

## **FOOD STAMP USE AMONG FORMER WELFARE RECIPIENTS**

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## **FOOD STAMP USE AMONG FORMER WELFARE RECIPIENTS**

### **Summary**

The Food Stamp Program has long been an important part of the nation's anti-poverty policy and has assumed an even bigger role with the advent of time-limited welfare. Since the passage, in 1996, of the welfare reform law that placed a five-year time limit on the receipt of federally funded benefits, the welfare rolls have dropped dramatically. More families are likely to leave welfare in the coming years as they begin reaching their time limits. Meanwhile, public officials and program administrators who work with people making the transition from welfare to work have begun to focus more on policies, such as the Earned Income Tax Credit and childcare subsidies, designed to ensure that these families are not left in poverty. Food Stamps figure prominently in this equation, and they are an important income support, as well, for families who leave welfare but are not working.

Nonetheless, many families eligible for Food Stamps do not receive them. In fact, participation in the Food Stamp Program has fallen substantially since the mid-1990s, in part because fewer eligible families are participating. This trend has heightened concerns about the well being of families who are leaving welfare and has led to efforts to find out why some of them are not staying on Food Stamps.

This report examines Food Stamp use among families who leave welfare. It uses a unique data set consisting of people who were targeted for several welfare-to-work programs that have been evaluated over the past decade. The data cover more than 60,000 people who left welfare, across seven programs in 11 states. Each of the programs was evaluated using a random assignment design, in which people were assigned at random to either the program group, subject to the new program being tested, or the control group, subject to the existing welfare system in the state at the time of the evaluation. Using these data, the report examines how many welfare leavers stay on Food Stamps, what types of families continue to use them, and why some families do not stay. We also follow families over time to see how long they remain on Food Stamps after leaving welfare and, if they did not stay on initially, when and if they return. Finally, in an effort to glimpse the effects of welfare reform, we examine whether patterns of Food Stamp use differ for people in the program groups and, therefore, subject to the welfare-to-work program in each evaluation, compared with people in the control groups. The programs evaluated include three key components – mandatory participation in employment or education activities, enhanced financial incentives, and time limits—used alone and in combination, covering the range of policies states have put in place in response to welfare reform.

### **Findings in Brief**

- Forty-two percent of the welfare leavers continued on Food Stamps after leaving welfare.

Rates of use varied across types of families. Controlling for a range of background characteristics, for example, black and Hispanic leavers were more likely to stay on than white leavers, and leavers in public housing were more likely to stay on than those in private housing. Rates of use also varied considerably across states, even after controlling for differences in the characteristics of welfare leavers. Leavers in California, for example, were less likely to stay on Food Stamps than those in Vermont or Oregon.

- Differences in eligibility partly explain why some families do not remain on Food Stamps; those who do not stay on have higher incomes than those who do, usually because of the presence of other earners in the household. Nonetheless, a majority of welfare leavers who do not stay on Food Stamps appear to be eligible, and most of these families have incomes low enough to qualify for substantial Food Stamp benefits. Lack of information about eligibility rules and (particularly for single, working parents) the hassles of applying or reapplying for benefits are important reasons families do not stay on. Stigma associated with benefit receipt does not appear to be an important deterrent to Food Stamp use.
- The duration of most Food Stamp use after leaving welfare is fairly short; half of the families leave within one year. For these families, the costs of reapplying for benefits may be one reason they do not stay on Food Stamps for very long. (Many states, seeking to avoid fiscal penalties for payment error rates, require working families to visit the Food Stamp office to reapply for benefits every three months. In many cases, these families must provide substantial documentation to verify their income and wages.)
- Although low Food Stamp participation rates among welfare leavers has been a persistent problem, the evidence from the evaluations suggests that the problem has not gotten worse as a result of welfare reform. First, there were no big differences in patterns of Food Stamp use between welfare leavers in the program groups in each evaluation and those in the control groups. In fact, welfare leavers in the program group in two of the programs were more likely to stay on Food Stamps than those in the control group. Second, among the states examined in this analysis, there is no strong evidence to suggest that people who left welfare in the late 1990s were less likely to stay on Food Stamps than those who left in the early 1990s. This finding, however, is not conclusive since it is based on a few states and a few years for each state. Finally, the data show rates of Food Stamp use fairly consistent with those found in recent studies covering post-welfare reform years. But while the low rate of Food Stamp use among welfare leavers is not a new phenomenon, the recent fall in welfare caseloads has contributed nonetheless to the drop in Food Stamp caseloads because more and more families have moved from a group that has high rates of Food Stamp use (welfare recipients) to a group that has lower rates of Food Stamp use (the working poor).
- Findings from two welfare-to-work evaluations suggest that increased interaction with case workers may help more families gain access to Food Stamps as they leave welfare. Welfare leavers in one program that offered integrated case management and those in another that imposed time limits on receipt of welfare benefits were more likely than their counterparts not subject to these programs to remain on Food Stamps. One possible reason

for the success of the time limit program in assuring the continuation of Food Stamp benefits: Eligible welfare leavers were given an exit interview, during which eligibility for continuation of other benefits was assessed. These results should be interpreted with caution, however, given that the groups being compared may have differed in other ways that also contributed to their rates of Food Stamp use.

- Among those who do not continue on Food Stamps after leaving welfare, only about 30 percent had returned within a year. Most Food Stamp returnees were also returning to welfare.

The findings highlight the need for strategies to increase access to Food Stamps for eligible working families. They suggest, too, that this could be done through increased information and outreach to families leaving welfare, perhaps through increased attention from caseworkers before and at the point of the exit. The application and reapplication process could be made less burdensome for families who have already left welfare.

The U.S. Department of Agriculture has recently taken several steps designed to increase access to Food Stamps. Among the new measures, states are now allowed to provide families leaving welfare with up to three months of transitional Food Stamp benefits. Similar “continuous eligibility” provisions have been successful in increasing Medicaid enrollment among eligible families leaving welfare. States have also been given the option to reduce the frequency of income reporting requirements for working families. The findings reinforce those from a recent study of the implementation of welfare reform in several large cities (Quint and Widom 2001) and suggest that these new policies are a step in the right direction.

## I. INTRODUCTION

The Food Stamp program is an important part of the safety net for low-income families in the United States. Designed with the goal of making sure that no family goes hungry, it currently serves over 18 million individuals, including children, welfare recipients, the elderly, and the disabled. Benefits for many families are often a significant fraction of their incomes, and the advent of time-limited welfare suggests that Food Stamps are likely to become a more important income source for low-income single mothers and their children.

The welfare reform law of 1996 imposed work requirements and a five-year time limit on the receipt of federal welfare benefits, and some states have made their time limits even shorter. Welfare caseloads have fallen sharply since then, partly a result of welfare reform and partly the result of the expanding economy plus non-welfare policies that supplement the earnings of low-income workers. Welfare rolls may continue to fall in the near future, as more and more families reach the federal 5-year benefit time limit. Indeed, in a moment of remarkably bad timing, tens of thousand of families are reaching their time limits coincident with a period of economic decline and rising unemployment.

The dramatic fall in welfare caseloads has raised concern about the well being of families who have been leaving welfare, many of whom have left welfare for jobs that do not pay enough to lift their families above poverty. Over the past decade, policymakers have increasingly recognized this conundrum faced by many low-wage workers and have implemented a series of policies designed to make sure that families who work are not left in poverty. The Earned Income Tax Credit, for example, has been expanded to provide substantial benefits to low-income working families.

An important part of supporting families who work is Food Stamps (Dean 2001). However, there is a growing concern that many families who are eligible for Food Stamps are not receiving them. Food Stamp caseloads have fallen by 30 percent since the mid-1990s, one of the steepest declines in program history. Although the expanding economy has meant that fewer families have needed Food Stamps, there has also been a fall in the rate of participation among families who are still eligible (Castner 2000). This general fall in the Food Stamp participation rate has raised concerns that the rate of participation among families leaving welfare may have also fallen.

This report examines Food Stamp use among former welfare recipients using a unique data set that consists of individuals who were targeted for various welfare-to-work programs over the past decade and across several states. The data cover over 60,000 people who left welfare, across seven programs in 11 states. Each of the programs was evaluated using a random assignment design, in which people were assigned at random to either the program group, subject to the new program being tested, or the control group, subject to the existing welfare system in the state at the time of the evaluation. Using these data, we describe patterns of Food Stamp use among people who left welfare, e.g., what types of families stay on Food Stamps after leaving

welfare, how long do they continue receiving benefits, and how many return to Food Stamps after leaving? Among those who do not stay on Food Stamps, what are some of the reasons for nonparticipation? We examine patterns of Food Stamp receipt for people in the program groups in each evaluation, subject to the program being tested, compared with people in the control groups, subject to the existing welfare system in the state at the time of the evaluation. The programs evaluated include three key components – mandatory participation in employment or education activities, enhanced financial incentives, and time limits—used alone and in combination, covering the range of policies states have put in place in response to welfare reform. Comparing outcomes for leavers in these programs with outcomes for leavers in the control groups provides hints as to the potential effects of welfare reform on Food Stamp use. The results will help to inform the ongoing effort to ensure that all eligible families receive Food Stamps.

The report address several questions:

- How many people continue to receive Food Stamps after leaving welfare?
- How do recipients who stay on Food Stamps differ from those who do not?
- How many of the families who do not stay on Food Stamps appear to be eligible based on their incomes? What are some of the reasons eligible families do not use Food Stamps?
- Do patterns of Food Stamp receipt differ for recipients who leave welfare as part of the welfare-to-work programs being tested, compared with those who leave as part of the control groups? What are patterns of receipt among those who leave after reaching a welfare time limit?
- How long do people stay on Food Stamps after leaving welfare and what factors affect how long they stay?
- Has the pattern of Food Stamp receipt after leaving welfare changed over the 1990s, particularly since welfare reform?

### **Findings In Brief**

- 42 percent of the welfare leavers in our sample stayed on Food Stamps after leaving welfare. Another 18 percent did not stay but returned within a year. The majority of these returns were associated with returning to welfare.
- There is considerable variation across demographic groups in rates of staying on Food Stamps. Controlling for a range of background characteristics, for example, black welfare leavers are more likely to stay on Food Stamps than their white counterparts, and



residents of public or subsidized housing are more likely to stay than those in private housing.

- Families who do not stay on Food Stamps have somewhat higher incomes than those who stay, in large part because of the earnings from other adults, meaning that fewer in the former group are likely to be eligible. This difference in eligibility partly explains why some welfare leavers do not stay on Food Stamps.
- Food Stamp use after leaving welfare varies a lot across states. This variation remains after accounting for differences across the states in the characteristics of welfare leavers and in welfare benefit levels and suggests that policy difference may play an important role in whether welfare leavers retain their benefits.
- A large fraction (between 50 percent to 60 percent) of welfare leavers who do not continue to use Food Stamps appear to be eligible, based on survey-reported income data. In addition, many of these families have income low enough that they would qualify for substantial Food Stamp benefits.
- Lack of information and the time costs of applying are important reasons that some families do not participate. Many do not understand the rules of Food Stamps and incorrectly believe they are ineligible. Many also did not stay on because of the “hassles” of applying or re-applying. The available evidence, although indirect, suggests that stigma associated with benefit receipt does not deter families from staying on Food Stamps.
- Recipients in the evaluation program groups were generally equally as likely to stay on Food Stamps as those in the control groups. The differences that do exist point to the importance of attention from caseworkers as individuals leave welfare; welfare leavers in a program with more intensive caseworker involvement were more likely than control group leavers to stay on Food Stamps. In one program, welfare leavers who left because of reaching a time limit on benefits were more likely than other leavers to continue receiving Food Stamps. One possible reason for this difference is the exit interview many of them attended, during which eligibility for other benefits was assessed.
- Among welfare leavers who did not stay on Food Stamps, those who left welfare because of a time limit were less likely than other leavers to return to Food Stamps later. Families who reached a welfare time limit did not have the option of returning to welfare, which is the most common route through which welfare leavers return to Food Stamps.
- There is no strong evidence that individuals who left welfare in late 1990s were less likely to stay on Food Stamps than those who left in early 1990s. Nor is there evidence that rates of return to Food Stamps, among those who did not stay on initially, have fallen over time. These results should be interpreted with caution, however, given the small sample sizes used for the analysis.

- Most Food Stamp spells after leaving welfare are fairly short, although certain types of families stay on longer than others. Leavers in welfare-to-work programs generally had similar spell lengths as other leavers.

## **II. BACKGROUND**

### **The Food Stamp Program**

The Food Stamp program was started in the mid-1960s with the goal of alleviating hunger and providing low-income families with adequate and nutritious diets. Today, as the largest food assistance program in the country, it serves over 18 million people. The program is federally funded by the U.S. Department of Agriculture (USDA) but administered by the states. Program rules and benefit levels are set at the federal level.

Most low-income households are eligible to receive Food Stamps, regardless of their family composition or the employment status of the adults. Gross household income (which includes most cash income but not in-kind benefits) must be less than 130 percent of the federal poverty line and net income no higher than 100 percent of the poverty line. Net monthly income is calculated as gross income minus a standard deduction of \$134, a deduction equal to 20 percent of earned income, and deductions for childcare costs and high shelter costs. The household also cannot have assets that exceed \$2,000 in value, excluding the value of a home and the first \$4,650 of a car. Federal legislation in 2000 allowed states to use the more generous vehicle limits under TANF to determine Food Stamp eligibility. The eligibility rules differ slightly for households with elderly or disabled members. TANF recipients are automatically eligible for Food Stamps, as are recipients of Supplemental Security Income and General Assistance. Families apply for Food Stamps at local offices, typically welfare offices, where they must provide information on household income and assets to verify eligibility. Those who are found eligible and begin receiving Food Stamps must re-certify their eligibility in person at least once per year, although many states use a shorter time period.

Benefit levels are based on the cost of a low-budget food plan used by USDA, referred to as the Thrifty Food Plan, which varies by family size and is roughly equal to 30 percent of the poverty line. In 1999, the maximum monthly benefit available to a single mother with two children, for example, was \$329. The benefit the household actually receives depends on its income, with higher income families receiving fewer benefits: benefits are determined as the maximum benefit minus 30 percent of the household's net income. Along with the earned income deduction, this formula means that Food Stamp benefits are reduced by \$.24 for every dollar of earnings. If the single mother with two children were working at a minimum wage job, she would be eligible for up to \$260 per month in Food Stamp benefits. Even for working families, Food Stamps can represent a significant share of income.

An important feature of the Food Stamp program is the fact that maximum benefit levels and benefit reduction rates are set federally and do not vary across states. Maximum TANF grants, in contrast, are set by the states and vary considerably from state to state. Because Food Stamp benefits are reduced with income (including TANF income), families receiving relatively high welfare benefits will receive smaller Food Stamp benefits than families receiving lower welfare benefits. Thus, the Food Stamp program helps to reduce the variation across states in total benefits provided to low-income families.

The 1996 welfare reform law (the Personal Responsibility and Work Opportunities Reconciliation Act) included several changes to the Food Stamp Program, although they primarily affected adults without children and immigrants. The law set a 3-month time limit on Food Stamp receipt, within a three-year period, for unemployed adults without children. It also severely restricted eligibility for legal immigrants, although subsequent legislation restored eligibility for elderly, disabled, and child immigrants who were living in the U.S. in 1996. Other features of the law, with more relevance to families with children and welfare recipients, is that benefits cannot be increased when a families loses welfare benefits because of a sanction for failing to comply with TANF requirements. Also, states now have the option of sanctioning families' Food Stamp benefits if they are sanctioned under TANF. Finally, the maximum Food Stamp benefit was reduced by three percent, a change that affects all families receiving benefits.

A number of changes to the Food Stamp program have also occurred since the welfare reform law. As mentioned earlier, for example, since 2000, states have been allowed to use the more generous TANF vehicle limits when determining a family's eligibility. In an effort to increase access for working families, states were also given new options in 1999 regarding reporting and verification requirements for working families. All of the analyses presented in this report pre-date these more recent changes.

## **Participation**

The Food Stamp program serves a broad cross-section of low-income families since eligibility is based only on income and not family structure. Table 1 presents data on households who received Food Stamps in 1999. About half of participating households have children, and the majority of these families were headed by only one adult. One out of five participating households contains an elderly member, and a significant share contain a member who is disabled.<sup>1</sup>

Although almost all welfare recipients receive Food Stamps, the table shows that only about half of single-parent families with children who received Food Stamps were also receiving TANF benefits; a large fraction of them had earnings. The percentage of Food Stamp recipients with earnings has increased during the 1990s, especially since 1996. Mirroring this trend has

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<sup>1</sup> The percentages sum to more than 100 percent because some families fell into more than one category.

been a fall in the fraction of the caseload that is receiving welfare benefits.

**Table 1**

**Characteristics of Households  
Receiving Food Stamps in 1999**

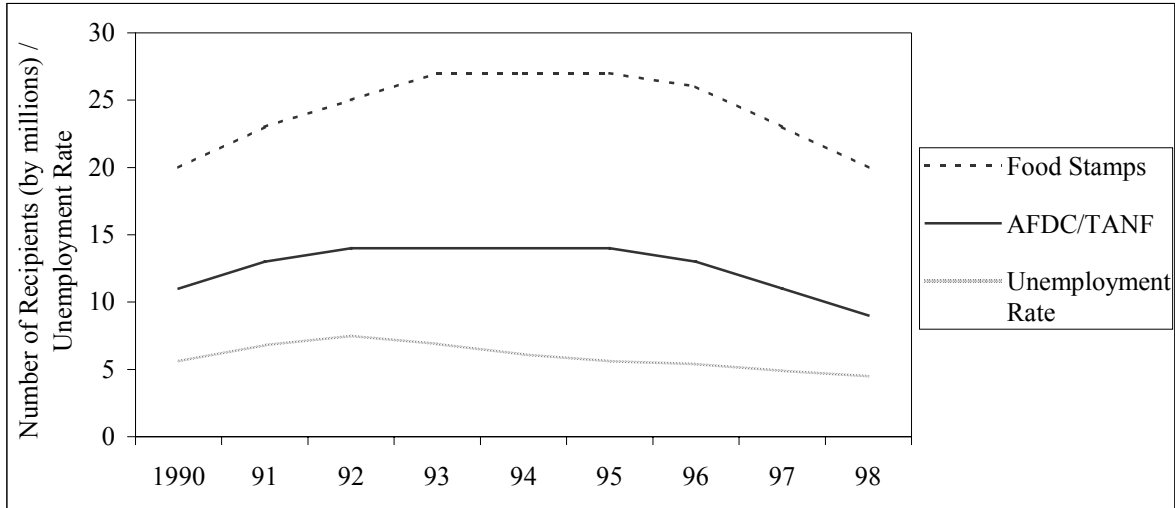
Characteristics	Percent
Single adult household with children	38.2
Percent with earned income	37.7
Percent receiving TANF	51.6
Average monthly benefit (\$)	229
Multiple adult household with children	12.6
Single person household	10.3
Elderly	20.1
Disabled	26.5

SOURCE: "Characteristics of Food Stamp Households: Fiscal Year 1999," USDA, Food and Nutrition Service, December 2000.

