

CHAPTER I: INTRODUCTION AND METHODOLOGY

This report presents findings from a study of 899 non-TANF families who left Food Stamps in South Carolina between October 1998 and March 2000. The study provides information on the status of the families about one year after they left Food Stamps. Information on the sample of Food Stamp leavers was collected through telephone surveys.

The report was produced as part of a larger study of Food Stamp leavers in South Carolina. Under the study, two samples of Food Stamp leavers were surveyed:

- a sample of non-welfare Food Stamp families, including one-parent and two-parent families; and
- a sample of Food Stamp leavers who were Able-Bodied Adults Without Dependents (ABAWDs).

This report presents the findings for the non-welfare families. The study examined two “cohorts” of Food Stamp leavers, as follows:

- families who left Food Stamps between October 1998 and March 1999 (“Cohort One”); and
- families who left Food Stamps between October 1999 and March 2000 (“Cohort Two”).

The tracking of two consecutive “exit cohorts” of Food Stamp leavers is consistent with the approach the South Carolina Department of Social Services (SCDSS) has taken in its earlier studies of TANF leavers. This approach is useful for examining whether outcomes among program leavers are affected by such factors as changes in economic conditions, caseload composition, or program policies. With regard to economic conditions in South Carolina, the average monthly unemployment rate during the surveys of Cohort 1 was 4.2 percent. During the surveys of Cohort 2, the average monthly unemployment rate was slightly lower at 3.6 percent. No major changes in the state’s Food Stamp policies were implemented between the two survey periods.

Information on the families was gathered through telephone interviews conducted from the MAXIMUS Survey Research Center between October 1999 and April 2001. The study of non-welfare Food Stamp leavers is part of a broader study of Food Stamp leavers in South Carolina. The other major component of the study involves a follow-up study of ABAWDs who left Food Stamps. Findings on the ABAWDs are available in a separate report.

A. POLICY BACKGROUND AND OBJECTIVES OF THE STUDY

Nationally, Food Stamp caseloads as well as TANF caseloads have declined significantly in recent years. While researchers have conducted numerous studies of TANF families who have left welfare and Food Stamps, relatively little attention has been focused on non-TANF families who have left the Food Stamp program.

1. USDA Research Program to Study Food Stamp Leavers

In 1998, the Economic Research Service (ERS) of the U.S. Department of Agriculture awarded grants to four states to conduct research on Food Stamp leavers: Arizona, Illinois, Iowa, and South Carolina. Each of the four states focused on different segments of the Food Stamp population. The South Carolina Department of Social Services (SCDSS) chose to focus on two major groups: non-TANF families and ABAWDs. The reason for focusing on non-TANF families was that South Carolina was already in the process of conducting extensive follow-up surveys of families who had left the TANF program.¹ SCDSS wanted to know more about the status and well-being of families who had left Food Stamps but who had not been on TANF.

2. Information on Non-Welfare Families in the Food Stamp Caseload

Data for the national Food Stamp program for 1997 show that about 21 percent of all Food Stamp cases involved non-TANF families, defined as cases that included children but in which the family was not receiving welfare benefits. Data published by the Food and Nutrition Service (FNS) indicate that non-welfare families have increased as a percentage of all families receiving Food Stamps.² The FNS analysis showed that between 1994 and 1997, the number of single parents who were on Food Stamps *and* receiving welfare declined by 27 percent. In contrast, the number of single parent families who were on Food Stamps but *not* receiving welfare increased by 9 percent. FNS attributes the difference primarily to the effects of welfare reform.

One reason for the relative lack of attention paid to non-welfare Food Stamp leavers is that these families were not directly affected by most of the provisions of the 1996 welfare reform legislation. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) did have a major impact on welfare families and childless adults in the Food Stamp population, as follows:

- Under the welfare reform legislation, TANF families became subject to time limits on cash assistance and to strict new work requirements, with the states having considerable flexibility to establish their own policies in these areas.

¹ For the latest report on South Carolina's TANF leavers, see *Welfare Leavers and Diverters Research Study: One-Year Follow-Up of Welfare Leavers*, MAXIMUS, March 2001.

² *Who is Leaving the Food Stamp Caseload? — An Analysis of Caseload Changes from 1994 to 1997*, Food and Nutrition Service, Office of Analysis, Nutrition, and Evaluation, March 1999.

