

Public Food Assistance

Is the Food Stamp Program an Adequate Safety Net for American Indian Reservations? The Northern Cheyenne Case

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In this second year of their small grant funding, the authors set out to:

- ✱ Clarify the impact of recent food assistance changes, in particular food stamp eligibility requirements and duration of benefits, on the role of the Food Stamp Program in the social safety net serving the Northern Cheyenne reservation.
- ✱ Clarify the role of food stamps in relation to the larger range of formal and informal services and resources available to economically vulnerable Cheyenne.
- ✱ Identify, using both qualitative and quantitative data, how tribal, community, county, and State agencies contribute to the social safety net; determine how each of these resources relates to the larger social and cultural context in which clients are struggling to adapt to new food assistance program requirements.

The research team used several methods to collect and analyze data, including indepth, face-to-face interviews with program clients, food assistance program directors, and employers at sites where TANF recipi-

ents do required work hours. They also conducted participant observation of food stamp recipient experiences with this program and analyzed secondary data from food assistance programs.

The authors began their research with the premise that many expect the Food Stamp Program to play a major role in meeting the food assistance needs of reservation residents participating in FAIM, the Montana income assistance program. They found that a number of clients are grateful for the benefits they receive. Of particular value to these clients is the flexibility provided by the Food Stamp Program to purchase the kinds of foods that their families want. However, clients also identified major problems with their reliance on food stamps to feed their families. One of these problems is lack of transportation (access to a vehicle and money for gasoline) to shop off the reservation, where prices are lower. Another is making their food last through the month. Since many clients lacked these resources and skills, extra “work” is required—beyond meeting the work-hour requirements to participate in FAIM—to feed their families. This typically involves seeking out sources of emergency food through their local network of family, churches, and food banks. Thus, because the food stamp system relies on retail food markets to distribute food, and because these markets are often difficult for reservation residents to reach, using food stamps is an additional hardship for recipients. The data from Northern Cheyenne recipients indicate that their safety net has been stretched thin.

The authors found that high unemployment makes the FAIM incentives to leave welfare and join the labor force ineffective within this rural reservation population. Because of the lack of employment opportunities, most clients do not foresee that they will be able to obtain even minimum wage jobs. Even if they are able to find jobs, they see the resulting decline in benefits increasing the hardship on their families when transportation and childcare needs are not met.

Leaving the reservation to find work is equally problematic; most work opportunities in nearby cities are not much better than those on the reservation. In addition, many Cheyenne are concerned about encountering discrimination and about their lack of financial and social resources for coping with the demands they

will face in an urban setting. The authors conclude that unless clients obtain local jobs, most will continue to participate in FAIM for as long as possible.

Because few private sector businesses offer work opportunities for FAIM participants, most work in public sector jobs, thus providing a source of subsidized labor for public agencies. Public sector agencies on the Northern Cheyenne reservation benefit from the FAIM program while helping FAIM participants to develop new job skills. In turn, the tribal government, local tribal resources, and the reservation community assume responsibility for Northern Cheyenne FAIM participants who cannot feed their families. This responsibility falls primarily on the Tribal Food Distribution program, which is better able than Federal and State programs to meet some of the most important food needs of reservation residents. The authors argue that the effect of Federal and State assistance programs is to place the responsibility for care of the poorest of the poor on the tribe. The tribe must then either directly care for those in need or push them off the reservation.

The data collected in this and the previous research project suggest several reasons for these outcomes. First, the expectation that reservation residents can

meet program requirements, utilize FAIM program benefits, enhance their work skills, and obtain access to jobs that will move them out of poverty is, in fact, unrealistic. Even using food stamps to adequately feed their families is problematic where lack of transportation and childcare prevents clients from meeting program requirements and from reaching more reasonably priced food stores. Even more unrealistic, the authors argue, is the assumption that clients can use newly acquired work skills to access jobs in a labor market currently accommodating less than 50 percent of the adults who need jobs. Second, the program does not adequately address the needs of the poorest Cheyenne who want to remain in their community because it is their ancestral home, who want to support their families by working in locally relevant and productive jobs, and who want the freedom to follow Cheyenne cultural traditions and norms even while participating in FAIM. Local FAIM and other social service program directors are aware of the problems and needs of Northern Cheyenne clients. Nevertheless, under the current program requirements, they can do little to improve the ability of the FAIM program to meet the unique needs of this population. The authors conclude with recommendations for future research to measure the effect of current policy on the food security and nutritional status of low-income Cheyenne.