Figure 1 shows trends in Food Stamp and welfare participation during the 1990s. Food Stamp caseloads have historically fluctuated with the economy, even more so than welfare caseloads, since the Food Stamp program serves more working families. The figure shows that the caseload continued to move with the economy, as measured by the unemployment rate, during the 1990s, peaking in 1994 at 27.5 million. However, the steep fall in participation after 1994, which was especially rapid after 1996, is generally thought to be larger than what would have been predicted given changes in economic conditions. Also, the fall in Food Stamp caseload has closely followed the fall in welfare caseloads.

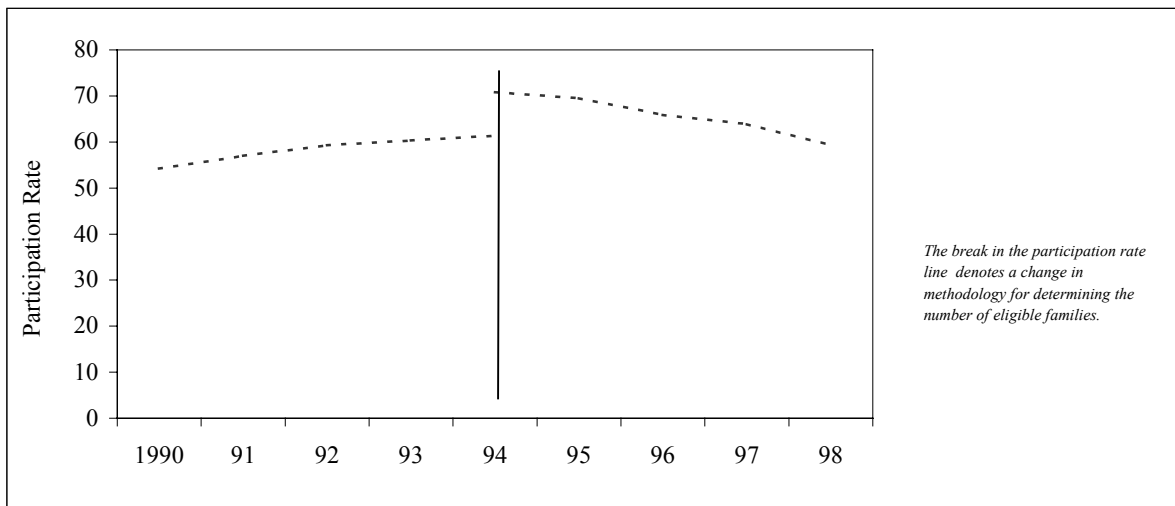
A reduction in Food Stamp caseloads can reflect a fall in the number of families eligible and/or a fall in the number of eligible families participating. The growing economy during the mid-1990s, for example, likely reduced the number of families who were eligible. The post-1996 restrictions on eligibility for adults without children and immigrants also reduced the number of eligible families. Welfare reform, by moving families from welfare to work, may have also reduced the number of single parents who are still eligible for benefits. A USDA analysis of changes in participation found that 61 percent of the drop in the caseload from 1994 to 1997 was accounted for by a fall in number of participants who were welfare recipients (USDA 1999). Even though legal immigrants and childless adults had bigger percent changes in participation, they make up such a small fraction of the overall caseload that changes in their participation accounted for at most 25 percent of the fall in caseloads.

**Figure 1**  
**Food Stamp and AFDC/TANF Participation**



SOURCES: The 2000 Green Book, The Statistical Abstract of the U.S.: 1999, and [www.fns.usda.gov/pd/fssumar.htm](http://www.fns.usda.gov/pd/fssumar.htm).

**Figure 2**  
**Food Stamp**  
**Participation Rates Among Eligible Families**



SOURCE: Castner 2000.

Although some families who have moved from welfare to work are probably now ineligible for Food Stamps, the steep fall in participation has raised concerns that the implementation of welfare reform, by reducing welfare rolls and diverting applicants, may have reduced Food Stamp participation among eligible families. In fact, there has been a fall since 1994 in participation rates among eligible individuals (Figure 2). Participation rates increased somewhat during the early 1990s, but fell by 10 percentage points from 1994 to 1998. Wilde et al., (2000) estimate that half of the fall in caseloads is due to a fall in participation among eligible families.

## **Related Research**

Much of the recent research around Food Stamps is related to explaining the fall in caseloads since the mid-1990s (Zedlewski and Brauner 1999, GAO 1999, Wallace and Blank 1999, Wilde et al., 2000). In general, the expanding economy is thought to explain part of the fall by reducing the number of eligible families. However, falling welfare caseloads are also thought to be important—a consistent finding from the research is that most of the families leaving welfare do not continue receiving Food Stamps even though they are still eligible.

Wallace and Blank (1999), for example, find that the economy can explain about 30 percent to 40 percent of the change in the Food Stamp caseload since 1994, with some part of remaining change attributed to welfare reform. However, they also find that the implementation of state welfare waivers reduced Food Stamp caseloads even though none of them directly affected Food Stamp eligibility. This finding illustrates the close link between welfare and Food Stamp use but may also reflect, as the authors argue, that the waivers led to a “get tough” message sent to recipients that may have also discouraged them from applying or reapplying for Food Stamps.

Falling welfare caseloads can reduce Food Stamp use in a variety of ways. On the one hand, families who leave welfare for jobs may truly be ineligible for Food Stamp benefits if they leave welfare for relatively high-paying jobs. On the other hand, many families who leave welfare may not participate even though they remain eligible. Historically participation rates have been relatively low among the working poor. In a recent study of welfare leavers, the majority of those who were not receiving Food Stamps (70 percent) reported that they left Food Stamps because they took a new job or increased their earnings. However, only a third of these families appeared to be ineligible for the program, based on their family income (Zedlewski and Brauner 1999). This is consistent with more general research on welfare leavers, which tends to find that fewer than half continue receiving Food Stamps after leaving welfare, although most appear to be eligible (Loprest 1999). The recent round of “welfare leavers” studies also looks at Food Stamp use among leavers. Funded by the Assistant Secretary for Planning and Evaluation (ASPE) of the U.S. Department of Health and Human Services, most of these studies found that one-third to one-half of welfare leavers stayed on Food Stamps (ASPE 2001).

Other research suggests that an important reason many of these families do not receive Food Stamps is that they do not know they are eligible. Ponza et al., (1999) report that 72

percent of eligible non-participants did not know they were eligible for Food Stamps. While this finding is based on all eligible families and not just welfare leavers, lack of knowledge is likely to be an important factor even for welfare leavers. There is a general concern that caseworkers are failing to inform recipients that they may still be eligible and taking steps to help them receive Food Stamps. A recent study of caseworker practices in four cities, for example, found that they typically terminated both the cash and Food Stamp benefits of clients who failed to appear for TANF redetermination interviews (Quint and Widom 2001). Although recipients who find jobs often do not attend these interviews, this practice resulted in a large number of eligible families incorrectly dropped from the Food Stamp rolls. They also found that most recipients did not know they remained eligible for Food Stamps after leaving TANF. This general lack of knowledge of eligibility has also been found for the Medicaid program, where many eligible families lose coverage after leaving welfare (Quint and Widom 2001, Families USA 1999). One study suggests that increased efforts at providing information and outreach may go a long way towards restoring available benefits. McConnell (1991) found that Medicaid expansions started in the late 1980s increased Food Stamp participation among women and children, indicating that outreach associated with the expansions also provided information about eligibility for other programs.

Another factor often thought to explain low participation rates is costs of participating. These costs may take the form of stigma associated with receiving Food Stamps or the costs (both time and money) of applying or reapplying for benefits. The provision of Food Stamps in the form of Electronic Benefit Transfer cards rather than coupons may have reduced any stigma associated with receiving them. Although it is difficult to measure the effects of stigma, there is not much research to suggest that it is a big factor in nonparticipation, and it may be even less important for families leaving welfare.<sup>2</sup> The time and financial costs of applying, on the other hand, affect all participants, although these costs are also not frequently cited as the primary reason for not receiving Food Stamps. Zedlewski and Brauner (1999) found that about 10 percent of respondents reported that they had left Food Stamps because of the administrative hassles associated with receiving benefits. Among leavers with very low income, however, this number was 27 percent.

A recent study of the application process illustrated that applying for and continuing to receive Food Stamps can be a burdensome process (O'Brien et al., 2000). The average application (across all states) is about 12 pages, and many collect more information than is necessary to determine Food Stamp eligibility, often because they are designed to determine eligibility for other programs as well. Applicants are also required to verify the information provided with employer pay stubs, rent payments receipts, etc. Some states have more invasive verification procedures that are likely to discourage individuals from applying. One result of these requirements is that the average application takes nearly 5 hours of time and two trips to the Food Stamp office (Ponza et al., 1999). Re-certifications also involve costs, although less than that for the initial application. Food Stamp participants must re-certify eligibility at least once

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<sup>2</sup> Ponza et al., (1999) examine stigma associated with receiving Food Stamps and its association with participation rates. Although stigma does not appear to be a major factor explaining non-participation, the authors document a fairly high level of stigma, among non-participation and participants, associated with receiving Food Stamps.

every 12 months, but some states require shorter periods. Finally, most welfare/Food Stamp offices are open only during business hours (8 am to 4 pm), which may make it difficult for working recipients to apply and re-certify.

One aspect of the cost of receiving Food Stamps is the number of times families must re-apply for benefits, which is particularly relevant for non-welfare, working families. States face fiscal penalties for having error rates (errors occur when the benefit level does not accurately reflect the household's current income) above the national average. Most states have higher error rates for working families, since income for these families tends to vary from month to month. As a result, more and more working families are now being required to reapply every three months or less. One study found that Food Stamp participation rates fell relatively more since the mid-1990s in states that increased the use of three-month certifications (Rosenbaum 2000). In 1999, states were given new options in reporting requirements designed to reduce the burdens of applying for working families.

Other research focuses on Food Stamp take up rates and the dynamics of use. Data on participation show that some family types are more likely to participate than others (Fraker and Moffitt 1988). Among eligible households, for example, those with children are more likely to participate than those without children. Single-parent households are more likely to participate than other household types, and blacks are more likely to participate than whites or Hispanics. Not surprisingly, families that are eligible to receive the highest benefits are also more likely to participate than those that would be eligible for smaller amounts.

Several studies also examine how long families use Food Stamps and whether and how quickly they return after having left.<sup>3</sup> In general, most Food Stamp spells are fairly short. Gleason et al., (1998) found that, among people who began receiving Food Stamps in a given month, over 40 percent had left within 6 months, and nearly 60 percent had left within a year. In addition, spell lengths differ across individuals, largely related to their economic circumstances. Participants who were working at the time they began their spell, for example, exit more quickly than those who were unemployed. In addition, blacks and Hispanics tend to stay on longer, as do adults with young children. They also found that reentering the program is common: among those who left Food Stamps, 42 percent returned within a year. Finally, there is evidence that Food Stamp spell lengths increased from the mid-1980s to the early 1990s; people who took up Food Stamps during the later period tended to stay on longer than their counterparts in the earlier period.

This study adds to the research in several ways. First, we use administrative records data for a sample spanning several states and years. Records data are generally thought to provide a more accurate picture of benefit receipt than surveys, which are the basis for much of the existing research. Second, although there are several leaver studies that examine the economic well-being of families who have left welfare, few of them present an extensive analysis of Food Stamp use for this population. There is also research on Food Stamp dynamics among low-income

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<sup>3</sup> The Economic Research Service of the U.S. Department of Agriculture has also recently funded several studies that examine the well being of families who leave Food Stamps. See, for example, Rangarajan and Gleason (2001).



households, but most of it does not focus on welfare leavers. This study combines these two strands of research, by examining in depth Food Stamp use among welfare leavers. Third, because each of the programs used was evaluated using a random assignment design, we can examine Food Stamp use for leavers in welfare-to-work programs compared with their counterparts in the control groups. Although this comparison is not experimental, it provides some evidence as to how these programs specifically, and welfare reform in general, may alter individuals' behavior. Finally, because the data cover the 1990s, we are able to examine patterns of Food Stamp use over time.

### **III. DATA AND METHODS**

#### **Data**

The data used for the analysis come from several programs that have been or are still being evaluated by MDRC. Each of the programs was evaluated using a random assignment design, in which ongoing recipients or new applicants to welfare were assigned to either a program group that received the new treatment or a control group that was subject to the existing welfare system. New applicants for welfare were randomly assigned at the time they were applying for welfare, while ongoing recipients were randomly assigned at their re-determination interviews.

Each evaluation provides three data sources. First, demographic information, including data on age, race, and education level, were collected for all sample members at the point of random assignment, or baseline. Second, state administrative records data provide information on quarterly earnings, monthly welfare receipt, and monthly Food Stamp receipt for each sample member. The earnings data come from the each state's Unemployment Insurance (UI) system, to which most employers must report employee earnings. The welfare and Food Stamp data come from the state's welfare records. One limitation of these data is that, because they are collected by the state, they do not capture earnings or benefit receipt for recipients who have moved out of state. Also, these data provide a rough measure of Food Stamp eligibility since they only include earnings and welfare benefits and do not capture other sources of household income, such as earnings of household members, child support income, and unearned income. For some families, these other sources can represent a significant share of total income.

Third, each evaluation administered a survey to a subset of the sample about two to three years after random assignment. The survey data provide a more comprehensive measure of household income and thus will give a more accurate picture of households' eligibility for Food Stamps (although they do not include information on assets). The surveys also provide more detailed information on family well being, including household composition, income, income sources, and material hardship. The surveys vary across evaluations in the types of information they provide. Several surveys from the more recent projects, for example, include questions about material hardship and food security.

The following describes the programs used, and the samples and data sources available

from each project.

**California's Greater Avenues for Independence (GAIN):** In 1989, GAIN began operating statewide as California's JOBS program, which included services designed to move welfare recipients to work. All recipients, including single parents with young children, were required to participate in employment services or basic education, as determined upon registration. GAIN also offered support services such as childcare and transportation. The evaluation consisted of a test of the effects of GAIN in six counties, where between 1988 and mid-1990, nearly 33,000 individuals were randomly assigned to either the program or control groups. Recipients with children under age 6 were not included as part of the evaluation sample in most counties, because federal legislation had not extended the mandate to participate in employment services to this group until 1989. State administrative records data are available for the sample from 1986 to 1995. A survey was given to a subset of the sample 2 to 3 years after random assignment. See Riccio et al., (1994) for a description of the program and its impacts.

**The National Evaluation of Welfare-to-Work Strategies (NEWWS):** The NEWWS evaluation was a test of JOBS programs across seven sites in six states. The evaluation provides a test of employment-focused services, in which recipients are placed in employment-related services and encouraged to find jobs relatively quickly. It also provides a test of education-focused services that have a greater focus on skill building prior to entering the workforce. Several sites in the evaluation offered either an employment- or education-focused program, while others ran the two programs side-by-side, providing a direct test of the effectiveness of the two approaches. The sample for NEWWS consists of over 44,500 single-parent families randomly assigned between 1991 and 1994, for whom administrative records data are available from 1989 through 1997, although this varies somewhat across sites. A two-year survey was administered to a subset of the sample. See Freedman et al., (2000) for more details and information about the programs' two-year impacts.

**The Minnesota Family Investment Program (MFIP):** MFIP tested the effects of a strategy that combined financial incentives to work, in the form of enhanced earnings disregards relative to the AFDC system, and mandated participation in work-focused activities. MFIP also sought to simplify the calculation and receipt of benefits—recipients in the MFIP group had their Food Stamp benefits “cashed-out,” meaning that they received them as part of their MFIP check. The sample consists of over 13,000 families randomly assigned between 1994 and 1996, for whom administrative records data are available from 1993 to 1998. A subset of the sample was given a survey three years after they entered the program. Because the MFIP program cashed-out Food Stamps, including them as part of the MFIP cash grant, an analysis of Food Stamp use is not possible for the program group. Thus, the report uses data only for the control group. See Knox, et al., (2000) for a summary of the program's effects.

**New Hope:** The New Hope program is also in the category of “financial incentives” projects but is unique in that it operated outside of the welfare system. This program offered all low-income people in two Milwaukee communities an earnings supplement, affordable health insurance, and childcare subsidies if they worked full-time. Community service jobs were made available for

those who were willing but unable to find jobs. The program was voluntary and families who enrolled were able to continue receiving welfare, if eligible, along side any New Hope benefits they received. The sample consists of 1,357 low-income families randomly assigned between 1994 and 1995. Administrative records data are available from 1995 to 1997. See Bos et al., (1999) for a presentation of the program's two-year effects.

**Vermont's Welfare Restructuring Program (WRP):** Vermont's Welfare Restructuring Project was one of the first statewide welfare reform programs initiated under waivers of federal welfare rules. WRP was implemented in July 1994 and ran through June 2001. The program consisted of a 30-month work trigger that required most single parents to work in wage paying jobs once they had received welfare for 30 cumulative months (for two-parent families this work trigger occurred after 15 months). The program also included financial incentives in the form of an enhanced disregard that was somewhat more generous than under Vermont's old AFDC program. In addition, the value of the recipient's car was not counted towards her total assets when determining eligibility. A three-group research design, in which some individuals received only the enhanced incentives without the work trigger, was included as part of the evaluation to test the effects of incentives alone compared with incentives combined with the work trigger. The evaluation sample includes over 12,000 people from six of Vermont's 12 welfare districts. Administrative data are available from 1992 to 1998, and a survey administered three and one-half years after random assignment is available for a subset of the sample. See Bloom et al., (1998) for a presentation of the program's interim effects.

**Florida's Family Transition Program (FTP):** FTP tested the effects of 24- and 36-month time limits on welfare receipt for a sample of 2,800 single-parent families in Escambia County, Florida. The program, which started in 1994, offered financial incentives as well as enhanced services designed to help recipients find jobs. Administrative records data are available for each sample member from 1992 through 1999. A subset of the sample was given a survey four years after program entry. See Bloom, et al., (2000) for the final report on the program's effects.

