

Dynamics of Program Participation and Food Insecurity

Who Exits the Food Stamp Program After Welfare Reform?

Colleen M. Heflin
Martin School of Public Policy & Administration
University of Kentucky
429 Patterson Office Tower
Lexington, KY 40506-0027
Phone: 859-257-8608
cmh@uky.edu

Grant awarded by the Institute for Research on Poverty, University of Wisconsin-Madison

This study explored factors associated with the termination of food stamp benefits among women on welfare. Earlier studies suggest that women who stop receiving cash welfare benefits are at risk of losing food stamp benefits even though they remain eligible. There is also some evidence that women with poor physical and mental health, those owning a car, and those with poor knowledge of Food Stamp Program (FSP) rules are at increased risk of leaving the FSP.

This study used data from 4 waves of the Women's Employment Survey (WES). The WES is a random sample of 753 women on the welfare caseload in February 1997 in an urban Michigan county. In-home structured interviews were conducted between August and December 1997, between August and December 1998, between November 1999 and March 2000, and between September and December 2001. The response rate was 86.2 at wave one; 92 percent at the second wave; 91 percent at the third wave; and 90 percent at wave four. The survey includes a variety of measures of barriers to employment at each interview period, as well as monthly measures of employment, food stamp receipt, and cash welfare receipt.

This study used Cox proportional hazard models in a competing risk framework to examine factors associated with leaving the FSP and the cash welfare program jointly, as well as factors associated with leaving the FSP while continuing to receive cash welfare. Independent variables included race, total number of children in the household, total number of adults in the household, marital status, education level, percentage of years on welfare since age 18, monthly welfare receipt, monthly employment, physical health limitations, major depression, alcohol dependence, drug dependence, child health problem, car ownership, possession of driver's license, and knowledge of FSP eligibility rules.

The study estimates indicate that women who leave the FSP and cash welfare program at the same time are likely to be employed. Evidence on the role of physical and mental health problems in exiting the FSP is mixed. Depression and alcohol dependence are not associated with leaving the FSP. However, women who are drug dependent are more likely to leave the FSP than those who are not. Additionally, having a child with a health problem decreases the probability of exiting the FSP and cash welfare in the same

month. Having access to a car decreases the odds of leaving the FSP and cash welfare in the same month, which suggests that the asset test may be less of a barrier to FSP participation than the lack of transportation to attend recertification appointments. Finally, results are consistent with qualitative reports that some women who leave the FSP are unaware that they remain eligible for program benefits.

Public Assistance and Working Poor Families: Has the Nation Become More Like the Rural South?

Bradford Mills, Brian Whitacre, and Christiana Hilmer, Virginia Polytechnic Institute and State University

Contact:

Bradford Mills
Department of Agricultural and Applied Economics
Virginia Polytechnic Institute and State University
314 Hutcheson Hall
Blacksburg, VA 24061
Phone: 540-231-6461
bfmills@vt.edu

Grant awarded by the Southern Rural Development Center, Mississippi State University

The last two decades have brought profound changes in U.S. social welfare policies. The changes were driven in part by the idea that able-bodied adults should work to support their families, and that their families should be able to escape poverty by earnings from work perhaps supplemented by Federal programs, such as the Earned Income Tax Credit. In 2002, 36 percent of persons below the national poverty line were in families where adult members worked on average more than 1,000 hours per year. This represents a substantial increase from 28 percent of persons in poor families with the same level of attachment to the workforce in 1982. The rural South, historically the poorest region of the country, shows different trends from the nation as a whole, with the share of the poor in working families essentially constant at about 36 percent in 1982 and 2002.

This study provided a comprehensive portrait of working poor families and their use of food stamps and cash assistance nationally, in rural America, and in the rural South. The authors used Current Population Survey data at 4-year intervals from 1982 to 2002. The study found that the share of working poor families headed by a person who was Hispanic, a single parent, or who had some education beyond high school, was higher in 2002 than in 1982. In 2002, the characteristics of working poor families in the rural South appear to be much more similar to those seen in the Nation as a whole than in 1982. This similarity suggests that a comparable set of policies to address family characteristics that perpetuate poverty in the Nation may be employed in the rural South.