- Studies by FNS suggest that the welfare reform legislation has indirectly been responsible for part of the decline in Food Stamp caseloads nationwide.
- Under the 1996 legislation, ABAWDs are limited to 3 months of Food Stamp benefits in a 36-month period unless they meet work requirements or live in exempt areas characterized by poor economic conditions.

Although non-TANF Food Stamp families have not been affected by many of the provisions of PRWORA, there are legitimate reasons for studying these families after they leave Food Stamps, as highlighted in the next section.

3. Specific Reasons for Studying Non-Welfare Food Stamp Leavers

While non-welfare families on Food Stamps are not subject to the time limits and new work requirements introduced by PRWORA, their status and well-being after leaving Food Stamps is still of concern to policy makers. The current study of non-welfare Food Stamp leavers in South Carolina was designed to address the following key issues.

Are Non-Welfare Families Who Leave Food Stamps Meeting their Financial and Nutritional Needs?

For example, are the parents employed, and if so, are they earning enough money to support their families? If they are not working and are still off Food Stamps, what other types of income do they have? How many of the families are experiencing food insecurity and other types of hardship? If unemployed, what are the reasons why parents are not working?

With regard to poverty, what percentage of the families who are still off Food Stamps have escaped poverty? Which sub-groups are having the most difficulty leaving poverty?

How Has Leaving Food Stamps Affected the Well-Being of Children?

Leaving Food Stamps may affect the well-being of children in a variety of ways. If families successfully leave Food Stamps and achieve stable employment that provides a higher standard of living for their children, the children may benefit materially from improved housing conditions and developmentally from more positive role models. However, if families leave Food Stamps but are unable to maintain steady employment, children may experience reduced living standards, poor nutrition, and other hardships. This may affect children in a number of ways, including health, school performance, behavior patterns, and overall adjustment. Even in cases where families do achieve stable employment after leaving Food Stamps, the parent's movement into the workforce may create stresses for children. For example, the children may have to be placed in child care arrangements whose quality and stability may vary.

How Many of the Families Who Have Left Food Stamps May Still Be Eligible for Food Stamps But Are Not Re-Enrolling?

In recent years, concern has been expressed by federal and state policy makers that many of the families who leave Food Stamps may still be eligible for benefits based on income, but are not participating in the program for various reasons. A study by the Urban Institute estimated that about two-thirds of families who left Food Stamps at some time between 1995 and 1997 were still eligible for Food Stamps based on income data collected through the National Survey of American Families (NSAF).³

The authors found that the percentage of leavers who might still be eligible for Food Stamps did not differ greatly between TANF and non-TANF families who had left Food Stamps. For example, 65 percent of TANF families who had left Food Stamps had incomes below 130 percent of the federal poverty level – the gross income test for Food Stamp eligibility. In addition, 51 percent had incomes below the 100 percent poverty level. Of the non-TANF families who had left Food Stamps, 61 percent had incomes below 130 percent of poverty when surveyed, and 42 percent had incomes below 100 percent of poverty.

How Many of the Families Who Are Still Eligible for Food Stamps Are Not Accessing Benefits Because of “Administrative Hassles”?

Another concern raised by the Urban Institute study was that many of the families who leave Food Stamps but are still eligible for benefits are not re-enrolling because of administrative “hassles.” The study found that 32 percent of non-TANF families who had left Food Stamps cited administrative hassles as the reason for not being on Food Stamps. By comparison, only 27 percent of welfare families who had left Food Stamps cited this as a reason for no longer being enrolled. According to the authors, this suggests that “families outside the cash assistance system are more likely to struggle with the program requirements for maintaining eligibility.”

The authors concluded that continued efforts should be made to cut down on paperwork and reporting requirements for recipients, and that there is a need for greater outreach to low-income families to improve participation rates in Food Stamps.

What Types of Non-Welfare Families Are Returning to Food Stamps and Why?

One of the objectives of the study was to determine which types of families are returning to Food Stamps (“recidivists”) and to compare them to families who stay off the rolls. A related objective of the study was to examine the barriers faced by the recidivists in leaving Food Stamps over the long term.

³ Zedlewski and Brauner: *Are the Steep Declines in Food Stamp Participation Linked to Falling Welfare Caseloads?*, Urban Institute, 1999.

How Do One-Parent and Two-Parent Families Compare in Terms of their Experiences After Leaving Food Stamps?

