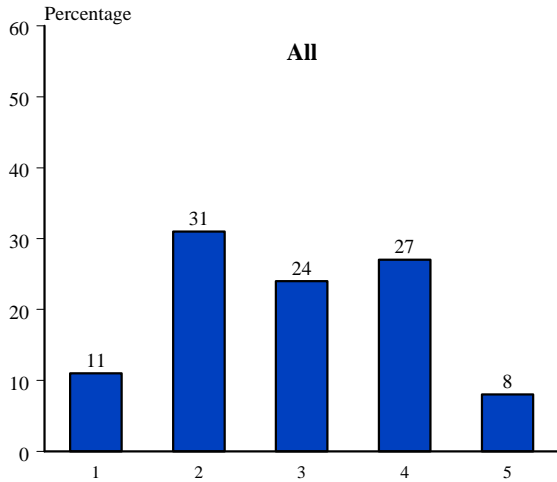
To capture broad measures of life quality, we examined the economic situations of individuals combined with the prevalence of other measures of hardships. We categorized individuals into five groups. The group with the highest life quality included those whose income was greater than 185 percent of poverty and who faced no other hardships. The group with the second-highest life quality included those with incomes between 100 and 185 percent of poverty and who faced one or fewer hardships. The third group included those who either had incomes above poverty but faced multiple hardships or had moderate incomes (between 50 and 100 percent of poverty) and faced few other hardships. The fourth group included those who had moderate incomes but faced many hardships or those who were extremely poor but faced one or fewer other hardships. Finally, the group with the poorest life quality included those who faced extreme poverty and multiple other hardships at the same time.

Among all food stamp leavers, about 11 percent had the highest life quality as defined above. Just under one-third of all individuals had the next-highest life quality in that they had incomes above 100 percent of poverty and faced few other hardships (Figure IV.12). At the other end, about eight percent of all leavers had extremely poor life quality. For instance, these individuals had income below 50 percent of the poverty levels and faced multiple hardships.

There was some variation in the three groups defined by household type in terms of their life quality. In general, families were significantly better off than those in the other two groups, with more than 50 percent in the two highest life quality groups (14 percent of families had incomes higher than 185 percent of poverty and faced no serious hardships, and nearly 40 percent of families had incomes above the poverty levels and faced few serious hardships). In contrast, only 25 percent of elderly/disabled and 32 percent of ABAWDs had this life quality. At the other end, ABAWDs had the poorest life quality. For instance, 16 percent had incomes that put them at below 50 percent of poverty and they faced multiple hardships, and another 32 percent of ABAWDs were in the second-poorest life quality measure we defined. This compares with 5 percent of families and 7 percent of elderly/disabled in the lowest life quality status and another 24 and 29 percent of families and the elderly/disabled, respectively, in the second-poorest life quality category.

FIGURE IV.12

SUMMARY MEASURES OF LIFE QUALITY



1 = More than 185% of poverty **and** no hardships
 2 = More than 185% of poverty with hardships **or** 100-185% of poverty and one or no hardships
 3 = 100-185% of poverty and multiple hardships **or** 50-100% of poverty and one or no hardships
 4 = 50-100% of poverty and multiple hardships **or** less than 50% of poverty and one or no hardships
 5 = Less than 50% of poverty **and** multiple hardships

Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: The distribution of the summary measure of life quality for each of the three household groups is significantly different from those for other groups at the .01 percent level.

V

THE NATURE OF WORK AMONG FOOD STAMP LEAVERS

As seen earlier, many adults, especially nonelderly, nondisabled adults, leave the Food Stamp Program (FSP) because they find jobs or experience an increase in earnings. In Chapter III, we examined the employment experiences of food stamp leavers in Illinois using administrative wage data. While the wage records data provide broad information on quarterly employment and earnings, they do not have the rich information on jobs that the survey data have. The survey data in this study provide more detailed information on leavers' employment patterns, the types of jobs they hold, their job satisfaction, and the problems they encounter that make it difficult for them to hold jobs.¹

In this chapter, we use survey data to examine the employment experiences of respondents during the period following FSP exit. In particular: What are the employment patterns of food stamp leavers? What kinds of jobs do they hold? How much do they earn in these jobs? What kinds of benefits do these jobs provide? How satisfied are individuals with the jobs they hold? What challenges make holding a job difficult?

Some of the information presented in this chapter, particularly the findings related to the employment patterns described in Section A, overlaps with the administrative records data findings on employment patterns described in Chapter III. We include the discussion on employment patterns from the survey data in this chapter because these data contain monthly information on employment and allow us to examine employment patterns somewhat more closely than we could with quarterly administrative records data. In addition, because the survey data include out-of-state jobs and nonreported work, they have broader coverage than the data reported in Chapter III. Finally, with the survey data, we can also examine employment experiences by self-reported reasons for leaving food stamps.

As noted in earlier chapters, however, although the survey data have many advantages, there is one caution in using them. In our survey, we were more likely to be able to locate and interview those who were employed. While we use weights to adjust for nonresponse bias in the survey, we may not be fully able to control for these differences. Hence, some of the findings in this chapter should be considered together with the earlier findings on employment outcomes from the administrative data. In general, however, the findings on broad employment patterns of the household groups observed across the wage records data and the survey data are reasonably similar and consistent with each other. Where they are not consistent, we note the differences and provide some explanation for why these findings may be different.

¹In the surveys, food stamp leavers were asked detailed questions on all of the jobs they had held since the time of FSP exit in 1997, including the start and end date of each job, the hours worked, earnings, and benefits. In addition, for the current or most recent job, food stamp leavers were asked about their job occupation, the use of health benefits (if offered), job satisfaction, and problems on the job and outside of the workplace that make holding a job difficult.

A. EMPLOYMENT PATTERNS AMONG FOOD STAMP LEAVERS

The majority of nonelderly, nondisabled leavers have had some employment experience since the time of FSP exit.

Across all three household groups, more than 70 percent of food stamp leavers had worked at least some part of the two-year period since they left the FSP in 1997. Not surprisingly, as Table V.1 shows, a significantly higher proportion of family heads (85 percent) and able-bodied adults without dependents (ABAWDs) (77 percent) leavers had worked, compared with elderly/disabled leavers (32 percent). Over the two-year period following FSP exit, sample members across all three groups were employed about 46 percent of the time (which translates to just under 12 months). Family heads who left the FSP in 1997 were employed for a larger fraction of time than ABAWDs or the elderly/disabled leavers. For instance, on average, family heads were employed almost 14 months over the two-year period, compared with 11 months for ABAWDs and about 5 months for the elderly/disabled. Among those who worked, however, heads of families and the elderly/disabled worked almost the same fraction of time (close to 70 percent of the time over the two-year period), while ABAWDs who worked were employed just under 60 percent of the time over the two-year period.

Family leavers have more stable employment over the period following FSP exit than leavers in the other two groups.