Families headed by a person with no more than a high school degree were more likely to be poor in 2002 than in 1982, which offset decreases in the poverty rate that resulted from the average increase in education levels. Thus families, particularly in the rural South, increasingly need a member with some college education to substantially increase income and reduce the risk of being a working poor family. However, the rural South appears to have experienced less severe erosion in economic well-being among families headed by a person with a low level of education. This regional difference is largely because the levels of economic well-being associated with a

high school degree or less were initially lower in the rural South than in the Nation as a whole in 1982.

The authors also identified factors associated with food stamp and cash assistance use among the working poor. While overall rates of food stamp use by working poor families were similar in 1982 and 2002, there has been a significant structural change in the relationship between food stamp use and family characteristics. The differential propensity for African Americans to use food stamps has diminished. Hispanic-headed families are more unlikely to use the FSP relative to non-Hispanic families.

The study also found a decrease in the probability that working poor families used cash assistance and food stamps. The authors suggest that part of the decline in food stamp use may be linked to the increased requirements for households to periodically certify their eligibility for food stamps. Efforts have been undertaken in some States to streamline program reauthorization procedures and establish office hours that accommodate working family heads.

The Interaction Between Food Stamps and Welfare Programs: An Empirical Model of Program Dynamics in the Cleveland Metropolitan Area, 1992 - 2003

Laura Leete, Willamette University, and Neil Bania, Case Western Reserve University

Contact:

Laura Leete

Fred H. Paulus Director for Public Policy Research

Associate Professor of Economics and Public Policy

Public Policy Research Center

Willamette University

Salem, OR 97301

Phone: 503-370-6688

lleete@willamette.edu

Grant awarded by the Irving B. Harris School of Public Policy Studies, University of Chicago

The authors examined the joint dynamics of the use of Temporary Assistance for Needy Families (TANF), food stamps, and medical assistance in Cuyahoga County (Cleveland), Ohio, for the period July 1992 to April 2003. They used administrative data that includes information on individuals participating in any combination of these three programs and categorized individuals by the array of programs in which they are enrolled on a monthly basis. Analyzing the seven possible combinations of programs, they modeled three different aspects of program dynamics: (1) program inflows, which consist of new entry into any assistance program; (2) transitions from one category of assistance to another; and (3) exits from all types of assistance.

In many States, including Ohio, as cash assistance caseloads fell dramatically over the late 1990s, FSP caseloads declined. The study investigated the extent to which these declines were related to one another and to other underlying economic, demographic, and policy factors. The authors decomposed the sources of change over time and distinguished between changes in people who began receiving assistance, those who changed the types of assistance they received, and those who stopped receiving assistance. For example, they measured the decline in the number of people receiving food stamps associated with persons leaving cash assistance versus people exiting who had been receiving only food stamps.

The authors estimated that, prior to January 2002, welfare reform transition and implementation were largely coincident with declines in the FSP caseload that were not attributable to other underlying changes in demographics and economic conditions. These declines were primarily driven by fewer people entering the FSP. After January 2002, it was estimated that overall food stamp usage was higher under the influence of welfare reform policies than it would have been without those policies.

The study's methodology allowed the authors to make a number of other observations about the nature of food stamp usage and caseload dynamics in Cuyahoga County. First, they found that many people used only food stamps—transitions to and from other programs were minor. Second, the authors documented a shift in the relationship between the receipt of all three types of assistance (food stamps, cash, and medical) and cash and medical combined. During the post-welfare reform period, fewer individuals began receiving food stamps when they were already receiving cash and medical assistance. The authors suggest that this change could be related to the “doubling-up” phenomena, in which recipients choose to share households with friends or relatives with other sources of income. In doing so, they retain their eligibility for cash and medical assistance but not for food stamps.

On a practical level, joint study of multiple programs can lead to a better understanding of the interdependencies between food stamp receipt and other program participation. This understanding can help program administrators predict how changes in the policies of one program might affect enrollment and the characteristics of the enrollees in other program categories.