

Chapter 1

Introduction

The Food Stamp Program Access Study examines the relationships between the food stamp participation decisions of eligible households and local food stamp office policies and practices that potentially affect access to the program. This report focuses on one group of eligible households—those who are not participating in the FSP—and presents a detailed descriptive analysis of their characteristics, experiences, and perceptions of the program.

The Food Stamp Program (FSP), administered by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA), is the largest Federal food assistance program and the cornerstone of our nation's safety net for low-income persons. Its primary objective is to help low-income households obtain a more nutritious diet by increasing their food purchasing power. The program provides eligible households with electronic benefit transfer cards that are redeemable at authorized food stores for a preset dollar amount. Unlike other Federal income maintenance programs, the FSP has few categorical eligibility criteria, such as the presence of a child, a disabled person, pregnant women, or an elderly adult in the household. The majority of FSP recipients are children and approximately one-quarter are in households that receive cash assistance from the Temporary Assistance to Needy Families Program (TANF) (Cunmyngham, 2001).

Policy Setting

In 1996, Federal welfare reform legislation (the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 or PRWORA) was enacted. This law replaced Aid to Families with Dependent Children, a cash assistance entitlement program, with the block-granted, work-oriented Temporary Assistance to Needy Families (TANF) program. The FSP remained essentially a national entitlement program, though PRWORA made a number of important changes to the Food Stamp Program that reduced eligibility for some groups, established work requirements for a small group of adults without children, and limited future benefit increases for all participants.

National food stamp rolls decreased by 40 percent between 1994 and July 2000, from 27.5 million participants down to 16.9 million participants. Since July 2000, the low point of participation, food stamp rolls have increased fairly steadily, to an estimated 22.4 million participants in August 2003. Studies have shown that the food stamp caseload declined not only because many households' circumstances improved enough to make them ineligible for benefits, but also because a smaller percentage of the potentially eligible households were participating in the program. This led policymakers and analysts to focus on the broad question of what factors influence FSP participation, including the possible role of local food stamp office policies and practices in encouraging or deterring households' participation decisions.

Research Objectives

As part of an effort to more fully understand the factors that influence FSP participation, the Economic Research Service of the U.S. Department of Agriculture funded Abt Associates Inc. and Health Systems Research, Inc. to conduct a study to systematically examine accessibility at the local office level using a nationally representative sample. The key issue concerned the extent to which

policies implemented at the local level, as well as local office practices, affect households' decisions to apply for food stamps and their decisions to continue participating once they are approved for food stamp benefits.

The study's three main objectives were to:

- describe the policies and practices in local food stamp offices that may affect FSP accessibility;
- examine how local policies and practices affect households' decisions to apply for food stamps and their decisions to continue receiving food stamps; and
- examine the reasons why some eligible households do not participate in the FSP.

This report, one of three reports prepared for the study, focuses on the third objective: describing the experiences, perceptions, and circumstances of households that appear eligible to receive food stamp benefits, but have not applied for them. A number of previous research studies have examined this issue, though this is the first national study conducted since full implementation of welfare reform. It is particularly instructive to compare findings from the current study with those obtained from a nationally representative survey of eligible nonparticipants conducted around the time PRWORA was passed (Ponza et al., July 1999).

Previous Research on Nonparticipant Households

Prior to the current study, only one other national survey of food stamp-eligible nonparticipant households had been conducted (Ponza et al., 1999), though several other research studies examined the nonparticipant population using data from nationally representative samples of households (Coe, 1983; Blaylock and Smallwood, 1984; GAO, 1988). These surveys all asked nonparticipant households why they weren't participating in the FSP.

Confusion about eligibility appears to have been a major factor affecting households' decisions to apply for food stamp benefits. Coe (1983) and GAO (1988), using data from the Panel Study of Income Dynamics (PSID), found that approximately half of all nonparticipant households did not think they were eligible for food stamp benefits.² The National Food Stamp Program Survey (NFSPS), conducted by Ponza et al. (1999), found a somewhat higher percentage—72 percent—of apparently eligible nonparticipant households did not think they qualified for program benefits.³

Among PSID households that did not think they were eligible for FSP benefits, 34 to 39 percent believed that their income and/or assets were too high and 8 to 15 percent believed that they did not

² The Panel Study of Income Dynamics (PSID), a national, longitudinal survey of families collected extensive data on household circumstances that allowed researchers to identify households that were apparently eligible for food stamps. In the 1980 and 1987 surveys, households that did not receive food stamp benefits were asked about the reasons for their nonparticipation in the previous year.