About 32 percent of family leavers worked continuously over time, compared with 22 percent of ABAWDs and 16 percent of the elderly/disabled (Table V.1). Another 53 percent of families had intermittent employment (that is, worked but experienced some spell of nonemployment over the two-year follow-up period) and nearly 60 percent of them held jobs at the time of the interview. Although many ABAWDs (54 percent) had intermittent employment, only one-third of those with intermittent employment were working at the time of the interview. Family leavers were significantly more likely than the other household groups to be employed at the time of the interview. Overall, 63 percent of family leavers were employed at the time of the interview two years after FSP exit, compared with 41 percent of ABAWDs and 22 percent of the elderly/disabled.

The proportion of food stamp leavers who worked in any given month increased somewhat over time, particularly among families and ABAWDs.

Approximately one-third of all food stamp leavers reported working around the time of FSP exit. These numbers increased slowly over time, so that around half of all leavers were working two years later (Figure V.1). This represents an almost 60 percent increase in the monthly employment rate over time.² The increases were the greatest for family leavers

²Administrative records data on the full sample of leavers show a fairly constant pattern of employment among food stamp leaver households over time ranging from 46 to 47 percent, while the survey data show increasing employment among FSP caseheads over time, as well as slightly higher rates in the later months. Two factors may explain finding higher employment levels in the survey relative to the wage records data. First, we were more likely to have been able to track and interview individuals for the survey sample who had some employment. Second, administrative records data may underreport employment because they do not capture all jobs, especially out-of-state or under-the-table jobs. The reason that the self-reported employment (continued...)

TABLE V.1
EMPLOYMENT EXPERIENCES OF FSP LEAVERS
(Percentages)

	Household Type			
	All	Families ^a	ABAWDs ^a	Elderly/ Disabled ^a
Ever Employed Since FSP Exit	71	85**	77	32**
Percentage of Time Employed During First Two Years After Exit		**		**
None	29	16	23	69
1 to 25	14	14	24	6
26 to 50	10	13	9	3
51 to 75	12	15	10	6
More than 75	35	42	34	17
(Mean)	(46)	(57)**	(44)	(22)**
(Mean among those who worked)	(65)	(67)	(58)*	(72)
Number of Jobs Held During the First Two Years After FSP Exit		**		**
None	29	16	23	69
1	35	41	39	18
2	18	25	16	4
3 or more	18	19	22	10
(Mean among those who worked)	(1.9)	(1.9)	(2.0)	(1.9)
Employed at the Time of the Survey	48	63**	41*	22**
Employment Status		**	**	**
Never worked	29	16	23	69
Held job(s), not currently employed	23	22	36	10
Worked intermittently, currently employed	26	31	18	6
Worked continuously	22	32	22	16
Sample Size	497	193	231	73

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^a Significance tests refer to the difference in the outcome among those in a household group relative to the outcomes for those not in that household group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

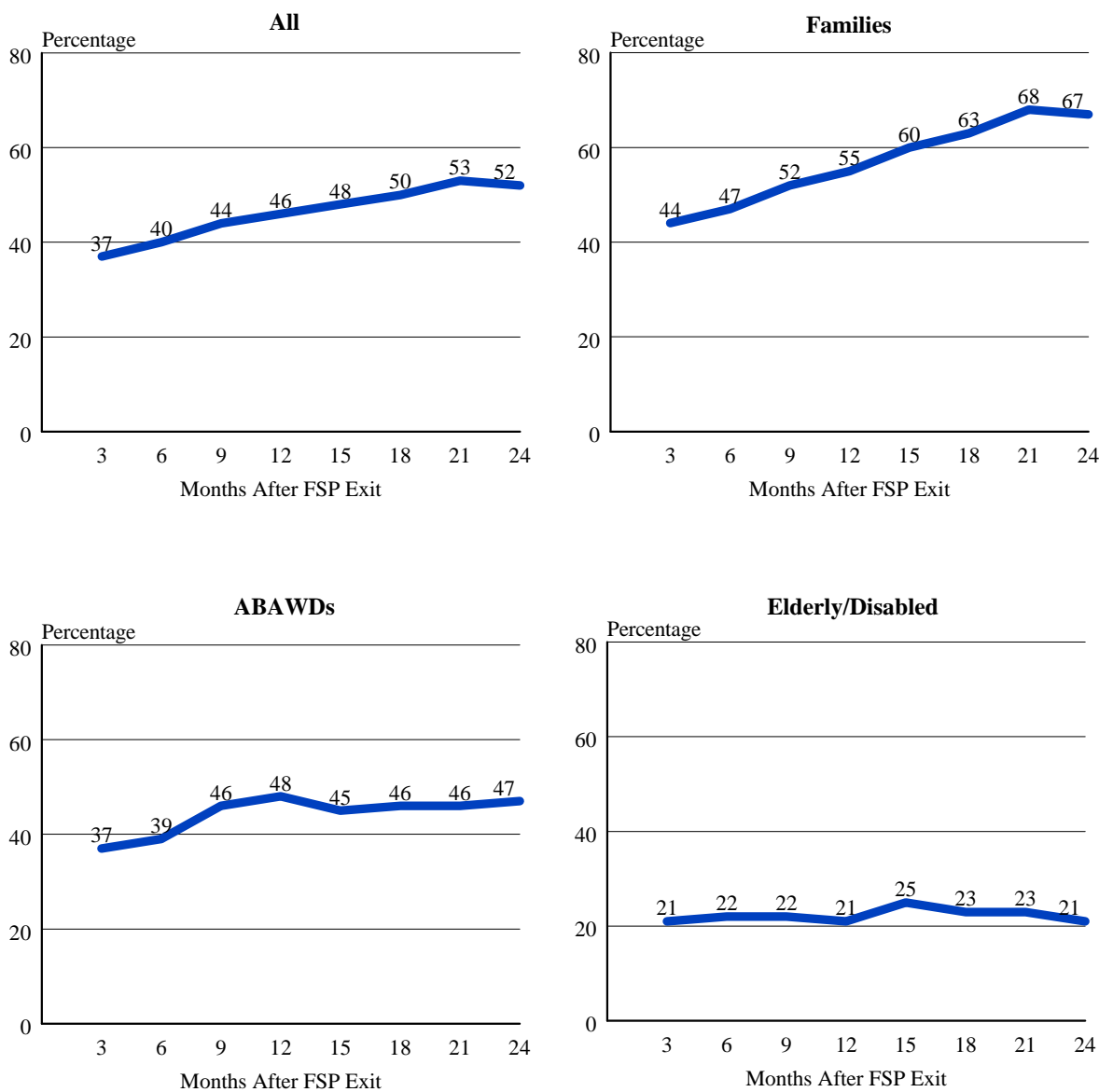
(almost 67 percent), while ABAWDs experienced a lower increase (about a one-third increase in the employment rates). In contrast, employment rates for the elderly/disabled leavers remained in the low 20 percent range during most of the two-year period.

²(...continued)

rates in the survey are somewhat lower in the earlier months may be that the earlier period of data involves a longer recall period, and respondents may forget short jobs held a while ago.