**Connecticut's Jobs First Program:** The Jobs First project evaluated the effects of a 21-month time limit on welfare receipt in the offices of Manchester and New Haven (although the program was run statewide). The program also included very generous financial incentives to encourage work—all of the recipient's earnings were disregarded when calculating her grant level and Food Stamp benefits until her earnings reached the poverty line. The sample includes over 5,000 individuals randomly assigned in 1996 and early 1997, 772 of who responded to an 18-month survey. Administrative records data for this evaluation cover the period 1994 through 1999. See Bloom (2000) for more information about the program.

## **Identifying Welfare Leavers**

The sample of welfare leavers was identified using the administrative records data on welfare and Food Stamp receipt. We use the entire period of data available for every individual in each evaluation to track periods on and off welfare. Consistent with the welfare leaver studies,

we define a welfare exit as a period off of AFDC/TANF for at least two consecutive months.

We restrict the analysis to the individual's first observed exit after random assignment. The majority of recipients (63 percent) who exited welfare had only one exit during the period in which we could observe them; 25 percent had two exits and 9 percent had three exits; very few had four or more exits during the observation period. The sample is further restricted to exits after random assignment because part of the analysis involves a comparison between program and control group members. Such a comparison is only useful if the welfare exit occurred sometime while program group recipients were in the new program. For control group members, 69 percent of exits occurred within 24 months after random assignment, and 90 percent occurred within 42 months. Once we observe a welfare exit, we use the administrative records data to track subsequent earnings, AFDC receipt, and Food Stamp receipt.

The final sample consists of 63,037 welfare leavers, of which 22,279 were members of control groups. The full sample consists of all leavers with at least two months of post-exit data available. Table 2 presents sample sizes by project and by state. The NEWWS evaluation makes up a large fraction of the full sample (43.3 percent), while the state-level panel shows that a large fraction of the sample is also from California (owing to the GAIN evaluation). For all analyses in which we pool the states, the data are weighted by the actual number of welfare recipients in the states in the mid-1990s. Although the data are weighted, they should not be considered a representative sample of the recipient population in these states, owing to the idiosyncrasies of the evaluations. Some programs, for example, over-sampled new applicants relative to ongoing recipients, while others screened out exempt individuals prior to random assignment. In addition, each of the evaluations operated in select counties within the state.

Finally, the timing of the evaluations has implications for the years of data available for each state (see Figure 3). The GAIN evaluation, for example, took place the much earlier than the other evaluations. Thus, welfare exits observed using the GAIN data occurred between 1988 and 1995. As a result, data from individual states are fairly time specific. For example, most exits observed in California are from the late 1980s through the mid-1990s, while most observed in Vermont are from the mid- to late-1990s.

**Table 2**  
**Size of Welfare Leavers Sample, by Project and State**

<b>Full Sample</b>			<b>Control Group</b>		
<b>Project</b>	<b>Sample Size</b>	<b>Percent</b>	<b>Project</b>	<b>Sample Size</b>	<b>Percent</b>
WRP	8,462	13.4	WRP	1,648	7.4
FTP	1,966	3.1	FTP	981	4.4
Jobs First	3,234	5.1	Jobs First	1,500	6.7
MFIP	3,041	4.8	MFIP	3,041	13.7
New Hope	656	1.0	New Hope	336	1.5
GAIN	18,370	29.1	GAIN	4,368	19.6
NEWWS	27,308	43.3	NEWWS	10,405	46.7
<b>Total</b>	<b>63,037</b>		<b>Total</b>	<b>22,279</b>	

<b>State</b>	<b>Sample Size</b>	<b>Percent</b>	<b>State</b>	<b>Sample Size</b>	<b>Percent</b>
Connecticut	3,234	5.1	Connecticut	1,500	6.7
Florida	1,966	3.1	Florida	981	4.4
California	22,144	35.1	California	5,863	26.3
Minnesota	3,041	4.8	Minnesota	3,041	13.7
Georgia	3,124	5.0	Georgia	982	4.4
Ohio	4,736	7.5	Ohio	1,359	6.1
Michigan	5,990	9.5	Michigan	2,323	10.4
Oklahoma	5,260	8.3	Oklahoma	2,683	12.0
Oregon	4,424	7.0	Oregon	1,563	7.0
Wisconsin	656	1.0	Wisconsin	336	1.5
Vermont	8,462	13.4	Vermont	1,648	7.4
<b>Total</b>	<b>63,037</b>		<b>Total</b>	<b>22,279</b>	

Figure 3

Sample Sizes and Years of data available, by state

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>California</b> 22,144		GAIN (18,370)												
<b>Georgia</b> 3,124				NEWWS (27,308)										
<b>Michigan</b> 5,990														
<b>Ohio</b> 4,736														
<b>Oklahoma</b> 5,260														
<b>Oregon</b> 4,424														
<b>Vermont</b> 8,462														
<b>Florida</b> 1,966														
<b>Connecticut</b> 3,234														
<b>Minnesota</b> 3,041														
<b>Wisconsin</b> 656														

SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in table 2.

## Survey Analysis

The survey sample consists of 17,502 individuals, 8,053 of whom were in the control groups. The analysis uses two survey samples. The first is the full sample, not restricted to those who are in our leaver sample, although there is a considerable amount of overlap. For this sample, we examine the association between Food Stamp use and family characteristics using self-reported Food Stamp receipt at the time of the survey. The second analysis is restricted to those survey respondents who were defined as welfare leavers using the administrative records data. In addition, they must have left welfare within 6 months prior to responding to the survey. This restriction is imposed so that the survey responses capture families' circumstances close to the point of the welfare exit. Thus, this sample may provide more information on the reasons individuals do not continue receiving Food Stamps immediately after leaving welfare.

## Characteristics of Welfare Leavers

Table 3 presents select characteristics of the pooled sample in the control groups. Data on demographic characteristics are taken from the baseline information forms collected for all individuals when they entered the evaluations, and data on welfare spell length and earnings at exit are taken from state administrative records. Although this sample cannot be considered representative of the caseload in these states or nationally, it is useful to compare it with other samples to assess the extent to which our leavers "look like" other leavers. For this comparison,

we use a sample of welfare leavers from the Urban Institute's National Survey of America's Families (NSAF). The NSAF was administered in 1997 and consists of a nationally representative sample of the civilian, non-institutionalized population under age 65.

The majority of our leaver sample is female, reflecting the fact that most of the recipients were single parents at the point of random assignment. More than a third of the sample was over age 35 at program entry, and about half had a high school diploma. Half of the leavers were never married at program entry and half of them had children under age 6. Although this is a sample of individuals who had left welfare, their average earnings in the year following the exit were fairly low (\$6,093 in 2000 dollars). Over half of them (55 percent) had left a spell of welfare that lasted more than two years, and a fairly high number had some earnings in the six months prior to the welfare exit (60 percent), reflecting a significant amount of combining welfare and work. Most of the leavers left welfare between 1994 and 1996, which reflects the evaluation time periods. Recall from Figure 3 that most of the evaluations we use covered the mid-1990s. Finally, a large fraction of the sample is from California.

Compared to the NSAF, shown in the second column, our sample looks less disadvantaged in some ways. Our welfare leavers are older, have fewer children, and are more likely to have a high school degree than those in the NSAF. Also, our leavers are less likely to have very young children. This difference reflects the fact that some evaluations (particularly GAIN and some NEWWS sites) did not randomly assign families with young children, since they would have been exempt from work requirements. Our sample also includes more male respondents than the NSAF sample, reflecting the inclusion of two-parent families in several evaluations.

The differences between the samples may partially reflect cohort differences, since the NSAF sample is limited to people who left welfare between 1995 and 1997, while our sample consists of people who left between 1988 and 1999. However, the same differences persist when we restrict our sample to those who left welfare between 1995 and 1997.

**Table 3**  
**Characteristics of Welfare Leavers**

Characteristics	MDRC Leavers	NSAF Leavers
Gender of respondent (%)		
Male	17.5	6.5
Female	82.5	93.5
Age (%) <sup>a</sup>		
Younger than 25	18.5	30.5
25-35	46.0	44.0
Older than 35	35.5	25.4
Race / Ethnicity (%)		
Black	40.7	34.7
Hispanic	13.7	13.1
White	45.6	52.2
High school graduate (%)	53.1	37.2
Single parent (%)	84.5	
Marital status (%)		
Never Married	48.6	31.6
Married	6.0	26.8
Divorced / separated / widowed	45.4	29.8
Number of children (%)		
1	39.5	31.5
2	32.0	35.1
3 or more	28.5	33.3
Young Children (%)		
Younger than 6	50.3	67.2
6 or older	49.7	32.8
Economic status		
Average earnings in 3 months surrounding exit (\$)	1,426	
Average earnings in year after exit (\$)	6,093	
Earnings in 3 months surrounding exit (\$)		
None	42.5	
1-499	7.8	
500-1999	17.2	
2000 or more	32.4	
Had Earnings in 6 months prior to exit (%)	57.8	
Welfare spell length		
Less than 24 months (%)	44.8	
24 months or more (%)	55.2	
Exit Year (%)		
86-90	14.1	
91-93	27.1	
94-96	49.4	
97-99	9.5	

(continued)



Characteristics	MDRC Leavers	NSAF Leavers
Region (%)		
Urban	79.4	
Rural	20.6	
State (%)		
California	41.4	
Connecticut	2.8	
Florida	12.2	
Georgia	6.9	
Michigan	11.9	
Minnesota	3.3	
Ohio	12.5	
Oklahoma	2.5	
Oregon	2.0	
Vermont	0.5	
Wisconsin	4.1	
Sample Size	22,279	1,289

SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in Table 2.

The NSAF (National Survey of America's Families) data were obtained from Loprest, Pamela. 1999. "Families Who Left Welfare: Who Are They and How Are They Doing?" The Urban Institute.

NOTES:

<sup>a</sup>The NSAF ranges for the Age variable differ slightly from those of MDRC. The NSAF ranges are as follows: 18-25, 26-35, 36 and older.

The analysis is restricted to the individuals in the Control Groups.

The data are weighted to reflect the size of the welfare caseload in each state.

#### **IV. FOOD STAMP USE AFTER WELFARE FOR INDIVIDUALS IN THE CONTROL GROUPS**

This section describes Food Stamp use for the sample of welfare leavers. In particular, we examine the percent of recipients who receive Food Stamps immediately after leaving welfare and the percent who use them within a year after leaving welfare. We examine patterns of use for the full sample, as well as several subgroups in order to assess how recipients' characteristics are associated with their likelihood of staying on Food Stamps. The sample for this analysis is restricted to control group members, in order to observe behaviors that would have occurred in the absence of a welfare-to-work program. A later section compares program and control group welfare leavers.

## Patterns of Food Stamp Receipt

Table 4 presents data for the combined sample on Food Stamp use after leaving welfare. A welfare leaver is considered to have stayed on Food Stamps if he or she received Food Stamps in the first or second month immediately following the welfare exit. We also examine Food Stamp use within 6 months and within 12 months of exit, restricting the sample to leavers with at least 12 months of post-exit data. The table shows that 42 percent of welfare leavers stayed on Food Stamps. Among those that do stay on Food Stamps, use is fairly extensive during the subsequent year; on average, they received Food Stamps for more than 8 of the 12 months. The percent staying on Food Stamps is slightly lower than that found in other studies. For example, Loprest (1999) finds that 47 percent of the NSAF leavers stayed on Food Stamps. Reidy (1998) uses a sample of welfare leavers in Illinois and finds that 53 percent continue receiving Food Stamps and Medicaid. However, some part of this difference may be due to differences in exit time periods. If we restrict the sample to those exiting between 1995 and 1997, the proportion staying on Food Stamps is 53 percent. Further, as mentioned earlier, this analysis is limited to a certain group of states and is not nationally representative. As shown later, there is significant variation across the states in Food Stamp use after leaving welfare. Our finding is generally consistent with findings from the series of leavers studies funded by the Assistant Secretary for Planning and Evaluation (ASPE) of the U.S. Department of Health and Human Services. Most of those studies found that one-third to one-half of welfare leavers stayed on Food Stamps (ASPE 2001). That our findings are consistent with more recent research also suggests that the fairly low Food Stamp participation rates are not unique to the post-welfare reform era.

**Table 4**  
**Food Stamp Use After Exit from Welfare**

Percent of Welfare Leavers who:	
Stayed on Food Stamps	42
Received Food Stamps within 6 months	53
Received Food Stamps within one year (%)	60
Average number of month receiving Food Stamps	8.4
Percent who did not stay on Food Stamps immediately but returned within one year	18
Percent of these individuals who had also returned to welfare	68.5
<b>Sample</b>	<b>22,279</b>

SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in Table 2.

NOTES:

The data are weighted to reflect the size of the welfare caseload in each state.

The table also shows that the cumulative percentage who receive Food Stamps increases with time since exit; while 42 percent stayed on Food Stamps, 53 percent had used them within 6 months after exit, and 60 percent within a year after exit. In other words, an additional 18 percent of leavers did not stay on immediately but returned at some point during the subsequent 12 months (also shown in the second to last row of the table). This pattern indicates that most of those who participate in Food Stamps after leaving welfare do so immediately after exit.

Rates of Food Stamp use in a given month, in contrast, are relatively constant over the 12-month period; in each of the 12 months, about 43 percent of the leavers were receiving Food Stamps (not shown). This flat trend line reflects the fact that some people were leaving Food Stamps over time and others were returning to it. Finally, the last row of the table also shows that returning to Food Stamps is usually the result of returning to welfare—a minority returned to Food Stamps alone. Of the 18 percent of leavers who later returned to Food Stamps, 69 percent of them had also returned to welfare. (Appendix Table B1 presents demographic characteristics for the three groups of leavers—those who stayed on Food Stamps, those who did not stay on immediately but returned with one year, and those who did not use Food Stamps in the year following their exit.)

The proportion of recipients who stay on Food Stamps is surprisingly low, given their economic circumstances. Other research finds that most leavers appear to be eligible for Food Stamps. Cancian et al. (2001), for example, estimate that 91 percent of welfare leavers in Wisconsin were eligible to receive Food Stamps in the quarter after exit. Recall from Table 3 that average earnings in the three months surrounding the exit were fairly low, suggesting that most of these leavers would have also remained eligible. For example, a family of three – one parent and two children – would qualify for benefits if their monthly income was less than \$1,320. On average, this sample of welfare leavers had earnings equal to about \$475 per month (or \$1,426/3). One limitation of our data, however, is that they only include the respondent's earnings (plus her spouse's earnings if she entered the evaluation as part of a two-parent family) from the UI administrative records data, whereas many of those who left welfare may have been living with other adults at the time they left. A later section will use the survey data to capture other sources of family income.

Table 5 shows patterns of Food Stamp receipt for several subgroups. The first column uses the full sample to show the percent of leavers who stay on Food Stamps immediately after exit. The second columns uses leavers with at least 12 months of follow-up data available to show the percent of leavers who use Food Stamps within one year after exit (including those who stayed on immediately). As shown in the first column of the table, single parents are less likely than two-parent families to stay on Food Stamps, which is consistent with other findings. A possible explanation for this difference may be related to reason for exit from welfare—single parents are more likely to exit due to marriage, whereas two-parent families are probably more likely to exit for work related reasons (marital status is measured at the point of random assignment). Some evidence consistent with this is that single parents were more likely than two-parent families to have no earnings at the time of their welfare exit (not shown). An alternative explanation is that two-parent families are more likely to have been working while on welfare, and thus may be more likely to know that they can work and still receive Food Stamps.

**Table 5**  
**Food Stamp use after leaving welfare, by Subgroup**

Subgroup	Percent who stayed on Food Stamps immediately	Percent who used Food Stamps within one year
Age (%)		
Younger than 25	44.3	64.9
25-35	43.8	61.3
Older than 35	39.7	55.5
Race / Ethnicity (%)		
Black	53.7	69.4
Hispanic	31.6	52.7
White	35.2	53.4
Education (%)		
Less than grade 9	36.8	54.3
Grades 9-11	43.3	62.0
High school graduate	44.8	61.3
Some college	34.8	52.1
Family Type (%) <sup>a</sup>		
Single-Parent	26.4	45.9
Two-Parent	31.8	52.7
Number of children (%)		
1	39.8	57.6
2	43.3	60.2
3 or more	44.7	62.4
Young Children (%)		
Younger than 6	46.0	64.2
6 or older	38.7	55.4
Earnings in 3 months surrounding exit (%)		
None	34.1	51.7
1-499	43.4	63.4
500-1999	53.6	71.7
2000 or more	47.2	63.5
Had earnings in 6 months prior to exit (%)	47.7	65.2
Welfare spell length (%)		
Less than 6 months	39.7	57.6
12-24 months	43.7	61.5
24 months or more	43.8	60.6
County unemployment rate in month of exit (%)		
Less than 4	52.6	65.8
Between 4 - 6	52.4	69.2
Between 6 - 9	37.6	55.9
Above 9	23.2	45.7

(continued)

Subgroup	Percent who stayed on Food Stamps immediately	Percent who used Food Stamps within one year
Housing Status (%)		
Public or subsidized housing	65.0	78.3
Private/other	45.4	62.4
Region (%)		
Urban	39.2	56.4
Rural	54.6	73.0
State (%)		
California	23.1	44.3
Connecticut	44.6	61.4
Florida	66.7	82.1
Georgia	73.2	84.7
Michigan	51.6	70.2
Minnesota	39.8	56.5
Ohio	50.7	59.8
Oklahoma	40.0	61.2
Oregon	57.4	70.6
Vermont	59.4	74.7
Wisconsin	54.2	72.7
Sample Size	22,279	20,710

SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in Table 2.

County unemployment rates were obtained from the Bureau of Labor Statistics website.

NOTES:

<sup>a</sup> This variable is measured only in states where data were available for single- and two-parent families. These states are Connecticut, California, Minnesota, Vermont and Wisconsin.

This analysis is restricted to the individuals in the Control Group.

The data are weighted to reflect the size of the welfare caseload in each state.