In designing the study of non-TANF Food Stamp leavers, SCDSS wished to focus on two specific sub-groups among the population: one-parent families and two-parent families. The survey sample, in fact, was stratified to include equal numbers of cases from these two groups.

In comparing one-parent and two-parent families, SCDSS wanted to be able to determine whether household composition had an impact on the experiences and well-being of non-welfare families after they left Food Stamps. It was assumed, for example, that two-parent families might fare better in terms of overall well-being because they potentially had access to the resources of two adults. One-parent families, therefore, were a focus of special concern to SCDSS in terms of their status after leaving Food Stamps. SCDSS also wished to know more about the different characteristics of one-parent v. two-parent families, including the reasons why they left Food Stamps and their barriers to self-sufficiency.

B. DATA COLLECTED AND ANALYZED FOR THE STUDY

Data for the study were collected through telephone interviews and through the analysis of administrative records data. The administrative records data were obtained from the SCDSS automated systems on all sample members. The administrative data are presented in Appendix B of the report.

C. SAMPLE DESIGN AND SAMPLE SELECTION

As noted above, the sample of Food Stamp leavers for the study actually consisted of two distinct samples:

- a sample of 644 families who left Food Stamps between October 1998 and March 1999 (Cohort One); and
- a sample of 644 families who left Food Stamps between October 1999 and March 2000 (Cohort Two).

The sample was selected from SCDSS's statewide administrative records system. Families had to have been off Food Stamps for at least two consecutive months to be counted as leavers. The samples consisted only of Food Stamp cases in which children were present in the case. In addition, none of the families in the two samples had been on TANF in the 12 months prior to leaving Food Stamps. The names in the sample consisted of the heads of household in each case, as designated by SCDSS. Surveys were conducted with the heads of households in each sample case.

The study was based on a stratified sample design in which one-parent and two-parent cases each comprised 50 percent of the sample. Exhibit I-1 provides an overview of the

stratified sample design for the study. In effect, two-parent cases were oversampled so that we would have enough of these cases to draw meaningful comparisons between one-parent and two-parent cases.

Because of the stratified sample design, sample weights were applied to the data when generating the tables for this report. ***For this reason, there are tables in the report in which the sub-group sample sizes do not necessarily add up to the overall sample of cases.***

EXHIBIT I-1 OVERVIEW OF THE STRATIFIED SAMPLE

Strata	Cohort One	Cohort Two	Total
1-parent cases	322	322	644
2-parent cases	322	322	644
Total	644	644	1,288

D. SURVEY METHODS

The surveys were conducted by telephone from the MAXIMUS Survey Research Center, using computer-assisted telephone interviewing (CATI). Contact information on the 644 families was obtained from the automated systems of the South Carolina Department of Social Services and was loaded onto the CATI system. In an effort to standardize the follow-up period, surveys were initially targeted to families who had left Food Stamps between October and December 1998. The surveys for this group were begun in October 1999. In January 2000, we began the process of surveying the families who had left Food Stamps between January and March 1999. A similar approach was used for Cohort Two.

The survey process began with an initial mail-out on SCDSS letterhead inviting sample members to call the toll-free numbers at the Survey Research Center. A financial incentive of \$20 was offered in this mail-out. A second round of mail-outs was initiated after a few weeks to persons who did not respond to the first mail-out. The incentive in the second mail-out was increased to \$25. During the mail-out process, MAXIMUS interviewers also made attempts to contact sample members using the telephone numbers provided by SCDSS. If the numbers turned out to be invalid, Directory Assistance calls were used. The CATI system was programmed to vary the times of callbacks to sample members and to record information on the results of all contact attempts.

In addition to the above procedures, we obtained a data match on the sample from a commercial data broker who provided credit bureau information and other contact information from public records. MAXIMUS also had a staff member on-site at one of the SCDSS District Offices searching the SCDSS databases for contact information on sample members who were still receiving any type of public assistance. SCDSS also provided a match of the sample against the file of custodial parents in the state's child support enforcement database.

Finally, we conducted field-based survey efforts to locate sample members in their neighborhoods and to encourage them to complete the survey. The field-based interviewers provided the sample members with cell phones to call the Survey Research Center's toll-free number to complete the survey on the CATI system.

E. SURVEY RESPONSE RATES

Of the 644 persons in Cohort One, 2 were confirmed as deceased or incarcerated. Among the 642 sample members who were available to be interviewed, we completed surveys with 457 persons, representing a response rate of 71.2 percent.