FIGURE V.1

MONTHLY EMPLOYMENT RATES DURING THE FIRST TWO YEARS AFTER FSP EXIT



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: Monthly employment rates for each of the three groups of leavers is significantly different from those in the other groups at the .01 percent level in most months.

The cumulative employment rate numbers in Figure V.2 show what percentage of people who leave the FSP enter the labor force for the first time over the two years following FSP exit. If the cumulative employment rates stay fairly constant, this suggests that not many people are entering the labor market over time. If the cumulative employment rates increase, however, this suggests that people continue to enter the labor force for the first time even after some time has passed since they exited the FSP.³ Figure V.2 shows that, across all three groups, the proportion of people finding employment increased over time, with a strong increase among the ABAWDs and family leavers. By three months after FSP exit, approximately 40 percent of all leavers had found jobs. These numbers increased to almost 70 percent at the end of the two-year period. Cumulative rates continued to steadily increase, and the increases were relatively high for families and ABAWDs (from 46 to 83 percent for families, and from 40 to 72 percent for ABAWDs, each reflecting an approximately 50 percent increase for the group). Even among the elderly/disabled group, cumulative employment rates went up from 22 to 31 percent, an increase of about 40 percent.

Leavers who reported leaving for employment- or income-related reasons were significantly more likely to be employed during the follow-up period and had steadier employment patterns than those who left for other reasons. Rural leavers were also more likely than urban leavers to be employed.

Employment rates among those who reported leaving for employment-related reasons were nearly twice as high as for those who reported leaving for other reasons (such as being sanctioned or because of administrative difficulties). For example, more than 45 percent of those who said they left food stamps because of earnings- or income-related reasons held a job during the month after FSP exit. Monthly employment rates increased steadily over time, and between 50 and 65 percent of those who left food stamps for employment- or income-related reasons were employed in any given month over the two-year follow-up period (Figure V.3).⁴ In contrast, average monthly employment rates were significantly lower for those who left for nonemployment- or nonincome-related reasons. Among the remaining groups, monthly employment rates were somewhat higher among those who left because they were sanctioned (average monthly employment rates rose from about 25 percent to 40 percent over the two-year period), and they were mainly between 19 and 37 percent for those who left because of administrative difficulties or for other reasons.

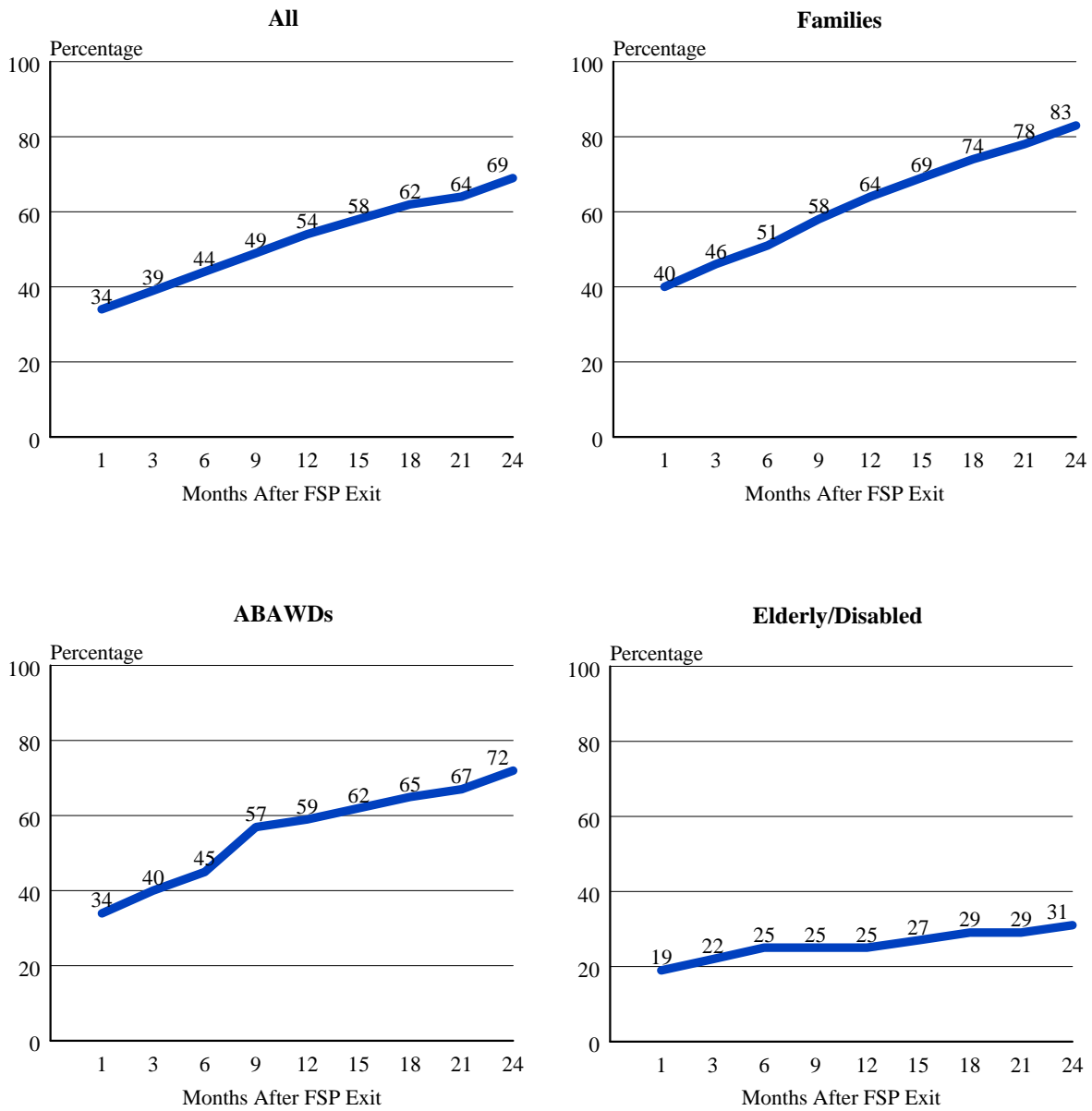
Rural leavers were also somewhat more likely than urban leavers to be employed in any given month. Average monthly employment rates for rural leavers rose from 41 percent two months after FSP exit to 59 percent two years later, compared with an increase for urban leavers from 35 percent two months after FSP exit to 49 percent two years later. The monthly employment rates between the two groups were significantly different three quarters of the time over the two-year period.

³These cumulative entry rates do not reflect how long people stay in their jobs and whether those who leave come back.

⁴About 85 percent of this group had ever held a job during the two-year follow-up period.