³ Ponza et al. (1999) used a random-digit-dial telephone survey to identify households that were apparently eligible for food stamp benefits, but were not participating in the FSP. Lengthy interviews were conducted with nonparticipant households in 1996-1997 to understand their circumstances and their reasons for not applying for food stamp benefits.

meet some other FSP eligibility requirement (Coe, 1983; GAO, 1988). Blaylock and Smallwood (1984), using data from the 1979 Survey of Food Consumption in Low-Income households (SFC-LI), also found that a substantial proportion (35 percent) of households thought their income and assets exceeded program limits.

Households that thought they were eligible for food stamp benefits reported a variety of reasons for not applying for benefits. The most often cited reason was related to a desire for independence—they did not need or want food stamps. In the PSID studies, between 36 and 41 percent reported that they didn't need food stamps or they just never bothered applying (Coe, 1983; GAO, 1988). Twenty-seven percent of nonparticipant households in the SFC-LI reportedly did not apply for food stamps because someone else needed them more. Respondents to the NFSPS cited several reasons related to a desire for independence—28 percent reported they did not need food stamps, 12 percent never bothered to apply, and 16 percent did not want to rely on government assistance.

The second most commonly cited reason for not applying to the FSP was the administrative hassles associated with application and participation. In the PSID studies, 17 to 27 percent of households reportedly did not apply to the FSP because of administrative issues, including long waits in the office and difficulty with obtaining the proper forms (Coe, 1983; GAO, 1988). Fifteen percent of NFSPS respondents did not apply due to the extensive paperwork required and the difficulty of getting to the office (Ponza et al., 1999).

Stigma associated with FSP participation also deterred a sizeable portion of households. In the PSID, 14-16 percent of households who thought they were eligible for the FSP cited stigma as the main reason they did not apply for benefits (Coe, 1983; GAO, 1988). In the NFSPS, 11 percent cited stigma as the most important reason for not applying (Ponza et al., 1999).

Among households that thought they were eligible for the FSP, 10 percent of NFSPS respondents in 1996-1997 reported that the benefits were too low to make it worthwhile applying (Ponza et al., 1999). This reason was cited by less than one percent of PSID respondents in 1979 and 1986 (Coe, 1983; GAO, 1988).

Numerous studies have examined how FSP participation rates vary by the demographic and economic characteristics of households.⁴ McConnell and Nixon (1996) summarized the findings from the different studies and showed that the results were fairly consistent. Participation rates through 2000 are also consistent with prior findings (Cunnyngham, 2002). Households with historically lower than average participation rates include those with elderly members, with a white or Hispanic household head, and households with earnings. Households with higher incomes, assets, and headed by individuals with relatively more education also have lower participation rates. In contrast, participation is highest among households with children, large households, those receiving public assistance, and those receiving higher than average FSP benefits. Multivariate analyses of the relationship between participation rate and household characteristics show similar findings, though race, the presence of children, and FSP benefit levels have significant effects in some, though not all studies. This suggests that the variation in participation rates among these subgroups may stem from a correlation between these characteristics and other characteristics that significantly affect participation rates.

⁴ Participation rates are defined as the number of individuals or households receiving FSP benefits divided by the number of individuals or households that are eligible to receive FSP benefits.

Study Methods

Sample Selection

The sampling for this nationally representative study involved two steps. Sampling was first conducted at the office level and then, using a random-digit-dialing (RDD) telephone survey, food stamp-eligible nonparticipant households living in the areas around the sampled local offices were identified and interviewed.

Sample of Offices

The sampling plan for the national sample of offices had three objectives: to achieve national representation; to include substantial variation in administrative practices both between and within States; and to support analysis across offices of the effects of administrative practices on caseload entry and exit.

Each State in the continental U.S. and the District of Columbia provided a complete list of local offices, along with caseload information for each office. In places where different sites served distinct segments of the local caseload (e.g. the elderly or TANF clients), these sites were combined to make a single office that served all segments of the local program population. Offices with caseloads less than 150 were excluded from the sampling frame because of the difficulties they would have presented in obtaining an adequate sample of applicants.⁵

To ensure a maximum distribution of sample offices throughout the States, the sample was then stratified by the seven FNS regions, and by State within each region. States with small populations were grouped together to ensure the representation of smaller states in the office sample. In large States, the sample was further stratified based on the degree of urbanicity (defined as offices located within Metropolitan Statistical Areas, or MSAs, vs. offices located outside MSAs).