High school graduates are somewhat more likely than non-graduates to stay on Food Stamps, as are those with higher earnings at exit, although those with the highest education levels and highest earnings are somewhat less likely to stay (a later section will look more at the circumstances of those who left welfare but had no earnings at exit according to the UI data). One might expect that leavers with more education or higher earnings would be the least likely to stay on Food Stamps. However, other research has also shown that those who appear more prepared to enter the labor force are more likely to stay on Food Stamps than those who are less equipped. For example, Reidy (1998) found that those with prior work experience and at least a high school diploma are slightly more likely than their less job-ready counterparts to remain on some form of assistance after leaving welfare. Cancian et al., (2001) also found that leavers with more work experience while on welfare are more likely to receive other benefits, including Food Stamps. The authors argue that women who combine work and welfare may be more likely to understand that they can work and still remain eligible for Food Stamps after they leave welfare.

Two of the biggest differences in Food Stamp use are by race and by housing status. Black welfare leavers are much more likely to stay on Food Stamps (54 percent) than their white (35 percent) or Hispanic (32 percent) counterparts. Among those in public or subsidized housing, 65 percent stay on Food Stamps, compared with 45 percent of leavers in private housing. Although this relationship may be due to differences in their economic status at exit, it may be that information on Food Stamp eligibility and benefits is more readily available to those already receiving other types of benefits, such as housing assistance. Those who are exiting relatively long spells of welfare are somewhat more likely to stay on Food Stamps, and welfare leavers in rural areas are much more likely to stay than their urban counterparts.

Data on monthly unemployment rates for each county, obtained from the Bureau of Labor Statistics (BLS) allow us to examine the interaction of Food Stamp use and the local economy.<sup>4</sup> As BLS reports, however, one limitation of these data is that they may be measured with considerable error, given that they are estimated using small sample sizes and several data sources. Those who left welfare when the unemployment rate was relatively high were less likely to stay on Food Stamps. Recipients who manage to leave welfare during hard economic times may be the most job ready and, thus, the least likely to need or remain eligible for benefits. Alternatively, they may be more likely to have left welfare for reasons unrelated to work.

The last several rows of the table show that Food Stamp use varies widely by state. Leavers in Florida and Georgia, for example, are much more likely to stay on Food Stamps than those in California. Less than one quarter of welfare leavers in California receive Food Stamps in the month after exit. As shown in the earlier section, a large fraction of the welfare exits that occurred in California occurred during the early to mid 1990s. Thus, the relatively low participation rates in this state may reflect cohort differences. However, as a later analysis shows, the differences across states generally persist over time.

Note that the subgroup differences shown here do not control for differences in other characteristics. The fact that black welfare leavers are more likely to stay on Food Stamps may reflect the fact that they tend to have lower earnings at the time of exit, rather than the effects of race per se. One factor that is likely to be especially important to control for is state of residence. As shown, Food Stamp receipt rates vary significantly across states, with the result that some subgroups may have especially high or low rates of participation simply because they are disproportionately concentrated in certain states. As a check on our results, we also examined patterns of Food Stamps receipt across subgroups for each individual state. The patterns of use found for the pooled sample generally also hold for each individual state.

Table 6 presents the effects of various personal and economic characteristics on Food Stamp receipt, using a multivariate regression model that allows us to examine the effect of each characteristic while holding all of the other characteristics constant. The models estimate the

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<sup>4</sup> These data (Local Area Unemployment Statistics) are available from 1990 through 2000 and were obtained from the Bureau of Labor Statistics at <http://stats.bls.gov/lauhome.htm>.

probability of staying on Food Stamps after leaving welfare and include all of the variables shown in Table 5 plus variables measuring exit year to account for any changes in use over time. The coefficients on exit year are not shown in the table, since an analysis of trends over time will be presented in a later section. Also included are variables to indicate whether any data were missing for the individual. For most variables, information was missing for about 5 percent of the sample. In other cases, such as for housing status, this fraction was higher since one or two evaluations did not collect this information.

In general, many of the patterns found in Table 5 remain after controlling for other factors. Black welfare leavers are more likely to stay on Food Stamps than white leavers, although the difference (5.9 percentage points) is much smaller than that shown in Table 5. Single parents are less likely to stay than two-parent families, and leavers with more children and younger children are more likely to stay. The effect of earnings at exit is also similar, with those with higher earnings more likely to stay. Welfare leavers in public or subsidized housing are also more likely to stay on Food Stamps than those in private housing. Those who leave welfare when the unemployment rate is relatively high are less likely to stay on Food Stamps, although this relationship is much weaker than that found in Table 5. Much of the association between unemployment rates and participation was eliminated by including state of residence in the regression model. Thus, the finding in Table 5—that those who leave welfare when the unemployment rate is high are less likely to stay on Food Stamps—was not a causal relationship, but rather was driven largely by the fact that the states in our sample with high unemployment rates also had low Food Stamp use rates.

The results for receiving Food Stamps within one year of exit are similar to those for staying on immediately following exit. The exceptions are for the age of the recipient and the unemployment rate at exit. These variables are no longer statistically significant for the model predicting Food Stamp use within the year after exit, suggesting that there are differential rates of return across these subgroups. Those who exit when the unemployment rate is relatively high, for example, are less likely to stay on Food Stamp, but a relatively high proportion of them return within a year.<sup>5</sup>

In summary, the results show that several characteristics are associated with Food Stamp use after welfare. The types of leavers who are more likely to stay on Food Stamps are those who:

- are older
- are black or Hispanic
- had relatively higher earnings at exit
- live in public or subsidized housing
- live in a rural county
- have more children.

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<sup>5</sup> We also examined the effect of various characteristics on Food Stamp use for several subgroups. The results show that the factors that predict Food Stamp use for the full sample also generally predict it for these subgroups.

**Table 6**  
**The determinants of Food Stamp**  
**Use After Exit**

	Stayed on Food Stamps after exit		Stayed or Returned within one year	
	Estimate	Standard Error	Estimate	Standard Error
Age				
25 to 30	0.040	0.010 ***	-0.006	0.010
30 to 35	0.046	0.011 ***	0.000	0.011
Over 35	0.082	0.011 ***	0.018	0.012
Race / Ethnicity				
Black	0.059	0.008 ***	0.045	0.008 ***
Hispanic	0.036	0.010 ***	0.032	0.012 ***
Education				
High school graduate	-0.003	0.007	-0.017	0.007 **
Some college	-0.035	0.010 ***	-0.048	0.010 ***
Single Parent	-0.094	0.014 ***	-0.104	0.013 ***
Number of children				
2	0.029	0.007 ***	0.038	0.008 ***
3 or more	0.031	0.008 ***	0.048	0.009 ***
Young child	0.015	0.008 **	0.009	0.008
Earnings in 3 months surrounding exit				
1-499	0.027	0.013 **	0.077	0.013 ***
500-1999	0.146	0.012 ***	0.178	0.012 ***
2000 or more	0.214	0.015 ***	0.243	0.016 ***
Average earnings in 3 months surrounding exit	-0.000039	0.000003 ***	-0.000048	0.000003 ***
Had earnings in 6 months prior to exit	0.011	0.009	0.021	0.009 **
Welfare spell length				
12-24 months	0.026	0.009 ***	0.025	0.009 ***
24 months or more	0.002	0.009	0.011	0.009
County unemployment rate in month of exit				
Between 4 to 6%	-0.019	0.010 **	0.001	0.010
Between 6 to 9%	0.001	0.014	0.017	0.013
Above 9%	-0.036	0.018 **	0.009	0.020
Public or Subsidized Housing	0.107	0.009 ***	0.104	0.010 ***
Urban	-0.152	0.014 ***	-0.143	0.015 ***
State				
Connecticut	0.149	0.026 ***	0.127	0.026 ***
Florida	0.228	0.028 ***	0.185	0.033 ***
Georgia	0.402	0.020 ***	0.306	0.025 ***
Michigan	0.261	0.018 ***	0.228	0.021 ***
Minnesota	0.089	0.026 ***	0.060	0.024 **
Ohio	0.210	0.020 ***	0.104	0.025 ***
Oklahoma	0.172	0.026 ***	0.182	0.022 ***

(continued)



	Stayed on Food Stamps after exit		Stayed or Returned within one year	
	Estimate	Standard Error	Estimate	Standard Error
Oregon	0.327	0.027 ***	0.244	0.023 ***
Vermont	0.098	0.063	0.132	0.054 **
Wisconsin	0.235	0.024 ***	0.228	0.036 ***
Sample Size	22,279		20,710	

SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in Table 2.

County unemployment rates were obtained from the Bureau of Labor Statistics website.

NOTES: A two-tailed t-test is applied to all estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

This analysis is restricted to the individuals in the Control Group.

Also included are variables for missing status and for year of exit.

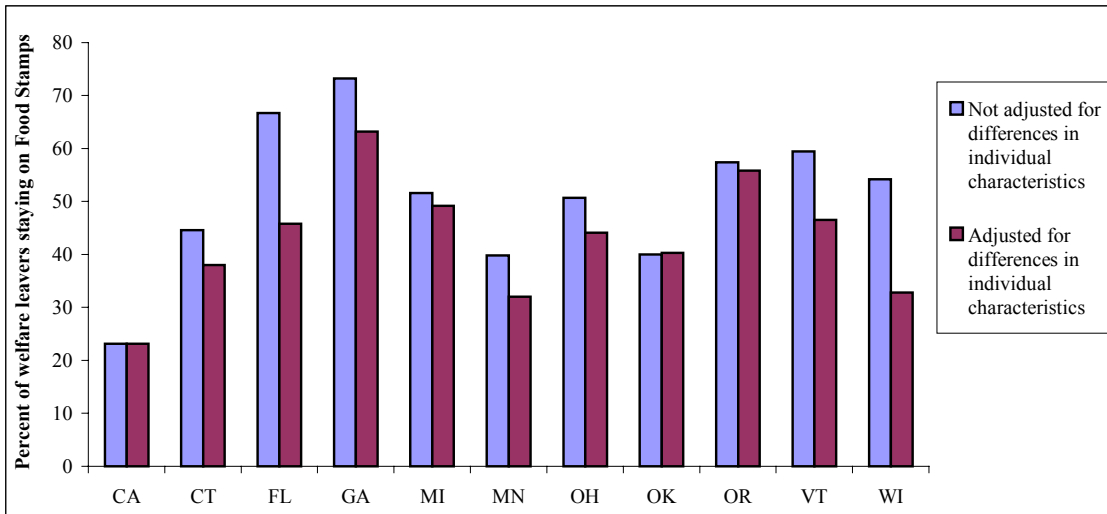
The data are weighted to reflect the size of the welfare caseload in each state.

## Food Stamp Receipt by State

The coefficient on the state variables (California is the omitted state) in Table 6 show that many of the state rankings still hold once we control for difference in the characteristics of leavers across states, although the dispersion has narrowed significantly (see Figure 4). California and Minnesota still have the lowest Food Stamp use rates, while Georgia still has the highest. Controlling for leaver characteristics had the biggest effect on Florida's ranking. This result suggests that welfare leavers in Florida have higher Food Stamp use rates in large part because they differ from leavers in other states and not because they live in Florida per se.

Another possible reason for the dispersion across states is differences in their welfare benefit levels. The low rates in California may reflect the high welfare benefits in that state, meaning that recipients must have a relatively high level of earnings in order to lose eligibility for welfare. As a result, fewer of them may remain eligible for Food Stamp benefits, or they may be eligible for such small amounts that it is not worth the costs of applying. This might also explain the relatively low Food Stamp use rates in Minnesota, as well as the relatively high rates in Florida and Georgia, where welfare benefits are low. We have controlled for this to some extent in the regression models by including recipients' earnings at the point of exit, which should account for their eligibility for Food Stamps as well as the amount of benefits they would stand to receive.

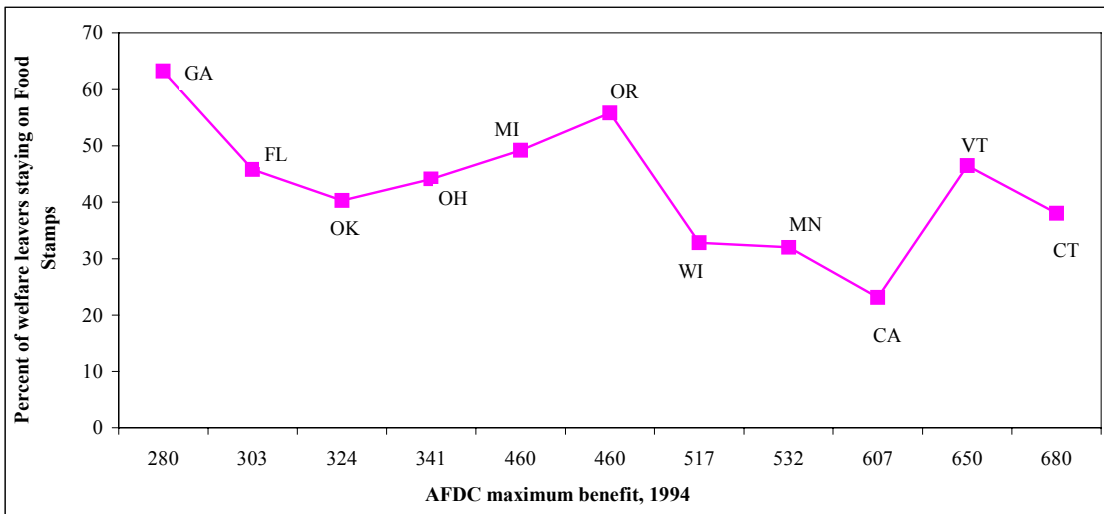
**Figure 4**  
**Variation across states in Food Stamp use**



SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in table 2.

NOTES: The analysis is restricted to the individuals in the Control Groups.

**Figure 5**  
**Food Stamp use and AFDC maximum benefits**



SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in table 2, and *The 2000 Green Book*.

NOTES: The analysis is restricted to the individuals in the Control Groups.

Figure 5 shows the relationship between the maximum welfare benefit in the state in the mid-1990s and the regression-adjusted Food Stamp receipt rate. The figure indicates that Food Stamp receipt is related to benefit levels to some extent—in states with higher benefits, welfare leavers are somewhat less likely to stay on Food Stamps. Food Stamp participation is highest in Georgia, for example, which also has the lowest welfare benefit levels.<sup>6</sup> However, the figure also suggests that there is variation across states in Food Stamp use that is not explained by welfare benefit levels. If a regression line were superimposed on the graph, it is easy to see that Oregon and Vermont for example, have higher rates than would be predicted given their welfare benefit levels, while California has lower rates.

The state rankings we find, particularly with respect to the highest and lowest states, are in many cases consistent with other research. Shirm (1998, 2000, 2001) provides estimates by state of the number of eligible families (not limited to welfare leavers) participating in the Food Stamp program. California consistently ranks towards the bottom in terms of participation rates, while Vermont consistently ranks towards the top. Among the leavers studies funded by ASPE, referred to earlier, the study using data from one county in California also found relatively low rates of Food Stamp use among welfare leavers (ASPE 2001). Thus, the low rates of Food Stamp use we find for California do not appear to be an artifact of our particular sample or time period.

## V. REASONS FOR NONPARTICIPATION

More than half of the welfare leavers in our sample did not stay on Food Stamps, although most of the them appeared to be eligible. However, eligibility was measured using UI administrative records data on earnings, and these data are limited to employer-reported earnings and do not pick up many other sources of income, such as earnings from informal jobs, other benefits, and the earnings and income of other household members. The surveys from the evaluations allow us to get a better look at families' eligibility for Food Stamps, since they capture cash income beyond earning and welfare. These data provide only an approximate measure of eligibility status, however, since they do not include information on family assets. The survey data also allow us to examine other characteristics, such as marital status and household composition, that might affect recipients' decision to use Food Stamps. This section uses the survey data to examine the characteristics and circumstances of families by whether they stay on Food Stamps. As for the analysis in the previous section, we only use data for leavers in the control groups in order to examine patterns that existed under the old welfare system. (Appendix A presents an analysis of these survey data examining the relationship between Food Stamp use and several measures of family well being.)

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<sup>6</sup> It is also possible, however, that the relationship observed in Figure 5 is in part due to unobserved differences across states, such as administrative practices with respect to the Food Stamp program, that are correlated with both receipt rates and AFDC maximum benefits.

## Analysis Using the Full Survey Sample

This section compares survey respondents based on self-reported receipt of Food Stamps in the month prior to the survey. The analysis is restricted to survey respondents who were not receiving welfare at the time of the survey. Table 7 presents the results. The group in the first column reported receiving Food Stamps in the month prior to the survey, and the group in the second column reported not receiving Food Stamps. The latter group consists of people who did not stay on Food Stamp after leaving welfare and those who stayed on Food Stamps but had left by the time of the survey.

The first two panels present data on income and income sources. Respondents not receiving Food Stamps had on average 30 percent higher household incomes than those who did receive Food Stamps (\$1,448 versus \$1,082). This difference is due to the fact that the former group had higher earnings and was more likely to report earnings from other adults in the household (36 percent of this group reported earnings from other adults, compared with 21 percent of the group that received Food Stamps). This panel also shows that Food Stamps are an important income source for families who receive them. On average, benefits represent 20 percent of monthly income.

Household income partly explains why some families do not receive Food Stamps. By our calculations, only 55 percent of these families are eligible. The eligibility panel shows various income cutoffs (not including Food Stamp income) to indicate formal eligibility but also to indicate the amount of benefits families would be eligible to receive. Those with incomes between 100 percent and 130 percent of the poverty line, for example, are technically eligible for Food Stamps, but probably stand to receive few benefits. For these families, the costs of applying may outweigh the benefits they would receive. Using this information, 45 percent of those not receiving Food Stamps are not eligible, while another 14 percent are eligible for only small amounts.

The eligibility calculation is a rough estimate based on whether the household's gross income is less than 130 percent of the poverty line. It does not account for the fact that the earnings of some adults may not count towards eligibility (if, for example, they do not share meals together), and it does not consider the net income test or the asset test. Recent research finds that about 25 percent of those families who look eligible based on their income would be ineligible based on their assets and their net income, or gross income minus deductions (McConnell, 1997). The error in estimating eligibility can be seen by the fact that only 80 percent of the group receiving Food Stamps is estimated to be eligible. Thus, eligibility may also be underestimated for the group not receiving Food Stamps. Nonetheless, a significant fraction of them are probably not eligible. The flip side of the coin, however, is that a large of fraction of them *are* eligible, yet are not receiving benefits. This is cause for concern, given that nearly a quarter of them had incomes below 50 percent of the poverty line.