Food Stamp Program Exits During the Implementation of Welfare Reform Measures

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The Food Stamp Program (FSP) is the remaining major entitlement program in the U.S. social safety net. Thus, caseload declines, such as those experienced during the latter half of the 1990s, generate concern when they arise from decreasing program participation among still-eligible and needy families. Recent research suggests that caseload declines can be linked to changing eligibility restrictions, to economic gains among poor and near-poor families otherwise unaffected by new eligibility restrictions, and to declining program participation among still-eligible and needy families. Historically, fewer families have participated in the FSP than are eligible. Low participation rates are commonly attributed to stigma and transaction costs associated with program participation. Because there may be a less-than-proportionate increase in stigma and transaction costs associated with participation in both the FSP and Temporary Aid to Needy Families (TANF) compared with each program individually, reform measures that induce a family to leave TANF may also induce it to leave the FSP. A recent survey of families initially in the FSP finds that families leaving Aid to Families with Dependent Children (AFDC)/TANF have higher rates of exit from the FSP than families not initially receiving cash assistance. However, TANF exits and FSP exits may both be responses to changes in earnings.

In this paper, the authors first examine the changing roles of public assistance and earnings in the total incomes of poor and near-poor single female-headed families with children. They then examine the effects that changes in family earnings, economic conditions, State TANF caseload declines, and family exits from TANF have had on the decision to terminate FSP participation. They focus their study on single female-

headed families because these families contain a majority of the Nation's children living in poverty and are the largest single recipient group of TANF funds. Further, while these families have been affected by changes in eligibility for public cash assistance, they have been relatively unaffected by concurrent changes in FSP eligibility.

Data from the 1993 and 1999 March annual demographic files of the Current Population Survey (CPS) reveal that total per capita incomes of poor and near-poor single female-headed families in the Nation as a whole showed only a modest 1.3-percent increase from 1992 to 1998. However, per capita earnings of these poor and near-poor families increased by 41.7 percent over the period. These earnings increases were offset by a decrease in average AFDC/TANF payments of 53.5 percent. As a result, AFDC/TANF payments as a share of total income for these families declined from 22.4 percent to 10.3 percent between 1992 and 1998. FSP benefits showed a smaller decline, from 14.0 to 9.9 percent of total income. In the nonmetropolitan South, total per capita incomes were \$338 lower than the national average in 1992. However, this gap was virtually eliminated by 1998, with only a \$60 difference in per capita incomes. Interestingly, the reduction in the total income gap was not due to more rapid growth in earned income in the nonmetropolitan South, but to smaller reductions in initially low AFDC/TANF benefits. Average per capita AFDC/TANF benefits declined by only \$113 in the nonmetropolitan South compared with \$323 for the Nation. However, the declines in average per capita FSP benefits between 1992 and 1998 were virtually the same for poor and near-poor single female-headed families in the nonmetropolitan South and the Nation.

The authors estimated a probit model of FSP exits using the rotating panel component of the 1997 to 1999 Current Population Surveys. Their results suggest that FSP departures are, in part, a response to the strengthening of family economic conditions. Specifically, changes in earnings are, on average, positive in the sample, and these positive changes strongly influence exits from the FSP. The results also indicate that after controlling for earnings shocks, area economic conditions, and other factors, a departure from TANF increases the likelihood of leaving the FSP by almost half. This finding supports suspicions that TANF reform measures may have indirectly fostered FSP exits among families that remain below 130 percent of the poverty line and are still eligible for

food assistance. However, FSP participation has not been disproportionately affected in States that have aggressively cut TANF caseloads. The authors find that high rates of State TANF caseload declines actually mitigate the influence that leaving TANF has on family FSP exits.

The authors suggest that further research is needed to identify specific constraints to continued participation

in the FSP by families leaving TANF. For example, if families do not receive complete information on FSP eligibility when leaving TANF, additional resources to support local caseworker counseling may be needed. If, on the other hand, FSP exit is in response to cumbersome procedures to retain certification for FSP benefits when TANF benefits are lost, efforts to further streamline procedures for continued program participation may be warranted.

Food Stamp Utilization Patterns in Nonmetropolitan Counties in Texas: A Multilevel Analysis of the Micro- and Macro-level Determinants of Caseload Dynamics

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In this report, Swenson, White, and Murdock examine and contrast food stamp caseload changes occurring in metro and nonmetro areas in Texas. Their primary objectives are to identify economic, sociodemographic, and policy factors associated with the dynamics of food stamp utilization and to examine the effects of such factors on the decline in the food stamp caseload. Much of the research on the dynamics of the food stamp caseload in the welfare reform period has used aggregate caseload or national survey data. These findings demonstrate that marginal economic and policy effects on the food stamp caseload decline nationally. Yet few regional studies or comparisons of metro and nonmetro areas within a State have been completed. Because nonmetro areas have distinct demographic and socioeconomic characteristics in Texas as elsewhere, an examination of economic and policy effects on nonmetro caseloads in Texas may provide useful information for rural areas throughout the South.

The authors use descriptive and analytical methods to evaluate the micro- and macro-level factors associated with the food stamp caseload in Texas from September 1995 through December 1999. They examined monthly administrative food stamp data by county, along with data on county socioeconomic conditions.

Using multilevel models, they estimate the effects of micro- and macro-level factors on exit probabilities and caseload decline.

