

4. Discussion

The primary goal of this study was to understand the current circumstances of individuals and families who participated in the FSP in Iowa in 1997. Survey data were obtained from individuals who either left the FSP in 1997 or stayed through 1997 and perhaps exited later. Of specific interest was the group of Food Stamp program participants known as ABAWDs or Able-Bodied Adults Without Dependents. These individuals faced stricter FSP eligibility requirements as a result of the welfare reform legislation of 1996 (PRWORA).

Comparisons of individuals who left the FSP in 1997 (leavers) compared to those who did not leave the FSP, and of the ABAWD groups were made to assess the circumstances of the groups of interest. A minority (42%) of the 1997 FSP participants was also participating in the program at the time of interview in 1999. Those classified as ABAWDs in 1997 participated at a much lower rate in 1999 than others (18% versus 44%). The reasons for leaving indicate many left for reasons consistent with objectives of welfare reform: they left because their income increased, they got a job, or their family situation changed. However, a significant number indicated that the FSP required too much paperwork or they got cut off and did not understand why.

Understanding the status of 1997 FSP participants in terms of employment, earnings and income is key to understanding their living circumstances. Three-fifths of the full sample of respondents worked in the month prior to their interview; 66% of the leavers worked and 70% of the ABAWDs worked. As might be expected, those who left the program had higher household earnings and incomes compared to those who stayed. Over 60% of household income for the leavers group came from earnings. In contrast, the relatively small group of ABAWD-stayers had low household income and the smallest share of income from earnings for the groups analyzed.

While FSP participation fell dramatically, other measures of well-being indicate that the families studied here continue to struggle. The majority (67%) of the 1997 FSP participants had household incomes below poverty in 1999, and over half of the ABAWDs had household income less than 50% of poverty income. We estimate that over half (55%) of these families were food insecure at some time in the previous 12 months. An estimated one-fourth (28%) of all families and two-fifths (41%) of all of the 1997 ABAWDs were food insecure with hunger in 1999 at some time in the year before the interview. The percentages are relatively high and reflect the basic needs of this population (those who had participated in the FSP in 1997 and who were still in Iowa in 1999). It may be possible also that this population would be more likely to report food problems in the last 12 months since they were receiving (or had received) food stamps in 1997. We can not determine whether having been a food stamp recipient led to more frequent reports of food problems. Use of other community resources, such as visiting emergency shelters or receiving county relief benefits, was common (42% of the full sample) as well. Over half of the sample (57%) and nearly two-thirds (64%) of the ABAWDs had received privately provided food assistance in the last year. On a positive

note, nearly all of the families (85%) had access to health insurance, although the rates were lowest for the ABAWD group.

To summarize, 1997 FSP participants combine earnings and public and private assistance in 1999 in an effort to meet basic needs. Often these efforts are not successful. Assistance programs including private food assistance remain important resources. Subsidies such as those for rent allow individuals and families to remain outside of other programs. Can earnings replace or supplement program benefits? It is not clear whether the lower work effort of stayers is a function of choice (labor supply) or the unavailability of more work opportunities (labor demand). Delving deeper into the labor-supply–labor-demand question remains a persistent issue, and one likely to be especially important if overall economic conditions decline.