**Table 7**  
**Income Sources, Household Composition, and Knowledge of**  
**Food Stamp Rules, for Survey Respondents**

	Respondents who received Food Stamps in month prior to survey	Respondents who did not receive Food Stamps in month prior to survey
<b><u>Household income sources in prior month</u></b>		
Respondent's earnings	401	634
Other household earnings	212	590
AFDC/TANF	18	17
Food Stamps	204	6
Child care	49	47
Other income	209	163
Total household income	1,082	1,448
<b><u>Percent who received income source</u></b>		
Respondent employed	53.8	60.3
Other household member employed	20.8	36.4
AFDC/TANF	5.8	3.7
Food Stamps	100.0	3.4
Child care	19.6	16.8
Other income	52.7	56.5
<b><u>Eligibility Status</u></b>		
Income below 50% of poverty	31.7	23.0
Income between 50-100% of poverty	39.4	18.2
Income between 100-129% of poverty	9.3	13.6
Income above 130% of poverty	19.6	45.1
Eligible (Income below 130% of poverty)	80.4	54.9
<b><u>Household composition</u></b>		
Currently married at survey, living w/ spouse	8.7	14.5
Not married at survey, but another adult in household	16.3	19.3
Divorced/separated at baseline, remarried at survey	4.0	7.8
Never married at baseline, married at survey	3.0	7.2
Number of children	2.0	1.7
<b><u>Perceptions of Food Stamp rules</u></b>		
Is there a time limit on Food Stamps? (MFIP)		
Don't know	12.3	24.2
No	41.5	26.3
Yes	46.2	49.4
Why did you not receive Food Stamps? (FTP)		
Income too high	n/a	52.0
Too much of a hassle	n/a	17.9
Benefits cut off	n/a	7.1
Didn't apply/reapply/never applied	n/a	4.7
Other reason	n/a	9.8
Sample Size	999	2,971

SOURCE: MDRC calculations from survey data from the evaluations listed in Table 2. Data from the New Hope survey are not included.

NOTES: This analysis is restricted to the individuals in the Control Group who were not receiving welfare at the time of the survey.

The data are weighted to reflect the size of the welfare caseload in each state.

Differences in household composition may also be related to Food Stamp use. Those who were not receiving Food Stamps were more likely to be married at the time of the survey—15 percent versus 9 percent—and were more likely to live with other adults—19 percent versus 16 percent. In addition, there is a small difference in rates of marriage for the two groups: 8 percent of respondents not receiving Food Stamps were divorced or separated at baseline and remarried by the survey, versus only 4 percent of households on Food Stamps. These differences in marriage and household composition will affect Food Stamp use to the extent that they affect total household income.

Surveys for two of the evaluations provide additional information about reasons for nonparticipation. The survey for the MFIP evaluation was administered shortly after federal welfare reform in 1996 and asked respondent about the existence of time limits on Food Stamps. A comparison of the two groups' responses indicate that lack of information may be one reason families do not participate. About half of all the respondents surveyed believed that there was a time limit on Food Stamps, although this percent did not differ between the two groups (46 percent versus 49 percent). Where the two groups differed was in their uncertainty about the rules. Among those receiving Food Stamps, 41 percent knew they were not time limited and 12 percent did not know. Among those who were not receiving Food Stamps, only 26 percent knew that they were not time limited and 24 percent were not sure. The fraction in both groups who believed that Food Stamps were time limited is strikingly high, especially given that these respondents were in the control group and never subject to a welfare-to-work program.

The survey for the FTP evaluation asked respondents why they were not receiving Food Stamps. About half of them said their income was too high, and 18 percent said that receiving Food Stamps was too much of a hassle. About 7 percent reported that their benefits had been cut off, although they did not provide a reason for that action. Table 8 looks in more detail at the FTP respondents, by their reason given for not receiving Food Stamps. Among those who reported that their income was too high, we estimate using their household income that a slight majority of them were correct—60 percent were not eligible. These respondents differed from the other three groups in that they were much more likely to have another adult in the household employed and they were much more likely to be married (37 percent).

Among the group reporting that it was too much of a hassle to receive Food Stamps, the majority (64 percent) were still eligible. This group stands out from the others in that they had high employment rates (73 percent were employed), yet only 9 percent were married. This is consistent with their response of “too much hassle” if single, working parents find it more difficult to deal with the time costs of applying or re-applying for Food Stamps.

Finally, among the group that reported they were cut off from Food Stamps, the majority were still eligible. The primary way in which they differed from the other three groups is that they were much more likely to be in severe poverty, or have household income that was below 50 percent of the poverty line.

**Table 8**  
**Characteristics of respondents not receiving Food Stamps,**  
**by reason given for not participating (FTP project)**

	Benefits Cut Off	Income Too High	Too Much Hassle	Did Not Reapply	All
Employed	43.8	80.3	72.5	76.2	70.3
Other Adult Employed	21.8	42.1	20	33.3	31.9
Eligible for Food Stamps	75	39.5	63.8	66.7	52.5
Number of Kids	2.6	2.0	1.9	2.2	2.0
Other Adult in Household	53.1	31.5	51.3	28.6	88.3
Married	21.9	36.9	8.8	28.6	28.2
Income below 50% of Poverty	43.8	12	18.8	23.8	20.5
Percent of total sample	7.1	52.0	17.9	4.7	
Sample Size	33	233	80	21	464

SOURCE: MDRC calculations from the survey for Florida's Family Transition Program.

NOTES: This analysis is restricted to the individuals in the Control Group.

The data are weighted to reflect the size of the welfare caseload in each state.

### **Analysis Using Survey Respondents Who Exited Welfare Within 6 Months Of The Survey**

Although Table 7 provides insight into the differences between welfare leavers who received Food Stamps and leavers who did not, it does not provide a direct look at the family's circumstances at the time of the welfare exit, given that the exit could have occurred several months or years prior to the survey. Table 9 attempts to provide a more accurate picture of this by restricting the analysis to survey respondents who, based on the administrative records data, left welfare within 6 months prior to the point at which they were given the survey. One result of this restriction is that we are left with a sample of leavers who stayed on welfare for a relatively long time period and thus may be more disadvantaged than other leavers. This caution should be kept in mind when interpreting the results.

**Table 9**

**Income Sources, Household Composition, and Knowledge of  
Food Stamp Rules, for Survey Respondents whose first exit after  
random assignment was within 6 months prior to survey date**

	Respondents who received Food Stamps in month after Exit	Respondents who did not receive Food Stamps in month after exit
<b><u>Household income sources in prior month</u></b>		
Respondent's earnings	503	529
Other household earnings	324	587
AFDC/TANF	97	86
Food Stamps	179	57
Child care	62	54
Other income	160	124
Total household income	1,310	1,398
<b><u>Percent who received income source</u></b>		
Respondent employed	60.2	59.0
Other household member employed	28.6	36.8
AFDC/TANF	27.0	18.3
Food Stamps	76.6	28.3
Child care	23.0	17.5
Other income	37.5	39.0
<b><u>Eligibility Status</u></b>		
Income below 50% of poverty	27.2	25.0
Income between 50-99% of poverty	38.3	25.5
Income between 100-129% of poverty	7.4	14.6
Income above 130% of poverty	27.2	34.9
Eligible (Income below 130% of poverty)	72.8	65.1
<b><u>Household composition</u></b>		
Currently married at survey, living w/ spouse	4.9	5.2
Not married at survey, but another adult in household	19.1	26.6
Divorced/separated at baseline, remarried at survey	3.0	3.3
Never married at baseline, married at survey	0.8	2.7
Number of children	2.1	1.7
<b><u>Perceptions of Food Stamp rules</u></b>		
Is there a time limit on Food Stamps? (MFIP)		
Don't know	18.2	24.5
No	36.4	28.6
Yes	45.5	46.9
Sample Size	259	233

SOURCE: MDRC calculations from survey data from the evaluations listed in Table 2.

Data from the New Hope survey are not included.

NOTES: This analysis is restricted to the individuals in the Control Group who were not receiving welfare at the time of the survey.

The data are weighted to reflect the size of the welfare caseload in each state.



The sample is divided into those who stayed on Food Stamps in the months after exit (first column) versus those who did not (second column). The income data tell a somewhat different story than in the earlier table. Total income is similar for the two groups—although there is a difference in income sources. The group who did not stay on Food Stamps is more likely to report earnings from another adult in the household. Average earnings of other household members was \$587 for the group that did not stay on Food Stamps versus \$324 for the group that stayed. This difference in others' earnings is partially made up for by the latter group with Food Stamp income (they received \$179 in benefits). Note that 28 percent of the group that did not stay on Food Stamps immediately after exit reported receiving Food Stamps at the time of the survey. This fairly high rate of return (within 6 months of the exit) is also found using the administrative records data.

About three quarters of those who stayed on Food Stamps appear to have been eligible, based on income at the time of the survey (73 percent), while a similarly high fraction of those who did not stay on Food Stamps also look eligible (65 percent). Finally, the information problem raised with the MFIP data show a similar pattern for this sample. The group that did not stay on Food Stamps was more likely to report that they “did not know” if there was a time limit on Food Stamps. The sample sizes for the FTP question on the reasons for not receiving Food Stamps were too small for a reliable analysis.

### **Additional Evidence on Eligibility, Information, and Stigma**

Table 5 reported that among welfare leavers who had no UI-reported earnings at the time of their exit, only 34 percent of them stayed on Food Stamps. The low receipt rate for this group is especially puzzling, given that most of them look eligible. One potential reason for their low participation may be that many of them exited welfare for other reasons, particularly marriage or cohabitation. Table 10 takes advantage of the survey data to look at the family circumstances of leavers, by their UI-based earnings at exit. Although those who had no earnings at exit were not more likely to be married, they were somewhat more likely than at least two other groups to have another adult in the household. A big difference between this group and the others, however, is the existence of other income: 50 percent of those with no earnings at exit reported having income from other sources (such as disability, child support, help from relatives, etc.), compared with about 35 percent for the other three groups. As a result, estimated eligibility rates, based on income, are fairly similar across the four groups. Thus, the table illustrates the importance of having survey data on income in addition to UI data on earnings and that some fraction of those who leave welfare without reported earnings are probably not eligible for Food Stamps.

As a final look at reasons for nonparticipation, we use data from three of the evaluations. The MFIP, FTP, and WRP evaluations each included a Private Opinion Survey given to sample members at the time they were randomly assigned. The surveys included a range of questions designed to gauge respondents' attitudes about work and welfare. Two of the questions may provide a measure of the stigma associated with receiving public benefits.

**Table 10**  
**Characteristics of those who did not stay on Food Stamps,**  
**by level of earnings at exit based on administrative records data**

Earnings at exit	0	\$1-499	\$500- \$1,999	\$2000+
<b><u>Employment/Income Status</u></b>				
Respondent employed	32.0	48.4	60.3	68.4
Other household member employed	32.1	34.1	36.6	30.8
Other income	51.2	38.5	33.4	35.3
<b><u>Marital Status</u></b>				
Currently married at survey, living with spouse	10.7	17.4	9.9	9.2
Not married at survey, but other adult in household	20.7	17.6	21.9	18.4
<b><u>Eligibility Status</u></b>				
Income below 50% of poverty	26.8	25.0	22.1	18.7
Income between 50-99% of poverty	32.4	32.0	28.5	24.4
Income between 100-129% of poverty	9.9	8.1	12.5	15.9
Income above 130% of poverty	30.9	34.9	36.9	41.0
Eligible (Income below 130% of poverty)	69.1	65.1	63.1	59.0
Number of children	1.9	1.8	1.8	1.8
Sample Size	955	194	345	833

SOURCE: MDRC calculations from administrative records and survey data from the evaluations listed in Table 2.

Data from the New Hope project survey are not included.

NOTES:

The analysis is restricted to the individuals in the Control Groups.

The data are weighted to reflect the size of the welfare caseload in each state.

Table 11 uses these data to assess whether stigma plays a role in the use of Food Stamps among welfare leavers. Respondents were asked to rate the extent to which they agreed with the following two statements: “I am ashamed to admit that I am on welfare” and “People look down on me for being on welfare.” The table shows rates of Food Stamp use for respondents based on their answers to these questions and indicates that, although there is some relationship between feelings of stigma and Food Stamp use, it is not a strong one. For example, among those who agreed a lot that “people looked down on me for being on welfare,” 58 percent stayed on Food Stamps, compared with 64 percent of those who disagreed a lot with this statement. Although these are only two questions that may or may not adequately capture respondents’ feelings of stigma, they do not suggest that stigma strongly discourages Food Stamp use.

**Table 11**  
**The relationship between Food Stamp use**  
**and Perceptions of Welfare Stigma**

	Percent who stayed on Food Stamps
<b><u>Attitudes about welfare (at random assignment)</u></b>	
I am ashamed to admit that I am on welfare	
Agree a lot	59.9
Agree	60.8
Disagree	62.6
Disagree a lot	62.1
People look down on me for being on welfare	
Agree a lot	57.7
Agree	60.2
Disagree	63.3
Disagree a lot	63.6
<b>Sample size</b>	<b>3,801</b>

SOURCE: MDRC calculations from administrative records and Private Opinion Surveys from the MFIP, FTP and WRP evaluations.

NOTES:

- The analysis is restricted to the individuals in the Control Groups.
- The data are weighted to reflect the size of the welfare caseload in each state.

The survey data shed light on several issues surrounding Food Stamp use. **Eligibility:** Although many of those families who do not stay on Food Stamps are still eligible, differences in income (due largely to the presence of other adult earners in the household) account for some of the differential rates of Food Stamp use. **Information:** Many of those who do not stay on Food Stamps are unsure of eligibility rules: some are unsure whether Food Stamps are time-limited, while others believe they are not eligible when they actually are. **Hassle:** The hassles of applying or staying on Food Stamps account for nonparticipation among some families—nearly 20 percent of respondents said they did not receive Food Stamps for this reason—and they may be particularly important for working mothers who do not have a spouse or partner to share in family responsibilities. **Stigma:** Although a fair number of welfare recipients report feeling stigma associated with receiving welfare, it does not appear to be a reason families do not stay on Food Stamps after they leave welfare.

Thus, the data suggest that increasing access to Food Stamps might be achieved by

providing more information on eligibility rules and by reducing the costs associated with applying or re-applying. The data also show the benefits of increasing access; a significant fraction of families who did not stay on Food Stamps had incomes below 50 percent of the poverty line. Among those who did receive Food Stamps, benefits were 20 percent of their incomes.

## **VI. FOOD STAMP USE AMONG WELFARE LEAVERS IN WELFARE-TO-WORK PROGRAMS**

The earlier section illustrated that about half of welfare leavers in the sample continue receiving Food Stamps, which is consistent with findings from the recent round of welfare leaver studies. As welfare caseloads have fallen, there has been increased concern over leavers' use of other benefits and whether welfare reform has discouraged this use. The welfare leaver studies, for example, find that many recipients who leave welfare do not continue using Food Stamps. One criticism of these studies, however, is that they are limited in the extent to which they can measure the impact of welfare reform on leavers' outcomes because they have no counterfactual, or information on what would have happened to these leavers in the absence of welfare reform. Some of the studies attempt to track the effects of reform by comparing cohorts of leavers.

This section adds to the evidence on the potential effects of welfare reform by comparing Food Stamp receipt among welfare leavers in the control groups (shown in the earlier section) with leavers in welfare-to-work programs. In general, if the program was effective, recipients who left welfare as part of a welfare-to-work program did so sooner, and perhaps, less voluntarily, than they would have otherwise, or compared with those in the control group. Thus, comparing Food Stamp receipt rate for these two groups may give some hint as to the effects of moving more and more recipients off of welfare. We also examine Food Stamp use among those who left welfare after reaching a time limit.

Note that these comparisons are *not experimental* because they only compare people in the two groups who left welfare rather than comparing all people in the two groups. Because people were assigned at random into the program or control groups, on average the two groups do not differ systematically with respect to characteristics measured at the point of random assignment, such as demographic characteristics and *prior* employment and welfare receipt. In this case, a valid estimate of the program's effects is obtained by comparing post-random assignment welfare receipt or employment, for example, for the two groups. If we restrict the comparison to those who left welfare after random assignment, the two groups are not likely to be similar in terms of background characteristics. Because the programs were designed to affect subsequent welfare receipt and employment, for example, we might expect welfare leavers in the program group to be somewhat more disadvantaged than leavers in the control group. In this case, any difference in Food Stamp behavior we observe between the two groups cannot be unambiguously attributed to the effects of the program, because they might as easily be due to the fact that the two groups differ in the types of characteristics that also affect Food Stamp receipt. We control for possible differences in characteristics to the extent possible by analyzing Food Stamp receipt in a multivariate regression framework.

The programs are grouped into four broad categories: incentives, time limits, employment-focused, and education-focused. The following box describes the programs and their impacts on employment and welfare receipt. See the evaluation reports (cited earlier) for more details.

## **WELFARE-TO-WORK PROGRAMS**

### **INCENTIVES**

**Programs:** Included here are the New Hope program in Wisconsin and the Incentives Only group in Vermont's Welfare Restructuring Project (WRP). New Hope was a voluntary program that offered an earnings supplement, affordable health insurance, and childcare subsidies to individuals willing to work. WRP offered an enhanced earnings disregard relative to the AFDC program, but required recipients to go to work after 30 months in order to continue receiving welfare. An additional program group, referred to as the "Incentives Only," group, received WRP's financial incentives but was not subject to its work requirement. (The data from the MFIP evaluation are not included in this analysis. Because the program group received Food Stamp benefits as part of their cash grant, it is not possible to track Food Stamp receipt after leaving welfare.)

**Impacts:** The New Hope program increased employment and earnings during the first year for certain subgroups, including individuals receiving AFDC at program entry. The program had little effect on welfare receipt. The WRP Incentives Only treatment had little impact on employment rates and modestly increased welfare receipt. An increase in welfare receipt is somewhat expected from an incentives program, since it allows recipients to remain eligible for benefits at a higher level of earnings.

### **TIME LIMITS**

**Programs:** Included here are Florida's FTP program and Connecticut's Jobs First program. Although both also included financial incentives in the form of enhanced disregards and employment-related services, they are primarily distinguished by their time limits on welfare receipt. Under FTP, program members faced a 24-month time limit on welfare benefits (or a 36-month limit if they were deemed relatively disadvantaged). Those who reached the time limit but did not find a job or had low earnings (and had complied with the FTP requirements up to that point) could be given up to two 4-month extensions. Although less than a third of the sample had reached the time limit during our observation period, few of those who did get extensions.