Changes in the food stamp caseloads of metro and nonmetro areas in Texas suggest that both economic and policy factors may be affecting the rates of decline. From September 1995 to December 1999, caseload decline was substantial, dropping 47.6 percent in metro counties and 37.0 percent in nonmetro counties. Both metro and nonmetro caseloads experienced relatively greater rates of decline following the passage of welfare reform legislation. The nonmetro caseload had a larger relative increase in its rate of decline following welfare reform. A decrease in the number of entries was the primary cause of caseload decline in metro counties. In nonmetro counties, the decline has been a function of an increase in the number of exits from the Food Stamp Program. The metro caseload began to drop prior to welfare reform, and the number of entries has dropped faster in the post-reform period, suggesting that economic conditions may be more important than policy in reducing metro participation rates. In contrast, though the nonmetro caseload declined slightly prior to welfare reform, the substantial increase in the exit rate following reform suggests a larger role for policy-related processes in these areas.

Demographic differences between metro and nonmetro food stamp recipients mirror those of all metro and nonmetro residents. The nonmetro caseload is older and ethnically more Anglo, has a lower average level of education, a larger percentage of working recipients, more long-term recipients, and fewer able-bodied adults without dependents (ABAWDs) than the metro caseload. After reform, the proportion of long-term recipients, recipients with severe work impediments, and ABAWDs decreased in both metro and nonmetro areas. There were increases in the percentage of recipients able to obtain work without assistance, recipients with a medical incapacity, disqualified heads of household, and food stamp-only cases (those not also receiving TANF). The level of employment in the metro caseload increased after reform, but remained relatively constant in the nonmetro caseload. In metro counties, recipients remaining after welfare reform on average had lower education levels and less work experience. In contrast, the demographic and socioeconomic characteristics of the nonmetro caseload remained relatively constant.

Swenson et al. found that the probability of an individual's exiting the Food Stamp Program was affected by different economic factors in the pre- and post-reform periods in nonmetro areas. The probability of exit was associated with declines in unemployment in 1995 and increases in wages in 1999. By contrast, declining unemployment and rising wages affected the probability of exiting the metro caseload in both time periods. In 1995, the effect of declining unemployment on the probability of exit was about 2.7 times greater in metro than in nonmetro counties. In 1999, increasing the frequency of recertification, which is required to continue receiving food stamps, increased the probability of exit by twice as much in metro as in nonmetro counties.

The overall rates of decline in the food stamp caseload were affected by both economic and policy factors, but

the magnitudes of these effects were also significantly different in nonmetro and metro areas. Reducing unemployment decreased the size of the food stamp caseload by almost twice as much in metro as in nonmetro areas. Similarly, increasing the frequency of recertification for food stamp receipt resulted in much larger caseload declines in metro than nonmetro areas. Even with the 37-percent decline, the nonmetro caseload experienced little change in demographic composition and probability of employment. Because of this, the factors examined explain less of the decline in the nonmetro caseload. The authors conclude that the lower rates of decline observed in the nonmetro areas of Texas are best explained by differences in the demographic characteristics of the recipients and the economic conditions they face.

Does Participation in Multiple Welfare Programs Improve Birth Outcomes?

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The United States has relatively high rates of low-weight births, preterm births, and infant mortality compared with other Western industrial countries. A number of Federal programs—WIC, Food Stamp, Medicaid, and AFDC—have provided benefits to help improve birth outcomes. In spite of the fact that many women participate in more than one of these programs, previous research has only considered the effect of participation in one program at a time. Such analysis may lead to misleading conclusions if women participate in multiple programs and if some programs are effective while others are not. It also ignores the possibility of synergies among programs. In this paper, Brien and Swann consider whether participation in more than one program improves birth outcomes. They allow for possible synergies among programs in their analysis, and attempt to control for nonrandom selection into the programs.

Brien and Swann used data from the National Maternal and Infant Health Survey, conducted in 1988. The survey includes information about welfare

program participation, birth outcomes, and sociodemographic characteristics of mothers and families for almost 19,000 women. The authors restrict their analysis to 3,451 low-income, single women for whom the dataset contained complete information on all the relevant variables.

The authors use a number of techniques to evaluate the impact of program participation on birth outcomes, including simple descriptive statistics comparing average birth outcomes of women who participate in different combinations of programs; ordinary least squares regressions controlling for observed characteristics but not for the selection of women into the various programs; and a more complex model of the decision to participate in each of the four programs and the resulting birth outcome. Highlights of their findings include the following:

- ✱ The descriptive analysis shows that WIC recipients can expect better birth outcomes than nonrecipients. Women who participate in the other programs can generally expect worse birth outcomes than nonparticipants, suggesting possible adverse selection into these programs.
- ✱ After controlling for observed characteristics such as age and education, WIC participation continues to improve birth weights by approximately 230 grams, on average.
- ✱ When allowing for synergies among programs, WIC continues to be effective. Though there appear to be some synergies, there is no consistent pattern across all bundles of choices.
- ✱ The positive effect of WIC participation on birth weights is statistically insignificant after controlling for nonrandom selection into the programs.

In future work, Brien and Swann plan to refine their method of determining program eligibility and attempt to better understand the participation decisions for the possible bundles of programs.