FIGURE V.2

CUMULATIVE EMPLOYMENT RATES AMONG FSP LEAVERS

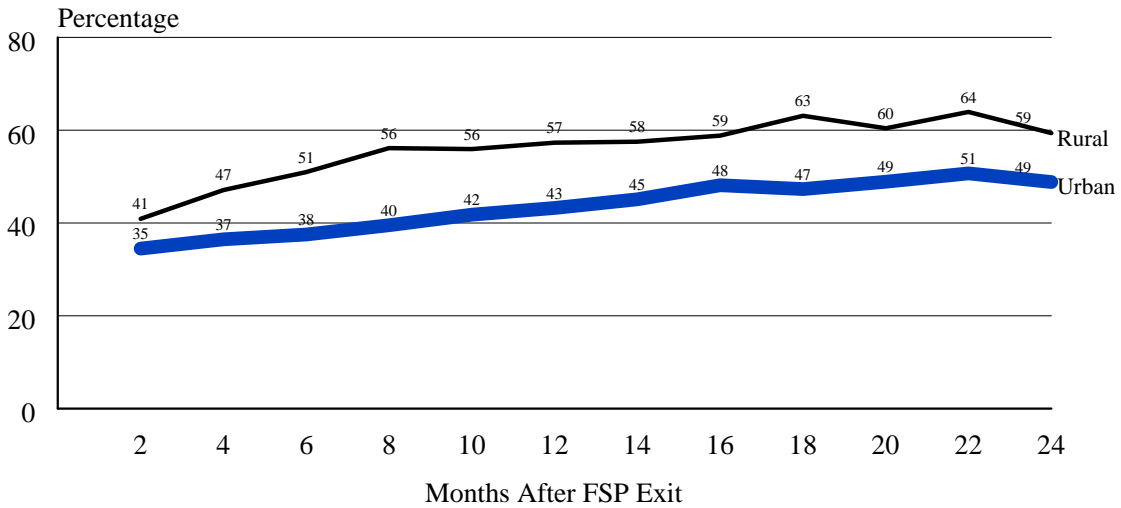
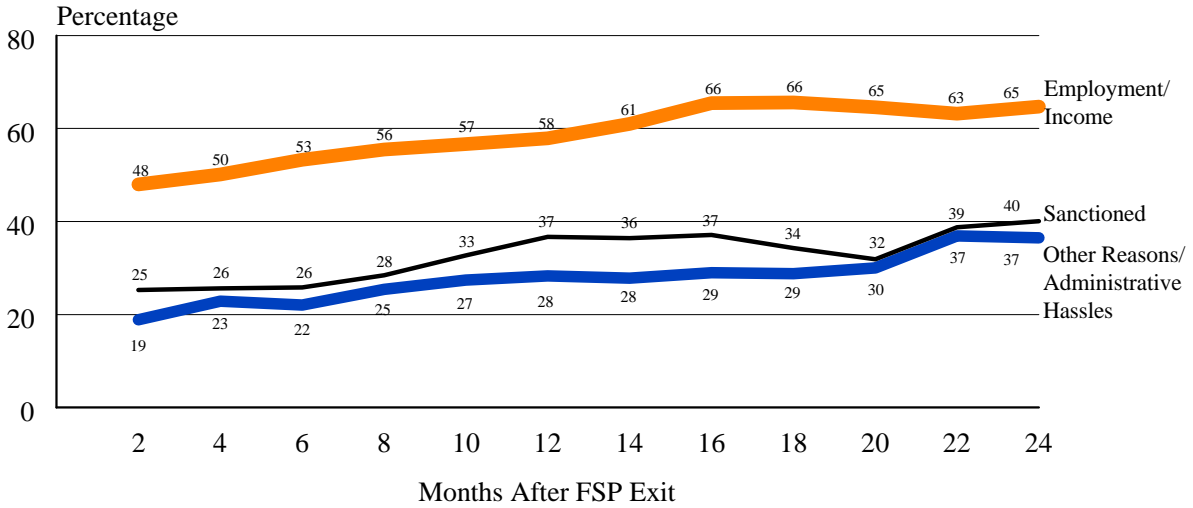


Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: Cumulative employment rates for each of the three groups of leavers is significantly different from those in the other two groups, at the .05 or .01 percent levels in most months.

FIGURE V.3

MONTHLY EMPLOYMENT RATES DURING THE FIRST TWO YEARS AFTER FSP EXIT, BY REASONS FOR LEAVING AND BY RURAL/URBAN STATUS



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: Monthly employment rates for those who left the FSP for employment/income-related reasons are significantly different from those who left for other reasons at the .01 percent level in all months. Monthly employment rates for rural leavers are significantly different from those who are leavers at the .05 or .10 percent levels for 8 of the 12 months reported in this figure.

B. WHAT KINDS OF JOBS DO FOOD STAMP LEAVERS FIND?

In this section, we describe the characteristics of the current or most recent job held by food stamp leavers at the time of the interview. Nearly 85 percent of family leavers and more than 75 percent of ABAWDs had ever held a job since the time of FSP exit in 1997. Because only a small number of elderly/disabled leavers (about 30 percent) worked during the follow-up period, we exclude them from the description of job characteristics in this section.

Many food stamp leavers find entry-level jobs that offer few fringe benefits and are often associated with high rates of job turnover.

Consistent with the findings of many Temporary Assistance for Needy Families (TANF) leaver studies, food stamp leavers who found jobs also often found low-paying, entry-level jobs. The average hourly wage among the nonelderly, nondisabled leavers who found jobs was \$7.60 (Table V.2).⁵ Nearly 40 percent of these leavers had jobs that paid less than \$6 per hour, and only 12 percent were in jobs that paid more than \$10 per hour. These wages are considerably higher than the median hourly wages of \$6.60 earned by a national sample of TANF leavers in 1997, but one fairly similar to wages of between \$7 and \$8 per hour earned by current and former TANF recipients in New Jersey in 1999 and 2000 (Lopreset 1999; and Rangarajan and Wood 2000).

Similar to TANF leavers who work, many food stamp leavers also worked full-time. The average weekly hours worked were about 37 hours. Only seven percent of the sample members worked less than 20 hours per week. Average monthly earnings were just over \$1,200.

As is often true of entry-level jobs for low-skilled workers, and similar to the findings from TANF leaver studies, many of these jobs did not offer benefits. For instance, just over half of the current or most recent jobs held by food stamp leavers had paid vacation or health insurance available, and less than 40 percent of the jobs offered paid sick leave. Among those with health insurance available from the employer, less than 60 percent participated in the program. Among this group (those who were offered health insurance in the job but did not participate in it), more than 40 percent reported that they did not qualify for these benefits (often because they had not worked long enough at the job), while another 20 percent reported cost as the reason for nonparticipation. Less than one-third of those who did not enroll in their company's health insurance program reported the reason as that they were covered by Medicaid or that they had some other health plan. Thus, the lack of health insurance among leavers seems to be aggravated by the lack of availability of health benefits in many jobs or the failure of individuals to qualify for these benefits.

The jobs that food stamp leavers held were often in service, sales, and administrative support occupations (Table V.3). These jobs typically offer low wages and are often associated with high turnover. Only about nine percent were in managerial or professional occupations. About 25 percent of jobs held by nonelderly/nondisabled leavers were in

⁵In general, elderly/disabled workers reported a higher hourly wage (\$8.50 per hour) but were more likely to work part-time. Because a larger number of elderly/disabled people worked part-time, many also worked in jobs that did not offer fringe benefits.