Probability-proportional-to-size (PPS) sampling was used to draw a sample of 120 local food stamp offices. The sampled offices were located in 40 States and the District of Columbia. All selected States, with the exception of New York, agreed to participate in the research study. New York was unable to participate due to a pending lawsuit in New York City, concerning access to the Food Stamp Program, which was scheduled for trial during the data collection period. The final research sample included 109 local food stamp offices, located in 39 States and the District of Columbia.⁶

Sample of Eligible Nonparticipant Households

Eligible nonparticipants are households who are circumstantially eligible for the Food Stamp Program but are not participating in it. While Food Stamp Program applicants and participants in an office can

⁵ Our sampling design called for a sample in each office of 10 applicant households and 10 households due for recertification in the sample month. Assuming 7 percent turnover in caseload per month, the minimum office size required was 150 (10/.07). Of the 3,789 food stamp offices located in the continental United States and the District of Columbia, 430 had monthly caseloads below 150. These small offices accounted for only 0.44 percent of the total food stamp caseload.

⁶ Adjustments to the sampling weights were made to account for the nonparticipation of New York State. See discussion below.

be enumerated, no list or sampling frame exists for eligible nonparticipants. The sample frame was created from a random-digit-dialing telephone survey of the entire population in the catchment areas, or areas served by, the 109 sampled offices. Catchment areas were defined by the telephone prefixes (or ZIP codes, when telephone numbers were unavailable) of food stamp applicant and participant households.⁷ The use of a random-digit-dialing approach limits the sample to those with working telephones. Adjustments were made to correct for this limitation during creation of sample weights.

A list-assisted RDD sample of 72,711 telephone numbers was drawn using the GENESYS sampling system, which helped ensure that a high percentage of the sampled numbers belonged to residential households.⁸ Once a household was reached, a short screening questionnaire was administered to determine whether the household was apparently eligible for food stamps, but not currently receiving benefits. Households were screened out if they were current FSP participants or had applied for benefits in the prior month. Households were deemed to be presumptively eligible for food stamps if:

- Their gross household income was no more than 130 percent of the federal poverty level;
- Their financial assets were less than \$3,000 if the household included an elderly member and less than \$2,000 if there were no elderly members of the household; and
- All vehicles owned were at least five years old, unless they were used for business or to transport disabled persons.

This set of screening questions has been shown to be quite accurate in predicting FSP eligibility. Nonetheless, without collecting information on all factors that determine eligibility, some errors will be made, and households that are actually eligible will be screened out and others that are ineligible will be included (McConnell, 1997).

Data Collection

The list-assisted sample of 72,711 telephone numbers was released to the telephone interview center beginning in February 2001; interviewing was completed in June 2001. Screeners were completed with 16,825 households and of these, 1,374 (8 percent) were determined to be eligible for food stamp benefits, based on the screening criteria (table 1.1). An additional 28,933 telephone numbers were found to be nonworking or nonhousehold numbers, and thus ineligible for the survey. The resolution rate for the screener was 62.9 percent.

⁷ The lists of applicant and participant households were provided by the States or local offices sampled for the study. These lists were used to sample households for another component of the study.

⁸ The GENESYS sampling system, supported by Marketing Systems Group, is a hardware and software system that allows one to draw list-assisted RDD samples. In list-assisted RDD sampling, each prefix area is divided into 100 banks, each with 100 consecutive telephone numbers. A data base of residential directory listed telephone numbers is used to eliminate banks that contain no residential directory listed numbers. The GENESYS system also contains a ZIP code module that can be used to determine which prefix areas overlap with ZIP codes.

Table 1.1—Final status of eligible nonparticipant sample

Final status	Number	Percent
Screening survey		
Screening complete—food stamp-eligible household	1,374	1.9%
Screening complete—household ineligible for food stamps	15,451	21.2
Ineligible telephone number—nonworking, nonhousehold	28,933	39.8
Incomplete screening	26,953	37.1
Total screening sample	72,711	100.0%
Full interview survey		
Interview complete	1,323	96.3
Incomplete interview	51	3.7
Total interview sample	1,374	100.0%

Households that were determined to be eligible for food stamp benefits were asked to complete the full interview questionnaire. Questions focused on respondents' perceptions, motivations, and experiences with the Food Stamp Program, including their perceived eligibility, reasons they had not applied for food stamp benefits, previous experiences with the FSP, TANF, and Medicaid programs, and their perceptions of the costs and benefits of participation in the FSP. Detailed information on their demographic characteristics, economic situation, and food security status were also collected. The survey instrument is presented in Appendix A.

Of the 1,374 households selected for interview, 1,323 completed the survey resulting in a response rate of 96.3 percent.

Data Analysis

The analysis presented in this report is descriptive in nature, designed to examine the population of food stamp-eligible nonparticipant households in 2000. Tabulations address the issues of how needy these households are, why they say they are not participating in the FSP, and what characteristics or experiences may inhibit their participation. The analysis also examines how eligible nonparticipant households in 2000 differed from nonparticipant households surveyed 1996 and how they differed from households that received food stamp benefits.