Jobs First provided very generous financial incentives—all earnings were disregarded when calculating welfare and Food Stamp benefits until the recipient reached the poverty line—along with a 21-month time limit. Recipients who reached the time limit and had earnings below a certain level could apply for a 6-month extension. About one-fourth of the sample reached the time limit during the follow-up period, and just over half of these cases received extensions.

**Impacts:** FTP increased employment and reduced welfare receipt, and the majority of those in the program group left welfare before reaching their time limit. Most of the recipients who did reach a time limit were not given extensions: about 40 percent had adequate earnings levels that did not warrant an extension, while most of the rest were deemed non-compliant with FTP. The group that reached time limit and had benefits cancelled was somewhat more disadvantaged than other leavers, but they did not, on average, experience more hardship, partly because they relied more on other sources of support. Over 80 percent of them received Food Stamps in the quarter after benefits were cancelled. As of the 4-year survey, twice as many of them, compared with other leavers, were receiving Food Stamps.

Jobs First also increased employment and earnings. During the early part of the follow-up period, before recipients began reaching time limits, the program also increased welfare receipt. One fourth of recipients in the program group reached the time limit, and half of them subsequently received a 6-month extension. Those who left welfare because of a time limit had higher earnings than those who left earlier, most likely due to the extension policy, in which most of those without jobs were given extensions. As in FTP, those who left welfare under a time limit were twice as likely as other leavers to receive Food Stamps after exiting. One reason for this difference in both programs may be that recipients reaching time limits attended exit interviews to determine their eligibility for an extension (Melton and Bloom 2000). At these interviews, Food Stamp eligibility was usually also assessed. Those who left before reaching a time limit, in contrast, may have had little subsequent contact with caseworkers. As mentioned earlier, recipients who fail to attend re-determination hearings often have their welfare and Food Stamp cases closed (Quint and Widom 2001).

## **EMPLOYMENT-FOCUSED**

**Programs:** These programs include the more traditional welfare-to-work programs that required participation in employment-related activities without financial incentives. The programs varied in the strength of the employment message they sent and the degree to which they emphasized immediate employment.

Included in this category is GAIN, which operated as California's JOBS program. All recipients were assessed at program entry, and those with limited education or low test scores were sent to basic education services and all others were required to participate in job search. Several programs in the NEWWS evaluation were also employment-focused. The Riverside, Grand Rapids, and Atlanta Labor Force Attachment (LFA) programs all emphasized the goal of immediate employment, offering job search as the initial activity. The emphasis on taking a job quickly varied across the sites, and some participants were allowed to participate in education programs. The Portland NEWWS program was also employment-focused, although it offered a greater mix of services—the primary message of the program was employment, but more disadvantaged recipients were typically assigned to education and training activities before job search. Finally, the full WRP group in Vermont is also included in this category, since people in this group faced a mandate to work or participate in employment services after 30 months on welfare.

**Impacts:** Most of these programs increased employment, and some did so more than others. Portland, for example, produced the largest employment impacts among the NEWWS programs. Most programs also reduced welfare receipt, and the size of the welfare impacts tended to mirror the size of the employment and earnings impacts. In GAIN, Riverside County produced the largest increases in employment and the largest reductions in welfare receipt. The exception to this rule is Vermont's WRP, which increased employment and modestly increased welfare receipt because of its enhanced financial incentives.

## **EDUCATION-FOCUSED**

**Programs:** The education-focused programs in the NEWWS evaluation emphasized the importance of skill building prior to entering the workforce. These include the Atlanta, Grand Rapids, and Riverside Human Capital Development (HCD) programs, and the programs in Oklahoma City, Columbus, and Detroit. Although they varied in types of services provided and the length of time they encouraged recipients to participate, they all have in common some period of education/training before job search. The Columbus site also tested an integrated case management approach, in which one caseworker was responsible both for monitoring recipients' progress in services and assessing their eligibility for benefits.

**Impacts:** The education-focused programs in the NEWWS evaluation generally had smaller impacts on employment than the employment-focused programs, with two sites (Oklahoma and Detroit) showing very small or no impacts. As a result, they also had led to smaller reductions in welfare receipt.

## Staying on Food Stamps

Table 12 presents the results for three of the program types. An analysis of the time limit programs is shown in the next table. The first column presents data for leavers in the control group. For the control group in Vermont's WRP evaluation, for example, 59 percent received Food Stamps after leaving welfare. The second column present the unadjusted difference between the control group receipt rates and receipt rates for leavers in the program groups. Among leavers who were in the program groups in Vermont, 4.6 percentage points fewer received Food Stamps after leaving welfare. The third columns presents the adjusted difference in Food Stamp receipt between the two groups, or the difference that remains after controlling for differences in a range of characteristics, including race/ethnicity, age, family size, welfare spell length, and earnings at exit.

Among the incentives programs, only in Vermont's WRP is there a significant difference in Food Stamp use. Program group leavers were 4 percentage points less likely to stay on Food Stamps, and this difference holds up after controlling for leavers' characteristics. Programs that create incentives by enhancing welfare disregards might be expected to reduce Food Stamp use after leaving welfare, since recipients in the program group will need to have higher earnings in order to lose eligibility for welfare, thus remaining eligible for fewer Food Stamp benefits. On the other hand, they might increase Food Stamp use if they encourage recipients to combine work and welfare. These recipients may be more likely to know, once they leave welfare, that they can work and still remain eligible for Food Stamps. However, the difference shown in the table persisted once we controlled for earnings at exit and whether the recipient worked prior to leaving welfare, suggesting that some other factor accounts for the effect.

The next panel presents the employment-focused programs. As a whole, program group leavers were no less likely to stay on Food Stamps than control group leavers. Program group leavers in the NEWS programs were somewhat more likely to stay on Food Stamps than their control group counterparts, although none of these differences is statistically significant. For example, 51 percent of control group leavers in Grand Rapids stayed on Food Stamps, and the rate for the program group (third column) was only 1.1 percentage points higher. In the GAIN program, program leavers were somewhat less likely to stay on Food Stamps (with the exception of Los Angeles). Most of the differences, however, are not statistically significant and most are also small in size. The biggest difference in Food Stamp receipt among the employment-focused programs is for program leavers in Vermont's WRP—they were 4.9 percentage points less likely to receive Food Stamps after leaving welfare.

The last panel presents data for the education-focused programs in the NEWS evaluation. Some of these programs increased employment and reduced welfare receipt, but the effects were generally smaller than those for the NEWS employment-focused programs. For these programs, program group leavers were generally more likely to stay on Food Stamps, although the differences are small.



**Table 12**  
**Food Stamp Use After Welfare among Welfare Leavers in Program versus Control Groups**

Program	Food Stamp use among welfare leavers in control group	Difference in Food Stamp use between program and control group (unadjusted)	Difference in Food Stamp use between program and control group (adjusted)
<b>Incentives</b>			
WRP Incentives Only	0.59	-0.046 ***	-0.042 ***
New Hope	0.54	-0.017	-0.02
<b>Employment Focused</b>			
WRP Full	0.59	-0.049 ***	-0.049 ***
<b>GAIN</b>			
Alameda	0.37	-0.023	-0.019
Butte	0.35	-0.039	-0.034
Los Angeles	0.14	0.025 *	0.023
Riverside	0.22	-0.009	-0.008
San Diego	0.23	-0.017	-0.02
Tulare	0.37	0.031	0.029
<b>NEWWS</b>			
Atlanta Labor Force Attachment	0.73	0.013	0.008
Grand Rapids Labor Force Attachment	0.51	0.013	0.011
Riverside Labor Force Attachment	0.19	0.02	0.018
Portland	0.57	0.028 *	0.02
<b>Education Focused</b>			
<b>NEWWS</b>			
Atlanta Human Capital Development	0.73	0.005	0.003
Grand Rapids Human Capital Development	0.51	0.013	0.012
Riverside Human Capital Development	0.19	0.034 *	0.012
Columbus Integrated	0.50	0.068 ***	0.058 ***
Columbus Traditional	0.50	0.028	0.024
Detroit	0.52	0.005	0.014
Oklahoma	0.38	0.016	0.02

SOURCE: MDRC calculations from administrative records from the evaluations listed in Table 2.  
Sample size is 57,837.

**NOTES:**

The adjusted difference between the groups is the difference that remains after accounting for their differences in characteristics. The characteristics accounted for are those listed in Table 6.

A two-tailed t-test is applied to all estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

The data are weighted to reflect the size of the welfare caseload in each state.

The only notable and statistically significant difference is for the Columbus integrated case management program, which was unique among the education programs because of its staffing approach. Under a traditional case management approach, income maintenance workers determined eligibility for and authorized benefits from cash assistance, Food Stamps, and

Medicaid and also imposed sanctions for noncompliance at the request of employment case managers. Employment case managers, in contrast, assessed recipients for referral to employment and training services and monitored their subsequent participation. Under the integrated approach, one case managers performed all of these duties. Potential advantages of this approach are that it eliminates communication breakdowns between staff and allows them to quickly emphasize the importance of employment, changing the culture of the office from one of “eligibility determination” to one of “self-sufficiency.” The evaluation of this approach in Columbus found that, although the employment and earnings impacts were generally similar for both approaches to delivering JOBS services, integrated case managers provided more personalized attention to recipients than did traditional case managers, and they achieved higher rates of participation in program activities (Scrivener and Walter 2001). The integrated program also led to a somewhat larger reduction in welfare receipt, which may have been due to the fact that integrated staff more knowledgeable about recipients’ eligibility status. This increased personalized attention and knowledge of eligibility may have meant that more welfare leavers in the integrated program were informed of their eligibility for and assisted in receiving Food Stamps.<sup>7</sup>

Table 13 presents data for the time limit programs. The first panel under each program presents the percent staying on Food Stamps, and the second panel presents average earnings at exit and welfare spell length. For this analysis, we were able to distinguish between recipients who left welfare because they reached a time limit versus those in the program group who left welfare before reaching a time limit. The data show that this distinction is important. FTP is presented in the first row. Although not shown, time limit leavers had more barriers to employment than control leavers and program leavers who left before the time limit; more of them were black, and they had longer welfare spells and more children. However, they had similar earnings at exit as the other two groups. The second panel shows that time limit leavers had \$1,017 in the three months surrounding the exit, compared with \$1,085 for control leavers and \$1,173 for non time-limit program leavers. Not surprisingly, those who left because of a time limit were ending longer welfare spells than other leavers.

In terms of Food Stamp receipt, time limit leavers were much more likely than other leavers to continue receiving Food Stamps, even after controlling for differences in characteristics. Among control group leavers, 66 percent stayed on Food Stamps. Program leavers who left before a time limit were about as likely as control leavers to stay on Food Stamps (the difference of 2.4 percentage points is not statistically significant). Leavers who left because of a time limit, on the other hand, were 20 percentage points more likely to stay on Food Stamps. These differences occur despite the fact that all three groups had similar average earnings at exit.

These findings are similar to results presented in a report on the evaluation, in which time limit leavers were much more likely than other leavers to receive Food Stamps in the quarter after exit. As mentioned, a possible reason for this difference is that people reaching the time

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<sup>7</sup> Staff in the integrated and traditional programs had similar caseload sizes, suggesting that it was the integrated approach per se, rather than smaller case loads, that led to these effects.

limit received extra attention from case workers, which sometimes took the form of an exit interview at which eligibility for other programs was also assessed. Those who left before reaching a time limit, in contrast, may have had little subsequent contact with caseworkers.

The story for Jobs First is somewhat different. First, the time limit leavers were more disadvantaged than the other leavers in certain respects—they had longer welfare spells, more children, and less education—but they had much higher average earnings at exit. Earnings in the three months surrounding the exit were \$2,115 for time limit leavers, \$1,678 for control group leavers, and \$1,691 for non time-limit program leavers. This difference is a result of the program's extension policy, in which many recipients without jobs or with very low earnings were given extensions. Second, the program leavers who did not leave because of a time limit were much less likely to stay on Food Stamps than either of the two other groups. While this might be due to the program's generous earnings disregard (100 percent of earnings are disregarded until the recipient reaches the poverty line), which requires much higher earnings to lose eligibility for welfare, on average those who left before the time limit did not have higher earnings at exit than control group leavers, at least as measured by the UI records data.

Those who left because of a time limit were more likely to stay on Food Stamps, but this effect does not hold up once we control for differences in characteristics between the control and program groups—the adjusted differences fall to a statistically insignificant 3.2 percentage points. This adjusted difference suggests that Food Stamp use was higher for the time limit leavers because they looked different from the control leavers. The primary ways in which the two groups differed is in earnings at exit and welfare spell length (shown in the lower panel). Those in the time limit group were ending much longer welfare spells than the other two groups. Recipients who had been on welfare longer may have had a better knowledge of Food Stamp eligibility rules.

**Table 13**  
**Food Stamp Use After Welfare**  
**in Time Limit Programs**

Program	Food Stamp use among welfare leavers in control group	<u>Non-time Limit Program Leavers</u>		<u>Time Limit Program Leavers</u>	
		Difference in Food Stamp use between program and control group (unadjusted)	Difference in Food Stamp use between program and control group (adjusted)	Difference in Food Stamp use between program and control group (unadjusted)	Difference in Food Stamp use between program and control group (adjusted)
<b>Stayed on Food Stamps</b>					
FTP	0.66	-0.025	-0.024	0.229 ***	0.204 ***
Jobs First	0.44	-0.151 ***	-0.14 ***	0.107 ***	0.032
<b>Earnings at Exit (\$)</b>					
	Control group leavers	Non-time limit Program group leavers		Time limit Program group leavers	
FTP	1,085	1,173		1,017	
Jobs First	1,678	1,691		2,115	
<b>Welfare spell was 24 months or more (%)</b>					
	Control group leavers	Non-time limit Program group leavers		Time limit Program group leavers	
FTP	53.4	45.6		87.8	
Jobs First	43.1	43.6		80.0	

SOURCE: MDRC calculations from administrative records for FTP and Jobs First evaluations.  
Sample size is 5,200.

NOTES:

The adjusted difference between the groups is the difference that remains after accounting for their differences in characteristics. The characteristics accounted for are those listed in Table 6.

A two-tailed t-test is applied to all estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

The data are weighted to reflect the size of the welfare caseload in each state.

## Returning to Food Stamps

One of the concerns over the fall in Food Stamp use among eligible families is that the “get tough” message of welfare reform, as well as practices by local offices, may be discouraging eligible families from applying or reapplying for Food Stamps. The previous section found that welfare-to-work programs generally had small effects on whether welfare leavers stayed on Food Stamps. Tables 14 and 15 show whether they had effects on returning to Food Stamps.

The first column of Table 14 shows the percent of control group leavers who returned to Food Stamps within a year of their welfare exit, among those who did not stay on Food Stamps initially. Because we focus only on those who did not stay on Food Stamps, the sample sizes for this analysis are much smaller than in the previous two tables. In Vermont’s WRP project, 38 percent of control group leavers who did not stay on Food Stamps had returned to it within a year after their exit. Recall from Table 4 that a return to Food Stamps typically means a return to welfare, so that this table is to some extent measuring welfare recidivism. In general, most of the welfare-to-work programs had no significant effects, with the exception of the NEWS education-focused programs in Grand Rapids and Columbus. Leavers in the Columbus integrated group, in particular, were 10 percentage points more likely to return to Food Stamps than their control group counterparts.

In both time limit programs (Table 15), leavers who left because of time limits were less likely than other leavers to return to Food Stamps. Time limit leavers in FTP were 12.1 percentage points less likely to return, and time limit leavers in Jobs First were 15.5 percentage points less likely to return, although the latter difference is not statistically significant. This pattern makes sense considering that so many of the time limit leavers stayed on Food Stamps to begin with, meaning that fewer would need to return. However, it also makes sense in that most returns to Food Stamps are associated with returns to welfare. Returning to welfare was not an option for the time limit leavers, although returning to Food Stamps should have been.

In sum, the findings suggest that these welfare-to-work programs did not have large effects on Food Stamp use for people who left welfare. Across most of the programs, leavers in the program groups were not much more or less likely to stay on or return to Food Stamps than leavers in the control groups. The exceptions to this are for the NEWS integrated case management program in Columbus and the time limit programs. The caution to this conclusion is that, even though the programs were evaluated using random assignment designs, the comparisons shown here are non experimental, since they only compare leavers in the program and control groups.

**Table 14**  
**Returning to Food Stamps, For Those Who Did Not Stay on After Leaving Welfare:**  
**Program versus Control Groups**

Program	Percent of control group who returned within one year	Difference in return rates between program and control group (unadjusted)	Difference in return rates between program and control group (adjusted)
<b>Incentives</b>			
WRP Incentives Only	0.38	-0.054 **	-0.053 **
New Hope	0.44	-0.026	-0.052
<b>Employment Focused</b>			
WRP Full	0.38	-0.014	-0.014
<b>GAIN</b>			
Alameda	0.23	0.046	0.058
Butte	0.34	0.001	0.007
Los Angeles	0.17	-0.003	-0.012
Riverside	0.33	-0.004	0.006
San Diego	0.27	-0.016	-0.01
Tulare	0.35	-0.014	-0.015
<b>NEWWS</b>			
Atlanta Labor Force Attachment	0.41	0.012	0.009
Grand Rapids Labor Force Attachment	0.39	0.041	0.04
Riverside Labor Force Attachment	0.29	-0.025	-0.025
Portland	0.35	0.036	0.038
<b>Education Focused</b>			
<b>NEWWS</b>			
Atlanta Human Capital Development	0.41	0.019	0.004
Grand Rapids Human Capital Development	0.39	0.055 *	0.062 **
Riverside Human Capital Development	0.29	0.006	-0.008
Columbus Integrated	0.19	0.101 ***	0.102 ***
Columbus Traditional	0.19	0.038 *	0.041 **
Detroit	0.37	-0.021	-0.017
Oklahoma	0.38	0.029 *	0.025

SOURCE: MDRC calculations from administrative records from the evaluations listed in Table 2.  
Sample size is 31,941.

**NOTES:**

The adjusted difference between the groups is the difference that remains after accounting for their differences in characteristics. The characteristics accounted for are those listed in Table 6.

A two-tailed t-test is applied to all estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

The data are weighted to reflect the size of the welfare caseload in each state.