TABLE V.2
CHARACTERISTICS OF CURRENT OR MOST RECENT JOB AMONG EMPLOYED ADULTS
(Nonelderly/Nondisabled Sample)
(Percentages)

	All Nonelderly/ Nondisabled	Household Type	
		Families	ABAWDs ^a
Hourly Wages (in 1999 dollars)			
\$5.00 or less	23	23	24
\$5.01 to \$6.00	16	14	21
\$6.01 to \$8.00	32	31	34
\$8.01 to \$10.00	17	17	15
More than \$10.00	12	15	7
(Mean wages in dollars)	(\$7.60)	(\$7.80)	(\$7.20)
Hours Worked per Week			
20 hours or less	7	6	7
21 to 30	22	20	26
31 to 40	52	55	45
More than 40	19	19	21
(Mean hours)	(36.7)	(37.0)	(36.2)
Monthly Earnings			
\$500 or less	12	11	13
\$501 to \$1,000	29	27	36
\$1,001 to \$1,500	29	29	29
\$1,501 to \$2,000	21	23	13
More than \$2,000	10	10	9
(Mean earnings in dollars)	(\$1,218)	(\$1,257)	(\$1,124)
Benefits Available on the Job			
Health insurance	53	57	41**
Paid vacation	53	59	37**
Paid sick leave	37	42	24**
Employer-Provided Health Insurance			
Participates in program	30	34	22*
Participates in program (among those offered)	58	59	53
Reason Not Covered (Among Those Offered)			
Did not want/has Medicaid	32	37	18
Did not qualify	36	30	54
Too expensive	21	22	19
Other	11	12	10
Temporary Job	11	22	6**
Shift Worked			
Day shift	69	70	64
Evening or night shift	22	21	23
Variable shift	10	9	13
Sample Size	338	161	177

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^a Significance tests refer to the difference in the outcome among families relative to ABAWDs.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

TABLE V.3
 OCCUPATION AND INDUSTRY OF CURRENT/MOST RECENT JOB
 (Nonelderly/Nondisabled Sample)
 (Percentages)

	All Nonelderly/ Nondisabled	Household Type	
		Families	ABAWDs ^a
Occupation			**
Managerial/Professional	9	10	6
Sales	10	12	5
Administrative Support Services	19	23	10
Private household	4	4	4
Other	30	31	27
Construction/Repair/Production	11	8	18
Transportation/Mover	15	10	28
Other	3	3	4
Industry			**
Construction/Mining/Manufacturing	19	17	26
Agricultural Production/Services	2	1	3
Retail/Wholesale Trade	22	24	19
Transportation/Public Utilities	5	4	8
Finance/Insurance/Real Estate	5	6	3
Services			
Health Services	18	22	7
Business Services	7	5	14
Social Services	3	4	2
Other Services	17	17	15
Other	3	2	4
Sample Size	338	161	177

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^aSignificance tests refer to the difference in the outcome among families relative to ABAWDs.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

transportation, construction, and production occupations (a result driven by a relatively high fraction of ABAWDs in these occupations). About 11 percent of food stamp leavers worked in temporary jobs, and close to one-third of all nonelderly/nondisabled leavers worked in jobs that were evening or night shift work or in jobs that had variable or rotating shifts (Table V.2).

Family heads generally found jobs that offered somewhat higher wages and greater fringe benefits than jobs found by ABAWD leavers.

Family heads who worked during the two-year period following FSP exit were employed in jobs that paid slightly higher wages on average. For example, the mean hourly wage in their current or most recent job for family heads was about \$7.80, compared with \$7.20 for ABAWDs, a difference significant at the 10 percent level (Table V.2). Overall,

monthly earnings on the current or most recent job for ABAWDs were \$1,124, compared to \$1,257 for family heads.⁶

While there were no large differences in the wages and earnings of jobs held by families and ABAWD leavers, we do observe some significant differences in the benefits available in the jobs held by family heads and ABAWD leavers. For example, 57 percent of family heads who worked had health insurance offered on the job, and 59 percent had jobs that offered paid vacation. In contrast, only 41 percent of ABAWDs had health insurance offered on the job, and only 37 percent had paid vacation offered. About half of the ABAWDs who were offered health insurance on the job did not participate in the program. Among those who were offered health insurance and did not participate, only 18 percent of ABAWDs reported they did not want these benefits because they had Medicaid or were covered by some other health insurance program (compared to 37 percent of families); over half of the ABAWDs said they did not qualify.⁷

Those who left food stamps for earnings- or income-related reasons had better jobs than those who left for other reasons. In addition, rural leavers had lower-paying jobs than urban leavers.

Individuals who reported leaving the FSP because of earnings- or income-related reasons were significantly more likely to report having higher-paying jobs and jobs that offer benefits than those who left the FSP for other reasons. For instance, the average hourly wage on the current or most recent job for those who reported having left the FSP for earnings- or income-related reasons was \$8.00, compared to around \$7.20 among those who left because of administrative hassles, and just around \$6.50 among those who left for sanctions or other reasons (Table V.4). Similarly, nearly 60 percent of leavers who left for earnings/income-related reasons had jobs that offered health insurance, compared with only 30 to 49 percent of those who left for other reasons.

Rural leavers generally found jobs that paid significantly lower wages than did leavers in urban areas (\$6.40 per hour for rural leavers, compared with \$7.90 for urban leavers) (Table V.4). There were no major differences in the fraction of rural and urban leavers in jobs that offered fringe benefits. For instance, 55 percent of rural leavers and 52 percent of urban leavers were working in jobs that offered health insurance. Among those who worked with employers who offered health insurance, however, significantly fewer rural leavers chose to participate in the program (35 percent for rural leavers in this group, compared with 68 percent for urban leavers, not shown).

⁶The differences in the monthly earnings among those employed are much smaller than the differences in monthly income figures (discussed in Chapter IV) between members of these two groups. The larger differences in income figures occur because a larger percent of family heads than ABAWDs are employed or have a spouse/partner who is employed (76 percent versus 49 percent). In addition, a larger fraction of family heads received income from TANF, child support payments, and child care subsidies.

⁷Since only 32 percent of ABAWDs had any health insurance, public or private, the kinds of jobs that many ABAWDs find do not seem to provide the health insurance support that they need.

