

# Iowa Food Stamp Leavers Survey: Final Report

## 1. Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 brought about significant changes in the scope and structure of most major programs targeted to the low-income population, including Aid to Families with Dependent Children (AFDC), food stamps, Medicaid, Supplemental Security Income (SSI), child welfare, and child support. The Act transferred significant authority to states for the design and implementation of programs; the Temporary Assistance to Needy Families (TANF) program replaced AFDC. As a result, the Food Stamp Program (FSP) is now the only major federal entitlement program based solely on need and targeted to low-income households.

Although the new funding for programs run under the TANF block grant began during federal fiscal year 1997, for many states, including Iowa, major changes in welfare programs began earlier with state requested and federally approved waivers. Iowa renamed the AFDC program and initiated the Family Investment Program (FIP) in October 1993. Reforms tied to support for job training, child care, and transportation were designed to encourage and require welfare recipients to make changes toward achieving self-sufficiency. Complementary changes to the FSP were implemented as well. Certain FSP provisions were changed to disregard earnings and some other income in determining eligibility and to allow deposits into Individual Development Accounts (IDA).

Additional changes in the FSP were implemented in 1996 under PRWORA. The most significant FSP changes were limitations on eligibility for many immigrants and the creation of the eligibility distinction and unique FSP rules for able-bodied adults without dependents (ABAWDs), which covers adults between the ages of 18 and 50. Other changes to the FSP in 1996 limited benefits to ABAWDs. ABAWDs who are not otherwise exempt from work registration may not receive FSP assistance for more than 3 months within any 36-month period unless engaged in a work or training activity at least 20 hours a week or some other qualified work activity (e.g., workfare). Iowa had no high unemployment areas exempt from work requirements.

In 1998, the U.S. Department of Agriculture's Economic Research Service (USDA/ERS) funded four studies designed to better understand the circumstances of people who left the FSP in 1997. The states included Arizona (Phoenix area), Illinois, Iowa, and South Carolina. Specifically, USDA sought information about the underlying economic, programmatic, and non-programmatic factors that affect the well-being of these low-income individuals and families. The effects of FSP limitations brought on by PRWORA would be evident in 1997 for some of these families. Because of the importance of program linkages and the role of the FSP as a program to support those leaving TANF, there was a need to evaluate whether the new program rules were effective in moving households and individuals toward economic self-sufficiency. And, more broadly, for the purposes of evaluation and effective policy design, it is important to understand the role

that the FSP plays in the new welfare era, including whether the FSP continues to meet the needs of low-income households for obtaining food.

This report provides the results from the study in Iowa. Iowa experienced sharp decreases in FSP enrollment following the passage of PRWORA in 1996, as did other states (Figure 1). The Iowa study was designed to better understand what happened to those who left the FSP and to identify the underlying economic, programmatic, and non-programmatic factors that affected the well-being of the FSP households. Specific questions of interest include the following:

- How did those who left the FSP differ from those who stayed on the program?
- What were the economic outcomes for those who left the FSP and for ABAWDs who left the FSP compared to others?
- Were those who left the FSP able to improve their overall well-being, as measured by food security, housing quality, and other measures of economic hardship? How did ABAWDs who left FSP fare during the period?
- What were the barriers faced by those leaving the program and by ABAWDs leaving the FSP?
- Did low wages, problems with child care, or problems with transportation limit the success of those who left the program at attaining economic self-sufficiency?

In order to address these questions, the project developed two types of data for analysis: administrative record data and a new survey administered by phone to FSP households during the summer of 1999. The next sections provide background to the study, information about the sample and data used for the study, and the survey results.