Exhibit I-2 shows the response rates for Cohort One by the primary sampling strata. As shown in the exhibit, the response rate for one-parent cases was slightly higher than the response rate for two-parent cases. Exhibit I-3 shows the response rates for Cohort Two by primary sampling strata. As indicated, an adjusted response rate of 68.8 percent was achieved. The overall adjusted response rate for both samples combined was 70.0 percent.

EXHIBIT I-2 RESPONSE RATES BY SAMPLING STRATA, COHORT ONE

Strata	Sample Size	Available for Interview	Surveys Completed	Unadjusted Response Rate	Adjusted Response Rate
1-parent	322	320	233	72.4%	72.8%
2-parent	322	322	224	69.6%	69.6%
Total	644	642	457	71.0%	71.2%

EXHIBIT I-3 RESPONSE RATES BY SAMPLING STRATA, COHORT TWO

Strata	Sample Size	Available for Interview	Surveys Completed	Unadjusted Response Rate	Adjusted Response Rate
1-parent	322	322	218	67.7%	67.7%
2-parent	322	320	224	69.6%	70.8%
Total	644	642	442	68.6%	68.8%

Response Rates by Ethnicity and Gender

For Cohort One, the response rate among whites (66 percent) was lower than the response rates among blacks (78 percent). In addition, the response rate among females (70 percent) was lower than among males (81 percent). For Cohort Two, the response rate among

blacks and whites was about the same at 70 percent. The response rate was somewhat higher for females (69 percent) than for males (65 percent).

F. USE OF WEIGHTS IN THE DATA ANALYSIS

Weights were used in the data analysis because the study was based on a “nested stratified sample design” involving the two different strata. The main strata consisted of one-parent and two-parent households. The nested strata consisted of households with two children and all other households. The sample was selected so that each of the four cells contained an equal number of cases, even though the four types of cases were not equal in number in the overall population of non-TANF Food Stamp leavers. Under this design, some types of cases were over-sampled and some types of cases were under-sampled in relation to their actual numbers in the overall population.

When conducting the data analyses for the study, we calculated the totals for each major variable for all respondents combined. We also calculated separate results for one-parent cases and two-parent cases. In computing the separate results for the one-parent cases and two-parent cases, we applied two weights – one for the one-parent cases and another to the two-parent cases. These two weights were designed to correct for the fact that an equal number of one-parent and two parent cases had been selected for the sample, but there was not an equal number of one-parent and two-parent cases in the overall population.

When we calculated the **totals** for each variable, however, it was necessary to apply four different weights, not two. The four weights were designed to correct for **both** of the strata in the nested sample design. A separate weight had to be applied to each of the four cells in the sample to reflect the relationship between the cell size and the total number of cases of each type in the overall population. For example, the weight that was used for one-parent cases involving two children was based on the relationship between the number of these cases in the sample and the total number of these cases in the population of non-TANF Food Stamp leavers. A different weight was used for two-parent cases involving two children. Overall, a separate weight had to be used for each of the four cells in the sample.

For this reason, the weighted totals in the tables for many of the analyses are different from the combined totals for the one-parent and two-parent cases in the same tables.

G. ORGANIZATION OF THE REPORT

The remainder of the report presents the key findings from the surveys, as follows:

- Chapter II presents findings on respondent characteristics, and draws comparisons with families who left the TANF program in South Carolina. This chapter also presents an analysis of Food Stamp recidivism among the sample.

- Chapters III to VI present findings on families who were still off Food Stamps at the time of the surveys. The specific topics covered in each chapter are as follows:
 - Chapter III presents findings on employment outcomes among families who were still off Food Stamps at the time of the surveys, including employment status, earnings, work hours, reasons for not working, work history, total household income, and poverty status.
 - Chapter IV presents the findings on indicators of family well-being among families still off Food Stamps, including adverse events, food security, and life after Food Stamps.
 - Chapter V presents the findings on child outcomes among families who were still off Food Stamps.
 - Chapter VI provides findings on the use of benefit programs and child care by families still off Food Stamps.

Appendix A of the report provides additional analysis of the findings on child outcomes. For the additional analysis, we constructed a “child outcomes index” that combines the results for the child outcome questions into a single numerical measure for each respondent. Appendix B of the report presents the analysis of data from the SCDSS administrative records.