TABLE V.4

CHARACTERISTICS OF CURRENT OR MOST RECENT JOB AMONG EMPLOYED ADULTS,
BY LEAVER AND URBANITY STATUS
(Not Including Elderly/Disabled)
(Percentages)

	Leaver Status				Rural/Urban Status	
	Earnings/ Income ^a	Sanctioned ^a	Administrative Hassles ^a	Other ^a	Rural	Urban ^a
Hourly Wages (in 1999 dollars)	*					
\$5.00 or less	21	21	45	26	31	22
\$5.01 to \$6.00	12	30	15	24	24	14
\$6.01 to \$8.00	33	36	19	34	32	32
\$8.01 to \$10.00	20	7	7	10	10	18
More than \$10.00	15	6	14	5	3	15
(Mean wages in dollars)	(\$8.00)**	(\$6.50)*	(\$7.20)	(\$6.60)	(\$6.40)	(\$7.90)**
Benefits Available on the Job						
Health insurance	59**	39	49	30**	55	52
Paid vacation	58**	40	54	30	53	53
Paid sick leave	42*	30	30	23**	28	39
Sample Size	227	50	30	44	71	286

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

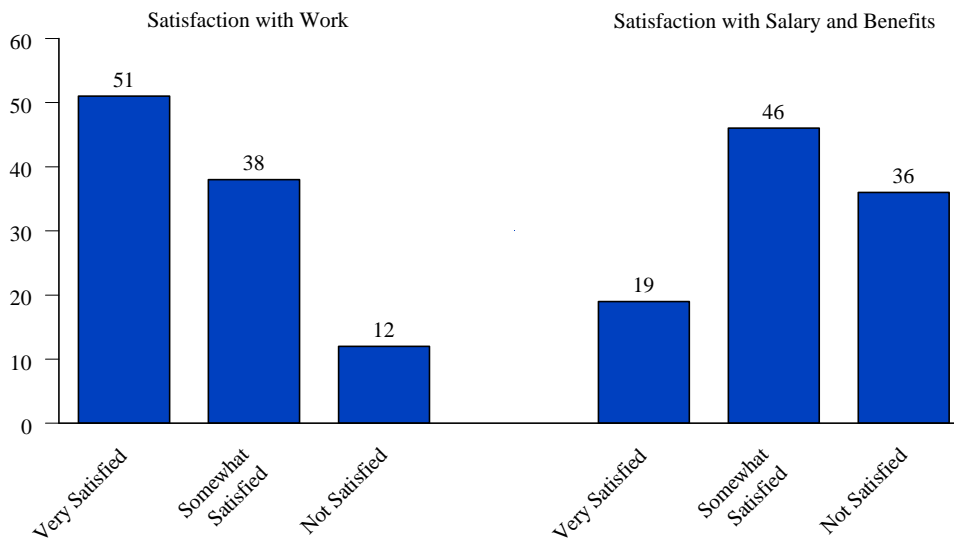
^a Significance tests refer to the differences in the outcomes between leavers in a group relative to those not in that group.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

FIGURE V.4

JOB SATISFACTION AMONG THOSE EMPLOYED
(Percentages)



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Food stamp leavers who work are generally satisfied with the work, but many are not satisfied with their salaries.

Survey respondents were asked to report on their satisfaction with their jobs. This included both satisfaction with the work they were doing and satisfaction with their salaries and benefits. Across the three groups, about half of the leavers who had found jobs were very satisfied with the work they did, 38 percent were somewhat satisfied, and only 12 percent were not satisfied (Figure V.4). In contrast, satisfaction with job salaries and benefits was much lower. Only 19 percent reported being very satisfied with their salary and benefits, while 46 percent were somewhat satisfied, and another 36 percent were not satisfied. Urban leavers tended to be more dissatisfied with their jobs, especially with their salaries, compared to rural leavers (39 percent of urban leavers were not satisfied with the salaries they earned, compared with 27 percent of rural leavers, a statistically significant difference, not shown).

Those who had left jobs were more likely to have had jobs offering low wages and few benefits than those still working at the time of the interview.

Employed clients who had left their jobs were significantly more likely than those who were still working at the time of the interview to have been in low-paying jobs. For instance, average hourly wages were \$6.60 for these leavers, compared to \$8.10 for those still in jobs (Table V.5). Only 4 percent of the group that had left their jobs had average earnings of more than \$10 per hour, compared to about 17 percent of those working at the time of the

TABLE V.5
CHARACTERISTICS OF CURRENT OR MOST RECENT JOB, BY EMPLOYMENT STATUS
AT THE TIME OF THE SURVEY
(Nonelderly/Nondisabled Sample)
(Percentages)

	Ever Worked	Employment Status	
		Currently Employed	Not Currently Employed ^a
Hourly Wages (in 1999 dollars)			**
\$5.00 or less	23	16	38
\$5.01 to \$6.00	16	14	21
\$6.01 to \$8.00	32	34	27
\$8.01 to \$10.00	17	19	11
More than \$10.00	12	17	4
(Mean wages in dollars)	(\$7.60)	(\$8.10)	(\$6.60)**
Benefits Available on the Job			
Health insurance	53	60	37**
Paid vacation	53	61	35**
Paid sick leave	37	44	21**
Seasonal/Temporary Job	11	7	19**
Sample Size	335	216	119

SOURCE: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

^a Significance tests refer to the difference in the outcome among those employed and those not employed at the time of the survey.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

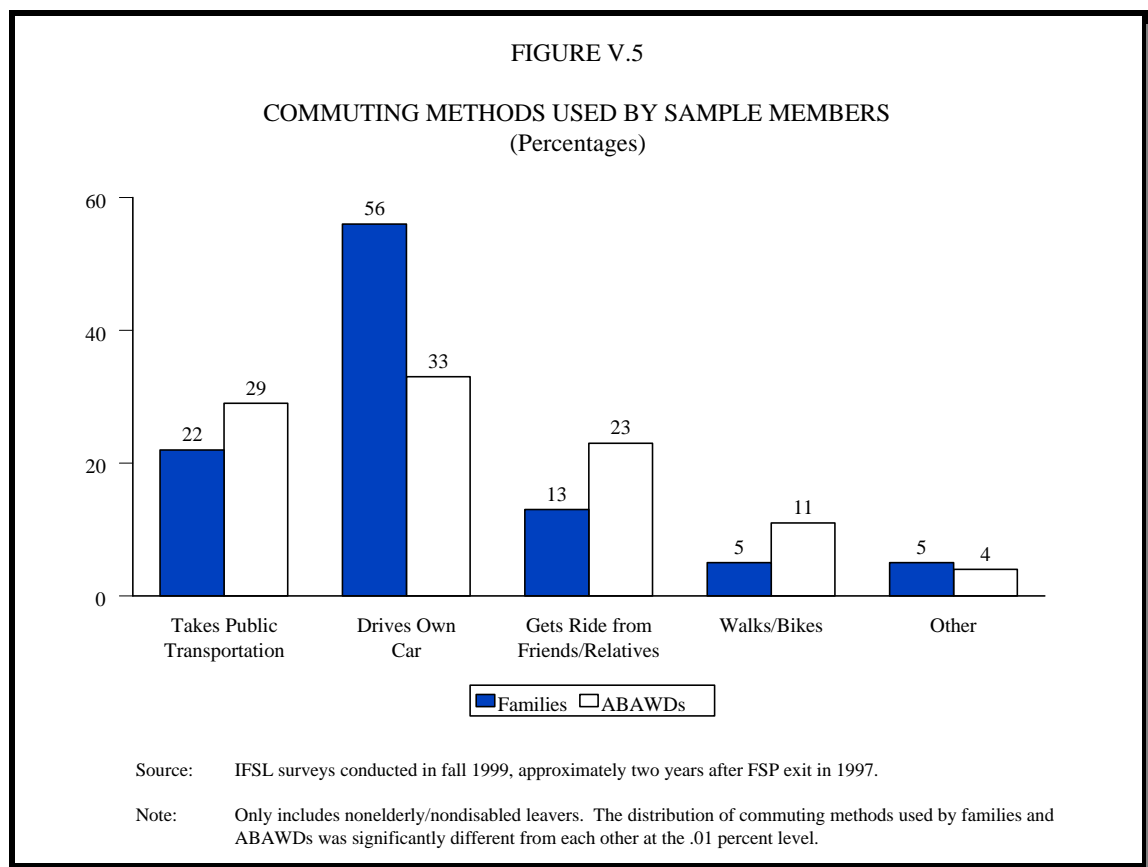
interview. In addition to having higher-paying jobs, those working at the time of the interview had jobs that offered more benefits. For example, 60 percent of those working at the time of the interview had health insurance offered, compared with 37 percent among those who were no longer working. Similarly, only 35 and 21 percent of those not working had paid vacation or paid sick leave, respectively, compared with 61 and 44 percent among those who were working at the time of the interview. Finally, those who were no longer employed were almost three times as likely to have worked in a temporary or seasonal job than those who were working at the time of the survey (19 percent, versus 7 percent among those who were working).