**Table 15**  
**Returning to Food Stamps, For Those Who Did Not Stay on After Leaving Welfare:**  
**Time Limit Programs**

	Percent who returned within one year among welfare leavers in control group	<u>Non-time Limit Program Leavers</u>		<u>Time Limit Program Leavers</u>	
		Difference in return rates between program and control group (unadjusted)	Difference in return rates between program and control group (adjusted)	Difference in return rates between program and control group (unadjusted)	Difference in return rates between program and control group (adjusted)
<b><u>Program</u></b>					
FTP	0.314	-0.019	-0.007	-0.069	-0.121 **
Jobs First	0.474	-0.045	-0.048	-0.057	-0.155

SOURCE: MDRC calculations from administrative records for FTP and JobsFirst evaluations.  
Sample size is 2,559.

NOTES:

The adjusted difference between the groups is the difference that remains after accounting for their differences in characteristics. The characteristics accounted for are those listed in Table 6.

A two-tailed t-test is applied to all estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

The data are weighted to reflect the size of the welfare caseload in each state.

## VII. TRENDS OVER TIME IN STAYING ON AND RETURNING TO FOOD STAMPS

The previous section found that leavers in welfare-to-work programs were not less likely to stay on Food Stamps, suggesting welfare reform may have similarly few effects on rates of use. Another way to examine this issue is with trends over time. Concerns have been raised that many families who leave do not receive Food Stamps even though they are eligible, and that this lack of participation may have increased in recent years. Welfare reform, through its strong self-sufficiency message and practices, for example, may have discouraged even more welfare leavers from staying on Food Stamps or reapplying if they do not stay on. Alternatively, the passage of time limits and other requirements may have led an increasing number of welfare leavers to believe that they are no longer eligible.

One of the important findings from recent research is that there has been a fall in Food Stamp participation among eligible families in general (Castner 2000). However, these trends are based on all eligible families, not just welfare leavers. And, in fact, the evidence from some recent welfare leavers studies is that Food Stamp use among leavers has *increased* in recent years. Verma and Colton (2001) and Cancian, et al., (2001), for example, find using their samples in Ohio and Wisconsin, that the proportion of welfare leavers staying on Food Stamps has increased since 1996. Note that a fall in Food Stamp use among all eligible families is still consistent with fixed or increasing rates of use among welfare leavers. A reduction in welfare caseloads will lead to a fall in Food Stamp participation among eligible families simply because more and more families are being moved from a group (welfare recipients) that has 100 percent participation rates to one (the working poor) that has historically had much lower participation rates. It is not necessary for participation rates to also fall among welfare leavers.

This section presents a similar analysis for the states in our sample by examining Food Stamp use by exit cohort. The limitation of this analysis is that most of our data predate the welfare law. Thus, the results here are only suggestive of trends since 1996. The analysis is presented by state, rather than the pooled sample, because some states are represented only in the early years, while others are represented only in the later years. In particular, most of the people who left welfare in the early 1990s were from California, while a large fraction of those who left in the late 1990s were from Vermont and Florida. Thus, trends over time for the full sample are likely to reflect changes in the composition of the sample across states, rather than a true time trend.<sup>8</sup> Finally, in addition to examining each state separately, we restrict the analysis to recipients who left welfare within two years of random assignment. Otherwise, the group who leaves welfare in the later years, within a given state, will be disproportionately made up of recipients who stayed on welfare for relatively long periods of time. A falling Food Stamp use rate within a given state over time, then, could simply reflect the fact that those who stay on longer are less likely to use Food Stamps when they exit welfare. Limiting the sample to people who exited within 2 years of random assignment helps to compare leavers with similar spell lengths.

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<sup>8</sup> A regression model with state-time interactions would not fully account for this, given that not all states are represented in all years.



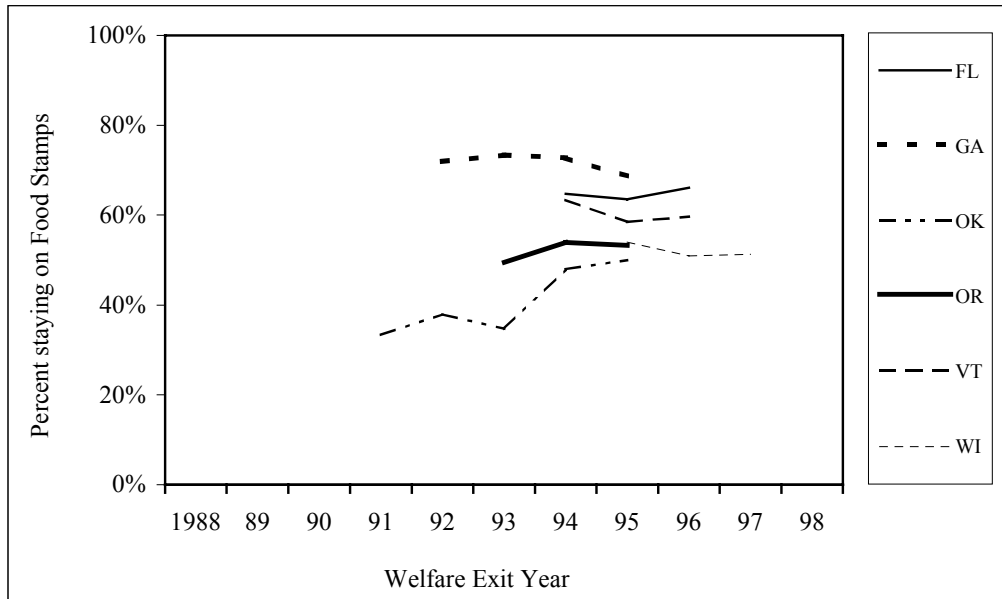
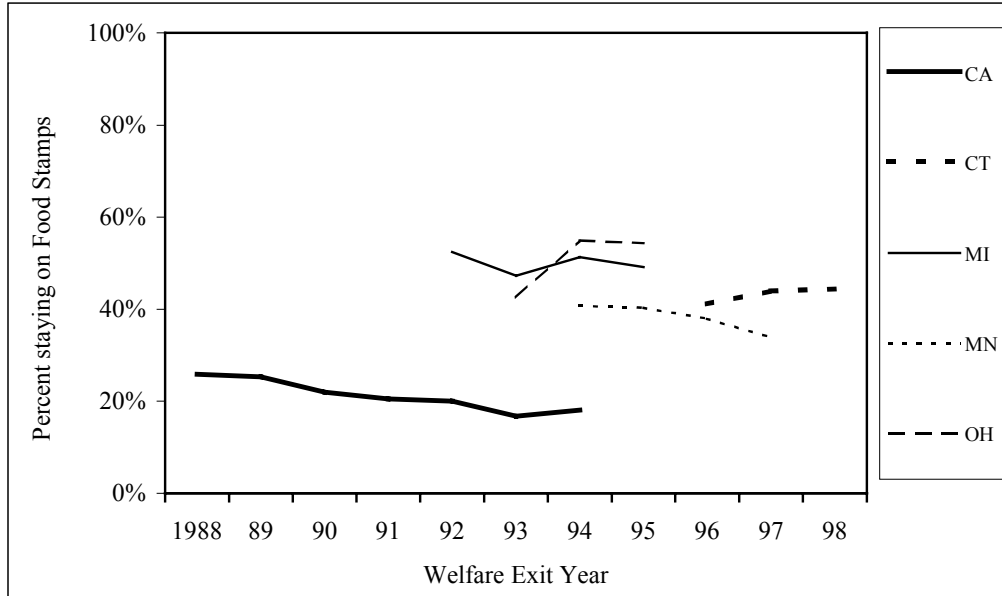
Figure 6 presents the results. Overall, the data do not show much of a trend in either direction. Food Stamp use rates remain fairly flat in most states, although there is an upward trend in Oklahoma. These results also hold up when we estimate these trends in a regression framework, controlling for possible differences in characteristics between exit cohorts. Another point illustrated by the graph is that most of the state effects appear to be fairly constant over time. In other words, California has consistently low Food Stamp use rates, while Georgia has consistently high rates.

Figure 7 presents trends in the rates of reentry among leavers who did not initially stay on Food Stamps. Some states show a decrease in rates of reentry, while others show an increase. This is also true for the two states with data after 1996, Connecticut and Minnesota. Although these data show no strong pattern in either direction, most of the exits occurred prior to 1996.

In sum, the figures do not show strong trends in rates of use and reentry. They are limited in the extent to which they can measure the effects of welfare reform, however, given that they typically cover only a few years for each state, are based on fairly small sample sizes, and do not extend much beyond the year of the welfare reform law. Nonetheless, the findings from previous sections are consistent with these findings in suggesting that welfare reform has had little effect on Food Stamp use. First, we found no big effects of welfare-to-work programs on Food Stamp use. Second, our rates of Food Stamp use are similar to findings from several studies using data from the late 1990s.

**Figure 6**

**Percent staying on Food Stamps after Leaving Welfare, by state and exit year**

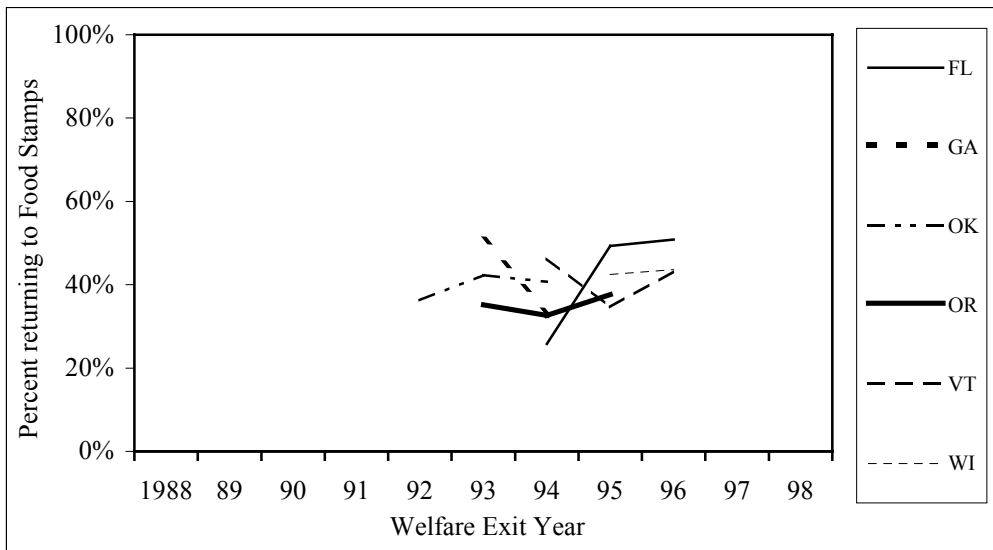
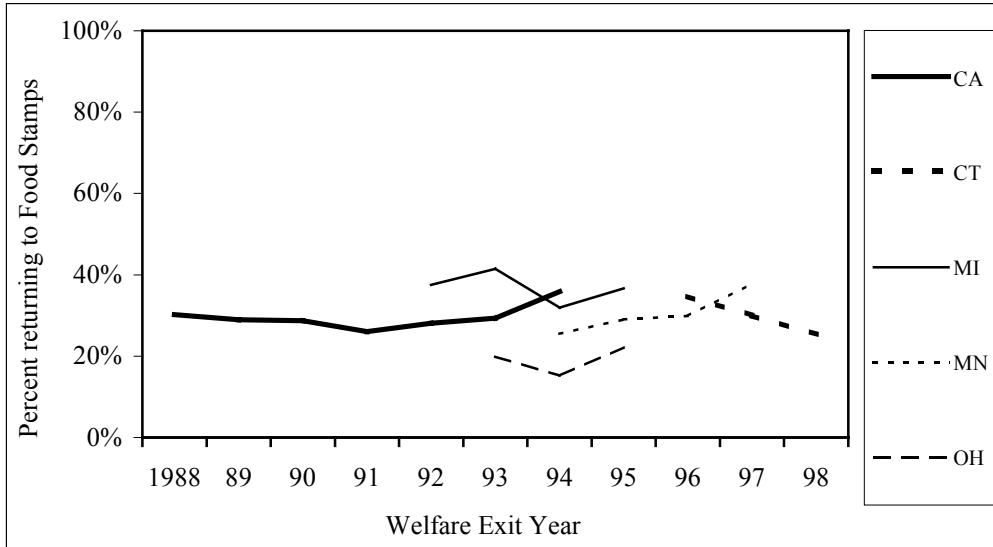


SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in table 2.

NOTES: The analysis is restricted to the individuals in the Control Groups.

**Figure 7**

**Percent returning to Food Stamps after Leaving Welfare, by state and exit year**



SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in table 2.

NOTES: The analysis is restricted to the individuals in the Control Groups.

## VIII. THE DYNAMICS OF FOOD STAMP USE AFTER WELFARE

Almost half of the recipients in the sample stayed on Food Stamps after leaving welfare. How long do these families continue to receive benefits? Do most of them leave after one year, after two years? And do some types of recipients stay on longer than others? Among those who do not stay on initially, how many eventually return and how quickly do they return? This section examines the dynamics of Food Stamp use among welfare leavers.

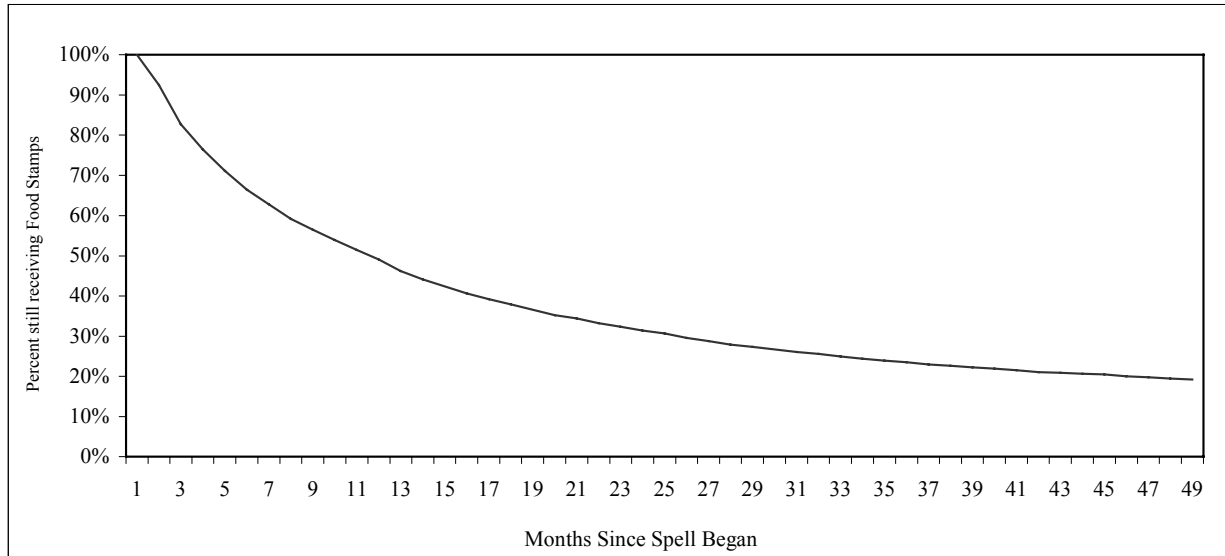
For this analysis, we look only at each recipient's first welfare exit after random assignment and his or her first spell on or off Food Stamps after this exit. Using this information, we can estimate a range of variable related to the length of time individuals stay on or off Food Stamps. The monthly hazard rate, for example, is the probability that the Food Stamp spell ends in a given month, given that it has lasted up to that month. The hazard rate, in turn, allows us to estimate the average length of time individuals receive Food Stamps and the percent who will still receive benefits after 8 or 12 months. Right-censored spells, or those we do not observe end within our observation period, contribute to analysis up until the month in which they are censored.

### Staying on Food Stamps

Figure 8 presents the survival function for the first spell of Food Stamp use after leaving welfare (this analysis uses data from the control groups only). The survival function shows the fraction of spells ending after one month, two months, etc. The figure shows that most Food Stamp spells are fairly short. By month 6, for example, only about 70 percent of the sample was still receiving Food Stamps. Put another way, 30 percent of the spells ended within 6 months. Almost half of the spells ended within 12 months and nearly 70 percent had ended after 24 months. The median spell duration for this sample is 12 months. Gleason et al., (1998) find similar results for their broader sample of all Food Stamp users: 57 percent of spells ended after one years and 71 percent ended after two years.

The earlier analysis showed that there are important differences across types of families in Food Stamp use. Table 16 examines whether these differences exists for the length of time families stay on Food Stamps. The model is estimated as a discrete time hazard model. The underlying hazard was captured using a series of dummy variables measuring the length of the spell. The coefficients from the models are shown in column one. A positive coefficient indicates an increased risk of exiting Food Stamps in a given month, which in turns indicates a shorter Food Stamp spell. A negative coefficient indicates a reduced risk of leaving Food Stamps and a longer Food Stamp spell. The negative coefficient on the variable indicating that the welfare spell was 2 or more years, for example, shows that long-term welfare recipients have lower exit rates and longer Food Stamp spells than the omitted group, or those who had left a welfare spell that was less than one year. The second column helps to quantify this result by showing these coefficients in odds-ratio form. The coefficient on a longer welfare spell implies that, in any given month, these long-term recipients are almost 30 percent less likely to exit than recipients whose welfare spell was less than one year.

**Figure 8**  
**The Rate of Exit from Food Stamps Among Those Who**  
**Continue Using Food Stamps After Leaving Welfare**



SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in table 2.

NOTES: The analysis is restricted to the individuals in the Control Groups.

The results are generally in the expected direction. For example, families with more children and families with younger children tend to stay on Food Stamps longer. More educated recipients tend to have shorter Food Stamp spells. Blacks and Hispanics are less likely than whites to exit in a given month, and consequently, have longer Food Stamp spells. Welfare leavers with higher earnings at exit leave Food Stamps sooner than those with lower earnings.<sup>9</sup> Finally, the coefficients for state of residence show that leavers in Georgia, Oklahoma, Wisconsin, and Vermont tend to have longer spells than leavers in other states (California is the omitted state).

<sup>9</sup> Note that this result is not inconsistent with the findings presented earlier (see Table 6), showing that those with higher earnings are more likely to stay on Food Stamps when they leave welfare. The results in Table 16 indicate that, among those who stayed on Food Stamps when they left welfare, those with higher earnings at the point of exit have shorter subsequent spells.