Sampling weights are needed for this type of analysis and are constructed in two stages, reflecting the sample design. First-stage office weights were constructed for the final sample of 109 local food stamp offices that were selected with probability proportional to caseload size. The base sampling office weight equals the reciprocal of the probability of selection of the office. The sum of the base weights is thus conceptually equal to the total number of food stamp offices. It does not exactly equal the number of food stamp offices because of nonresponse (11 selections in New York State) and luck of the draw with regard to average caseload size.

In order to correct for nonresponse and sampling variability, the sample was grouped into cells defined by “super-region,” MSA status, and caseload size, and the base weights were adjusted so that they added up to the actual number of offices within each cell.⁹ The seven New York City offices were thus represented by other large urban offices in the Northeast and Mid-Atlantic regions. The four upstate New York offices were a mix of small, medium, and large offices, and were thus represented by other similar offices in the Northeast and Mid-Atlantic regions. The base weights of the sampled offices in these cells were appropriately increased.¹⁰

As every household within a site had an equal probability of selection, we could have assigned second stage weights that simply reflected the sampling fraction of phone numbers and the response rates in each site. Instead, we used second stage weights to achieve two objectives. First, we wished to correct for any idiosyncrasies in our sample of eligible nonparticipants that were due to our limited sample size or our methodology. To accomplish this, we raked the weights to reflect the distributions of a similar, but much larger, sample of eligible nonparticipant households in the Current Population Survey, with regard to the key characteristics of income relative to federal poverty level (FPL), household size, race/ethnicity of household head, and presence of elderly household members. Second, we wished the sample weights to sum to the number of eligible nonparticipant households as determined by studies which were able to measure eligibility more exactly.¹¹ We used the total reported in Cunyningham (2003) to accomplish this.

As noted above, in implementing the approach for the eligible nonparticipant survey, households were screened to establish FSP income eligibility. This involved determining the number of household members and then asking whether the household’s monthly income was less than a certain dollar amount. The dollar amount was set at 130 percent of the poverty level for any given family size. All respondents included in the complete survey responded that their total income was less than the threshold amount. The main body of the survey collected more detailed information on income, including earnings and receipt of various types of unearned income. Using these responses, a second measure of household income was calculated and, as expected, some households appeared to have incomes above 130 percent of the poverty level. We excluded households whose reported detailed incomes exceeded 200 percent of the federal poverty level, though we retained those with incomes between 130 percent and 200 percent. Even if we excluded the latter group, we would still not have a true measure of FSP eligibility. The survey did not collect all the information necessary for a full determination of eligibility, and undoubtedly not all the reported information is accurate, as we did not require proof, such as wage receipts for verification of earnings. In addition, some households that were excluded on the income screening question would have provided detailed income information that resulted in a measure of total income equal to or less than 130 percent of poverty. In order to

⁹ The super-regions were defined as the seven FNS regions collapsed to five, by combining the Northeast and Mid-Atlantic, and the Mountain Plains and Western.

¹⁰ To the extent that offices in New York City are similar to other large urban offices in the Northeast and Mid-Atlantic (i.e., offices in New Jersey and Pennsylvania) along the dimensions measured in the study, bias will be minimized. If food stamp policies and practices in New York City are very different from other large, urban offices, the study will not accurately represent the practices in New York.

¹¹ While the sum of the weights does not have any effect on the analyses presented in this report, it becomes relevant when eligible nonparticipant households are combined with applicant or participant households, as is done in Bartlett and Burstein (forthcoming, 2004). Details of the weighting procedure are described in Appendix A of that report.

make certain that survey results were not affected by this aspect of the sampling methodology, all analyses were also conducted on a sample that excluded households with incomes greater than 130 percent of the poverty level. No substantial differences were noted in the results between the two approaches and thus the tables present analyses using the full sample of 1,220 households.

Organization of the Report

This report analyzes data from the random-digit-dialing (RDD) telephone survey of eligible nonparticipants in order to understand some of the reasons these households are not participating in the Food Stamp Program. Chapter Two examines the characteristics of the food stamp eligible nonparticipants, including demographic and economic characteristics. Details of their household composition and housing situation are analyzed. The chapter also examines the food security of respondents and their reported use of community support services. Chapter Three examines the knowledge and attitudes of respondents towards the Food Stamp Program in order to analyze their participation decisions. Their stated reasons for not applying for food stamp benefits are identified, as are details of their understanding of FSP eligibility rules and requirements. The chapter also examines perceptions of stigma associated with program participation. Chapter Four focuses on a group of particular interest to policy makers—persons who make some contact with the Food Stamp Program, but do not follow through and file a formal application. It examines their experiences with the Food Stamp Program, focusing on issues of customer satisfaction. Throughout the report, to the extent possible, comparisons are made to prior research on participation decisions of eligible nonparticipants. In particular, we examine differences in the eligible nonparticipant population before and after welfare reform.