C. CHALLENGES TO MAINTAINING EMPLOYMENT

In this section, we report on problems at the workplace and outside the workplace that can make holding a job difficult. Since many low-income workers often report transportation as a barrier to employment, we also examine their commuting patterns.

Family leavers are more likely to commute by car than ABAWDs, who often take public transit. Rural leavers also are likely to commute by car, in contrast to urban leavers, many of whom use public transit.

At the time of the survey, nearly two-thirds of food stamp leavers owned a car. A higher fraction of families than ABAWDs were likely to own cars (72 percent, compared with 56 percent, not shown). Consistent with the relatively small number of ABAWDs who own cars, a smaller fraction of this group drove themselves to work. As Figure V.5 shows, 33



percent of ABAWDs drove themselves to work, compared with 56 percent of families. Many sample members, especially ABAWDs, relied on public transportation or on friends and relatives for rides. Those relying on public transportation or on rides from others were more likely than those who drove themselves to work to report that transportation problems made working difficult.

Consistent with the lack of mass transit in rural areas, rural leavers were considerably more likely than urban leavers to drive themselves to work or to get a ride from a family member or friend. For example, rural leavers were nearly twice as likely as urban leavers to drive themselves to work (73 percent versus 42 percent, not shown). They were also more likely to rely on rides from friends or relatives (22 percent of rural leavers, compared to 15 percent of urban leavers). In contrast, few rural leavers took public transit (3 percent of rural leavers, compared with 33 percent of urban leavers). Because rural leavers were more likely to drive to work, they also had significantly shorter commute times than those of urban leavers. The average commute time for rural leavers was approximately 21 minutes, compared with an average commute time of 36 minutes for urban leavers (not shown).

Many sample members report problems on the job that make working difficult.

Sample members who had worked were asked to indicate the kinds of problems they faced on their current or most recent jobs that make working difficult. Among all nonelderly/nondisabled leavers, nearly two-thirds of those working reported a job-related problem that made working difficult. The two largest problems reported were dissatisfaction with the salary or benefits offered on the job and dissatisfaction with the advancement opportunities on the job (Figure V.6). Other reasons reported by around 20 to 32 percent of the sample members included the job being stressful, the job being different than expected, and a problem getting along with others in the workplace.

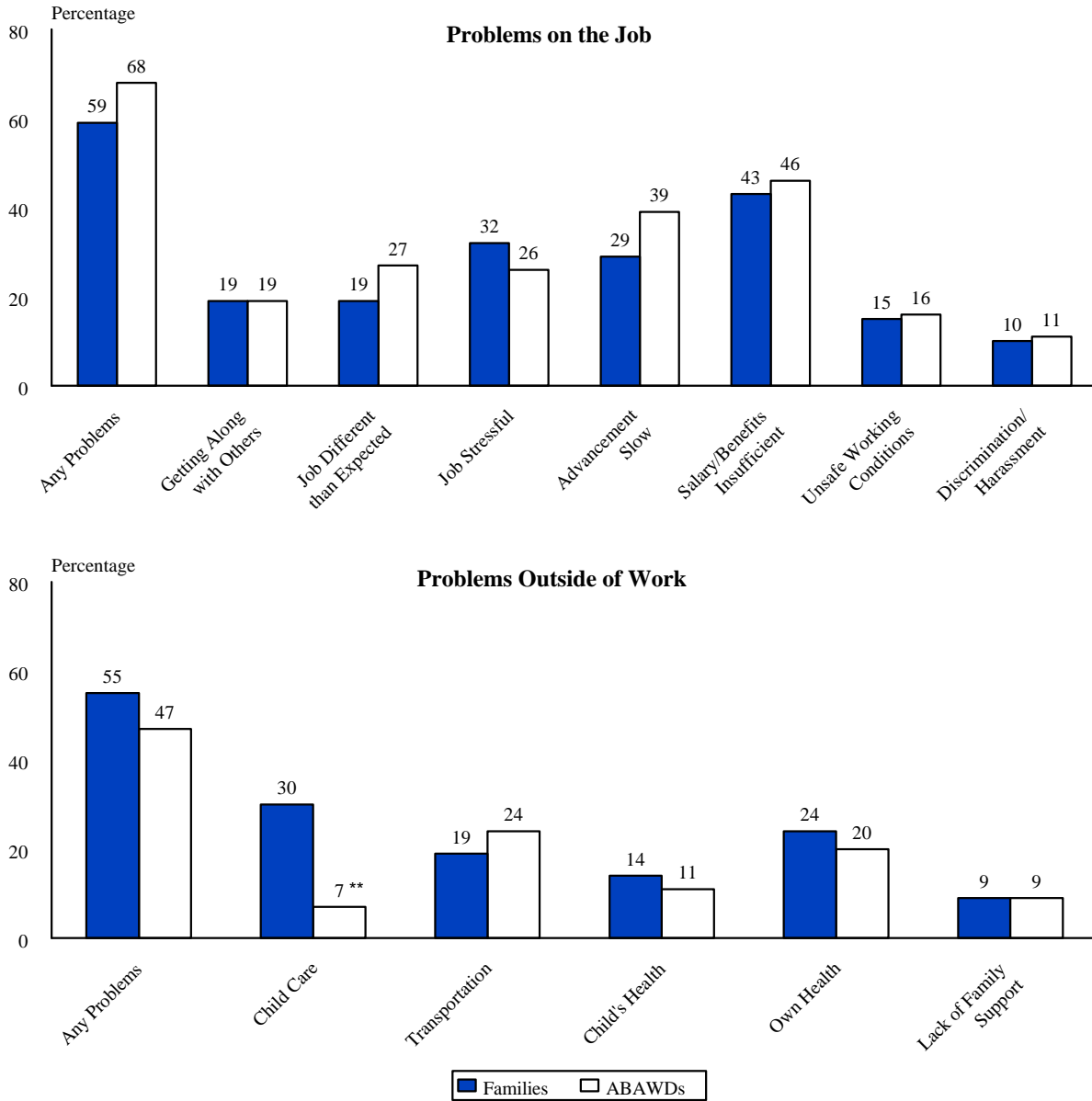
Not surprisingly, those not working at the time of the interview were much more likely than those employed at the time of the interview to report problems at the workplace. For example, 73 percent of those who were not working reported workplace problems on their most recent job, compared with 56 percent of those working at the time of the interview (not shown). Those not working were significantly more likely than those working to report that the job was different than expected (31 percent, versus 17 percent) or that the working conditions were unsafe (23 percent, versus 11 percent).

Many sample members also report problems outside of the workplace that make holding a job difficult.

Nearly 55 percent of heads of leaver families and 47 percent of ABAWD leavers who found jobs reported problems outside of the workplace that made holding a job difficult. For families, the most common problems were child care, own or child's health, and transportation (Figure V.6). The most common problems for ABAWDs were transportation

FIGURE V.6

WORK PROBLEMS AMONG EMPLOYED SAMPLE MEMBERS
(Nonelderly/Nondisabled Sample)



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

Note: Significant tests refer to differences in outcomes between family leavers and ABAWD leavers.

*Significantly different from zero at the .05 level, two-tailed test.

**Significantly different from zero at the .01 level, two-tailed test.

and own or child's health.⁸ Sample members not working at the time of the interview were much more likely than those employed at the time of the interview to report problems outside the workplace. For example, 61 percent of those who were not working reported problems, compared with 48 percent of those working at the time of the interview (not shown). In addition, those not working were significantly more likely than those working to report own or child's health as the reason that made holding a job difficult (30 percent versus 20 percent, not shown).

D. WHY WERE SOME FOOD STAMP LEAVERS NOT WORKING?

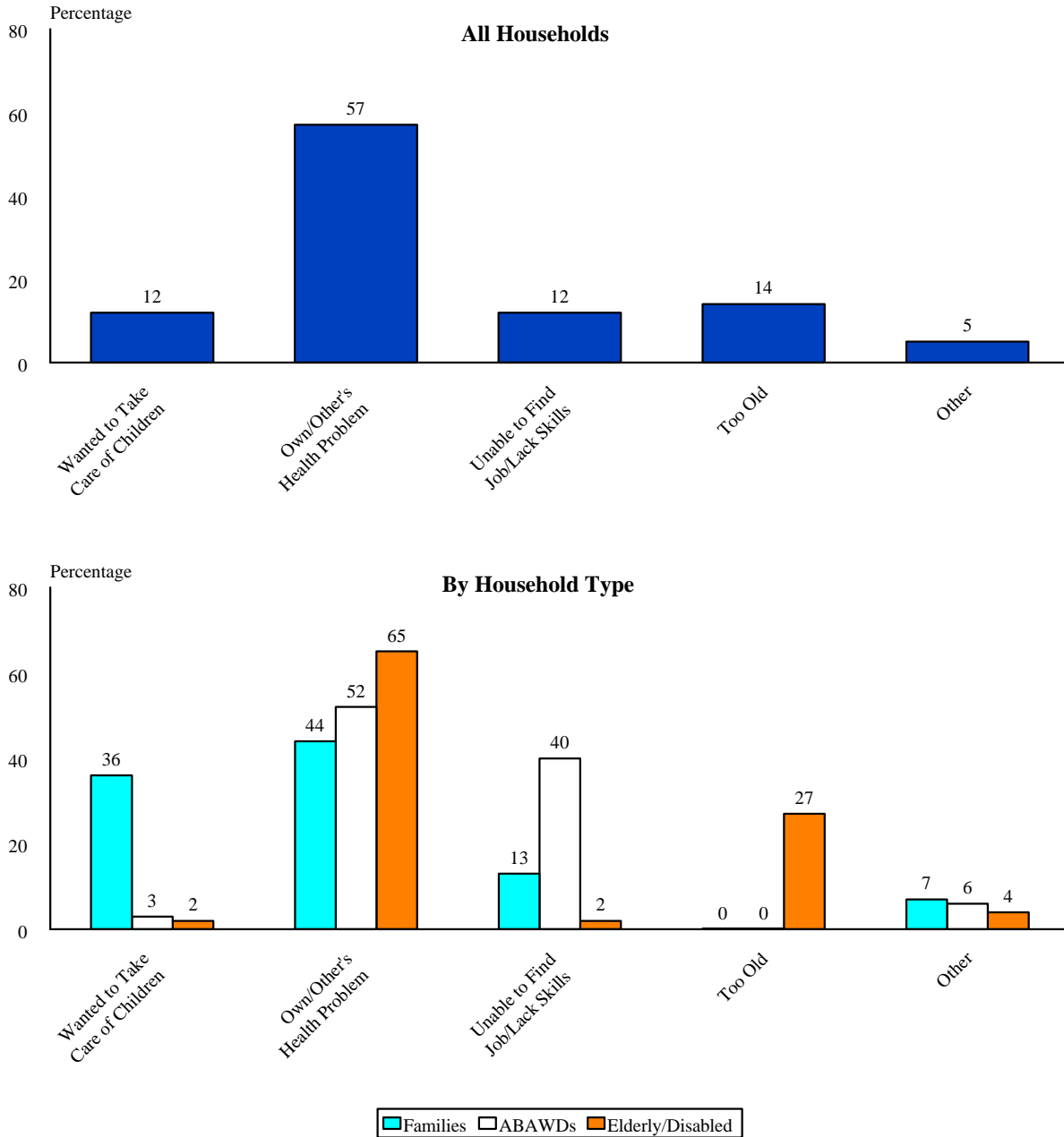
Health problems were the most commonly stated reason for not working among those who never worked since the time they exited the FSP.

Food stamp leavers who had never worked since the time of FSP exit were asked to report the main reason they had not worked. The biggest reason given was own or other household member's health problem, followed by inability to find jobs that they wanted or to find ways to take care of their children. Finding that many nonworkers reported health problems as the main reason for not working is not surprising, since many food stamp leavers in our sample are elderly/disabled individuals. However, as Figure V.7 shows, a large number of ABAWDs and family leavers who never worked also reported health problems as a reason for not working over the follow-up period. For example, about 44 percent of families and 52 percent of ABAWDs reported health problems as the primary reason they were not working. Family leavers who never worked were also likely to report taking care of their child as the main reason they were not working (36 percent). Among ABAWDs who had no employment, nearly 40 percent reported they did not work because they lacked skills or were unable to find a job (Figure V.7).

⁸Although these ABAWDs did not have dependents when they left the FSP in 1997, some of them may have married or had children over the two-year period. In addition, since a large number of ABAWDs moved in and live with other people, they may be living in households where there are children (not necessarily their own children).

FIGURE V.7

MAIN REASON FOR NOT WORKING AMONG NONEMPLOYED SAMPLE MEMBERS



Source: IFSL surveys conducted in fall 1999, approximately two years after FSP exit in 1997.

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