**Table 16**  
**Hazard Model Estimates for the**  
**Likelihood of Exiting Food Stamps**

Characteristics	Coefficient	Odds Ratio
Age		
25 to 30	-0.0617	0.94
30 to 35	-0.00247	0.998
Older than 35	-0.0841 *	0.919
Race / Ethnicity		
Black	-0.2795 ***	0.756
Hispanic	-0.1592 ***	0.853
Education		
High school graduate	0.1039 ***	1.11
Some college	0.2171 ***	1.242
Single parent	0.1605 ***	1.174
Number of children		
2	-0.0962 ***	0.908
3 or more	-0.2343 ***	0.791
Young child	-0.1859 ***	0.83
Earnings in 3 months surrounding exit		
1-499	0.0518	1.053
500-1999	0.0772 **	1.08
2000 or more	0.3007 ***	1.351
Welfare spell length		
12-24 months	-0.0869 **	0.917
24 months or more	-0.3245 ***	0.723
County Unemployment rate in month of exit		
Between 4 to 6%	-0.0566	0.945
Between 6 to 9%	-0.1417 ***	0.868
Above 9%	-0.095	0.909
Public or Subsidized Housing	-0.2688 ***	0.764
Urban	0.0714	1.074
State		
Connecticut	-0.0151	0.985
Florida	-0.0318	0.969
Georgia	-0.1885 **	0.828
Michigan	0.1076	1.114
Minnesota	0.1672	1.182
Ohio	-0.1007	0.904
Oklahoma	-0.6984 ***	0.497
Oregon	-0.1313	0.877
Vermont	-0.3974 *	0.672
Wisconsin	-0.2577 **	0.773
Sample size (person months)		153,281

(continued)

SOURCE: MDRC calculations from administrative records and Baseline Information Forms from evaluations listed in Table 2.

County unemployment rates were obtained from the Bureau of Labor Statistics website.

NOTES:

The analysis is restricted to the individuals in the Control Groups.

A two-tailed t-test is applied to all estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

Also included are variables for missing status, for year of exit, and for spell length to capture the underlying hazard.

The data are weighted to reflect the size of the welfare caseload in each state.

Table 17 presents the differences in the dynamics of use between program and control group leavers. The table shows the coefficient on program status from a multivariate hazard model run for each type of program, controlling for the characteristics listed in Table 16. Program status is statistically significant for two programs—incentives and employment-focused. In both types of programs, program group members have shorter spells than control group members. However, the differences are generally small in comparison to the differences found across demographic groups. Among the incentives programs, the coefficient of .092 indicates that program group members are more likely to exit and thus tend to stay on Food Stamps for shorter spells than control group members. This might be expected if the program group members left with higher earnings because of the enhanced welfare disregards of the incentives programs. Program group members in employment-focused programs also have shorter spells than their control group counterparts.

**Table 17**  
**The Effect of Program Group Status on the Hazard of Exiting Food Stamps**

Program Type	Coefficient on Program Status	Odds Ratio
Incentives	0.092 **	1.097
Time Limits	-0.07	0.932
Employment Focused	0.064 ***	1.067
Education Focused	0.031	1.032

SOURCE: MDRC calculations from administrative records and Baseline Information Forms from evaluations listed in table 2.

NOTES: Each coefficient represents a separate hazard model and is the effect of Program Status relative to Control Group Status.

A two-tailed t-test is applied to all estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

The data are weighted to reflect the size of the welfare caseload in each state.

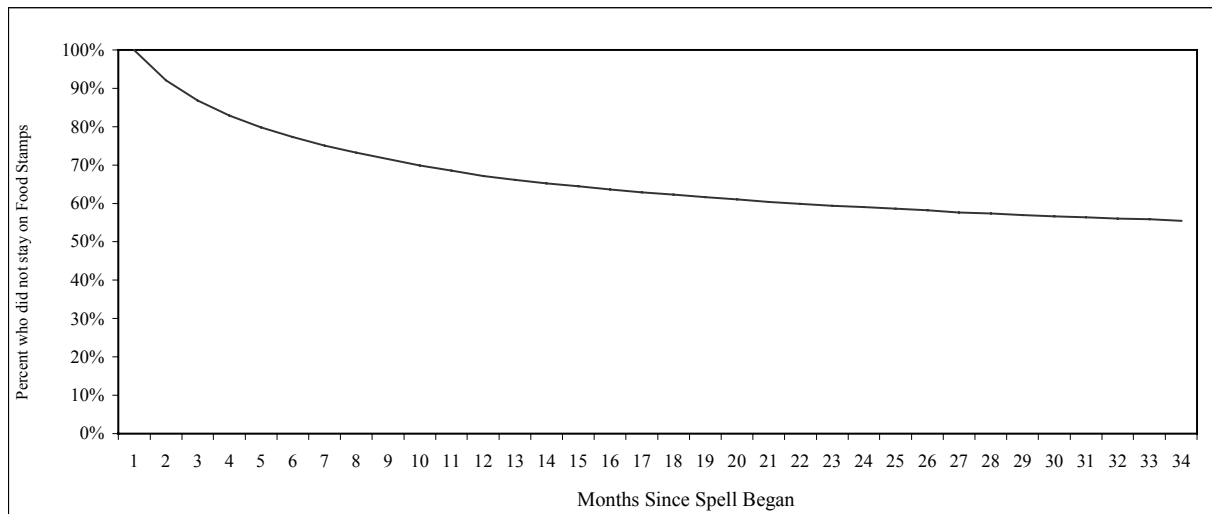


## Returning to Food Stamps

About half of the welfare leavers in our sample did not stay on Food Stamps immediately after exit, and we know from the earlier analysis that some proportion did return within a year. This section examines the rate of return in more detail. As in the previous section, the analysis is restricted to recipients' first welfare exit after random assignment. For those who did not stay on Food Stamps immediately after exit, we then track them over the subsequent months to record when and if they return. The monthly hazard rate in this case is the probability that the non-Food Stamp spell ends in a given month, given that it has lasted up to that month. In other words, it measures the probability of returning to Food Stamps in a given month.

Figure 9 presents the survival function for leavers who did not stay on Food Stamp after exit. The curve is much flatter than that for staying on Food Stamps and indicates that only about 40 percent of those who left welfare and Food Stamps eventually return to Food Stamps. By month 24, for example, 59 percent had not ended their spell off of Food Stamps, meaning that 41 percent had returned. The curve is also steepest in the early months, indicating that most of those who return to Food Stamps do so within a short time; 25 percent had returned within 8 months, and 30 percent within 12 months.

**Figure 9**  
The rate of returning to Food Stamps among those who did not stay on Food Stamps after leaving Welfare



SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in table 2.

NOTES: The analysis is restricted to the individuals in the Control Groups.

Table 18 presents the results from a multivariate hazard model for the probability of returning to Food Stamps. A positive coefficient in this model indicates an increased risk of exiting the non-Food Stamp spell in a given month, meaning an increased risk of returning to Food Stamps. A negative coefficient indicates a reduced risk of returning to Food Stamps and a longer non-Food Stamp spell. Many of the same factors that increase the likelihood of staying on Food Stamps also increase the likelihood of returning. Leavers in public or subsidized housing return more quickly than those in private housing, families with more and/or younger children are more likely to return, and black and Hispanic leavers are more likely to return than white leavers. Somewhat surprisingly, those with higher earnings at exit return more quickly. It is important to remember that this analysis is conducted for those who did not stay on Food Stamps after leaving welfare. Recipients who left welfare with little or no earnings and yet still did not continue on Food Stamps are likely to have left welfare for very different reasons. An earlier table showed, for example, that they were more likely to have income from other sources.

**Table 18**  
**Hazard Model Estimates for Returning to Food Stamps**

Characteristics	Coefficient	Odds Ratio
Age		
25-30	-0.0563	0.945
30-35	-0.0782	0.925
Older than 35	-0.2249	0.799
Race / Ethnicity		
Black	0.2051 ***	1.228
Hispanic	0.2992 ***	1.349
Education		
High school graduate	-0.1164 ***	0.89
Some college	-0.2824 ***	0.754
Single parent	-0.1197 **	0.887
Number of children		
2	-0.00635	0.994
3 or more	0.1077 ***	1.114
Young child	0.1304 ***	1.139
Earnings in 3 months surrounding exit		
1-499	0.2466 ***	1.28
500-1999	0.4079 ***	1.504
2000 or more	0.2511 ***	1.285
Welfare spell length		
12-24 months	0.0424	1.043
24 months or more	-0.00285	0.997
County unemployment rate in month of exit		
Between 4 to 6%	0.053	1.054
Between 6 to 9%	-0.00728	0.993
Above 9%	0.0644	1.067
Public or Subsidized Housing	0.2458 ***	1.279
Urban	-0.1798 ***	0.835
State		
Connecticut	0.1419	1.153
Florida	0.4202 ***	1.522
Georgia	0.3525 ***	1.423
Michigan	0.3061 ***	1.358
Minnesota	0.0998	1.105
Ohio	-0.5448 ***	0.58
Oklahoma	0.2531 **	1.288
Oregon	0.4362 ***	1.547
Vermont	0.8598 **	2.363
Wisconsin	0.6352 ***	1.887
Sample size (person months)		338,784
		(continued)

SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in table 2.

County unemployment rates were obtained from the Bureau of Labor Statistics website.

NOTES:

The analysis is restricted to the individuals in the Control Groups.

A two-tailed t-test is applied to all estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent. Also included are variables for missing status, for year of exit, and for spell length to capture the underlying hazard.

The data are weighted to reflect the size of the welfare caseload in each state.

If recipients in welfare-to-work programs left welfare less voluntarily than those in control groups, we might expect that they would have higher rates of return to Food Stamps (among those who did not stay on Food Stamps initially). Table 19 presents the difference between program and control group members after controlling for other characteristics. Program status is statistically significant only for the education-focused programs, where the coefficient of .083 indicates that program group leavers return to Food Stamps more quickly than control group members. This finding is consistent with the results presented in Table 14, where welfare leavers in several of the education-focused programs were more likely to have returned to Food Stamps within a year. The coefficient on the time limit programs is negative (although not statistically significant) indicating that program group members are less likely to return to Food Stamps. Although the time-limit programs were found to reduce rates of re-entry (Table 15) among program group members who left because of a time limit, this effect does not appear in the hazard for re-entry, given that we have combined program non-time limit leavers with program time-limit leavers.

**Table 19**  
**The Effect of Program Group Status on**  
**the Hazard of Returning to Food Stamps**

Program Type	Estimate	Odds Ratio
Incentives	-0.089	0.914
Time Limits	-0.047	0.954
Employment Focused	0.031	1.031
Education Focused	0.083 ***	1.087

SOURCE: MDRC calculations from administrative records and Baseline Information Forms from the evaluations listed in table 2.

NOTES: Each coefficient represents a separate hazard model and is the effect of Program Status relative to Control Group Status.

A two-tailed t-test is applied to all estimates. Statistical significance levels are indicated as \*\*\* = 1 percent; \*\* = 5 percent; \* = 10 percent.

The data are weighted to reflect the size of the welfare caseload in each state.

The results from this analysis show that Food Stamp use after leaving welfare is not very extensive. Most Food Stamp spells after leaving welfare are fairly short (about half end within a year) and fewer than half of those who do not stay on eventually return. While it is possible that some families eventually leave Food Stamps because their incomes increase, the survey analysis presented earlier suggests that many of those who leave (or do not return) are still eligible. For some of these families, the costs and hassles of re-applying may be an important reason they do not stay on for very long.

## **IX. CONCLUSIONS**

The analysis presented in the report shows that Food Stamp use is not extensive among families who leave welfare. Fewer than half of those who left welfare stayed on Food Stamps and they did not stay on for very long. Half of the Food Stamp spells ended within a year. In addition, fewer than half of the leavers came back to the program if they had not stayed on initially. Given that the majority of families who leave welfare still appear eligible for Food Stamp benefits, the next question is why they do not participate in the program.

The findings, consistent with other research, suggest that two important reasons are a lack of information about eligibility rules and the hassles of applying or reapplying for benefits. A majority of welfare leavers who do not stay on Food Stamps appear to still be eligible, yet many of these families incorrectly believe that they are not. A fair number of welfare leavers reported that they were not receiving Food Stamps because of the hassles of applying, and these hassles appear to be especially important for single parents who work. We find little evidence that the stigma associated with benefit receipt deters families from staying on Food Stamps. These results should be interpreted with some caution, however, since they are based on data from only a handful of states and are based, in some cases, on small sample sizes.

The findings about the effect of welfare-to-work programs suggest some potential tools for increasing Food Stamp use among welfare leavers. In general, people who left welfare as part of welfare-to-work programs had similar patterns of Food Stamp use as those in the control groups. However, program group leavers in one program with integrated case management and in another with time limits on welfare benefits (in which leavers who reached their welfare time limit were called in for an exit interview), were more likely to stay on Food Stamps than their control group counterparts. These findings suggest that increased attention from caseworkers before and at the point of recipients' exit from welfare may be an important way to increase access. USDA has also recently given states the option of providing families who leave welfare with up to three months of transitional Food Stamp benefits, which is a promising strategy as long as recipients are also informed that they can stay longer than three months if they remain eligible.

USDA also recently took steps to increase access by reducing the burdens of re-applying for benefits. States have now been given the option of reducing the reporting requirements for working families. The fact that many families stay on for only a short time suggests that these costs of re-applying may be an important deterrent to participation.

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## Appendix A

### Food Stamp Use and Family Well Being

This appendix uses the survey data to examine the relationship between Food Stamp use and select measures of family well being. In particular, we compare poverty rates, material hardship, and food security outcomes for families, by whether they received Food Stamps in the month prior to the survey. The analysis is restricted to people in the control groups and also to people who are estimated to be eligible for Food Stamps.

Table A1 presents data on poverty and material hardship. The first panel of the table shows poverty rates calculated using household income from the survey. The first set of rates uses household income not including Food Stamp benefits, and the second set uses household income including Food Stamp benefits. The numbers for families receiving Food Stamps show that this benefit has a large effect on poverty rates; the inclusion of Food Stamp income reduces the number classified as below poverty from 88.3 percent to 69.7 percent. Food Stamp benefits also substantially reduce the number of families in severe poverty, or with incomes below 50 percent of the poverty line, from 39.3 percent to 18.9 percent. Finally, a comparison of poverty rates for the two groups shows that families who receive Food Stamps are somewhat more disadvantaged than families who do not. Prior to including Food Stamp benefits, only 75.3 percent of the latter group was below poverty, compared with 88.3 percent of the group receiving benefits.

Given these effects on poverty and severe poverty, it is natural to expect that the receipt of Food Stamps reduces material hardship and food security. However, the bottom two panels, from the MFIP and FTP evaluations, show that families receiving Food Stamps experience similar, and sometimes greater, material hardship than those who do not. In FTP, for example, 33.6 percent of those receiving Food Stamps reported that they had not paid their rent in full at some point during the prior year, compared with 29.8 percent of those not receiving Food Stamps. The results from the MFIP evaluation tell a similar story.

Other research also tends to find a positive correlation between Food Stamp receipt and measures of material hardship, particularly food insecurity or insufficiency. Gundersen and Oliveira (2001), for example, find that families receiving Food Stamps are more likely to experience food insufficiency. As they note, however, this relationship most likely arises because families “self select” into the Food Stamp program, meaning that those most likely to experience hardship or food insufficiency are also the most likely to apply for Food Stamps. A valid measure of the program’s effects on families’ well being is difficult to come by because it requires knowing what would have happened to those same families if they had not received Food Stamps. Without such a counterfactual, the best most researchers can do, short of an experiment, is to compare these families with similar types of families who are not receiving Food Stamps.

**Table A1**  
**Income and Material Hardship, by Food Stamp Receipt**  
**Among Eligible Families**

	<b>Food Stamps in Month Prior to Survey</b>	
	<b><u>Received</u></b>	<b><u>Did not receive</u></b>
<b>Household Income</b>		
Not including FS benefits		
Less than 50% of poverty	39.3	42.1
50-100% of poverty	49	33.2
Less than poverty	88.3	75.3
Including FS benefits		
Less than 50% of poverty	18.9	41.1
50-100% of poverty	50.8	30.5
Less than poverty	69.7	71.6
<b>Material Hardship</b>		
<b>FTP</b>		
Did not pay rent in full	33.6	29.8
Evicted	6.5	4.9
Did not pay utilities in full	39.1	38.0
Had utilities turned off	16.1	16.4
Telephone disconnected	33.2	28.3
Couldn't go to doctor/hospital	25.1	29.1
Couldn't go to dentist	38.1	41.3
<b>MFIP</b>		
Did not pay rent in full	40.0	38.9
Evicted	6.6	7.9
Did not pay utilities in full	53.3	48.4
Had utilities turned off	11.6	10.3
Telephone disconnected	21.7	27.8
Couldn't go to doctor/hospital	21.7	23.0
Couldn't go to dentist	31.7	38.4
Sample size	734.0	1313.0

SOURCE: MDRC calculations from survey data from the evaluations listed in Table 2.

NOTES: The analysis is restricted to individuals in the control groups who were not receiving welfare at the time of the survey.

Table A2 presents data on food sufficiency from three of the surveys. In contrast to the results for material hardship, the data from two surveys show evidence that Food Stamp receipt is associated with less food insecurity. However, the effects are generally small. The results are the most consistent using the FTP data. For example, 17.1 percent of families receiving Food Stamps were food insufficient, reporting that they sometimes or often did not have enough food to eat, compared with 20.8 percent of those not receiving Food Stamps. In addition, slightly fewer in the former group reported that they had ever cut or skipped meals. From the WRP survey, Food Stamp recipients are also less likely to be food insufficient, but more likely to report that they ate less because of a lack of money. The results from the MFIP survey show no difference in food insufficiency between the two groups.

In sum, the data show that Food Stamp benefits help to bring many families out of poverty and severe poverty. The evidence on their effects on other measures of family well-being is less clear, given that a simple comparison between those who do and do not receive benefits is likely to suffer from self-selection bias.

**Table A2**  
**Food Security, by Food Stamp Receipt**  
**Among Eligible Families**

	<b>Food Stamps in Month Prior to Survey</b>	
	<b><u>Received</u></b>	<b><u>Did not Receive</u></b>
<b>FTP</b>		
Couldn't afford/get out for food	31.2	38.2
Ever cut or skip meals	27.1	29.2
How often cut meals		
Almost every month	31.4	28.1
Eat less b/c of money	23.6	28.8
Food insufficient	17.1	20.8
Food we bought didn't last		
Often or sometimes true	39.7	43.1
Hungry but didn't eat	13.1	16.5
<b>MFIP</b>		
Food insufficient	26.6	25.4
<b>WRP</b>		
Couldn't afford/get out for food	33.8	30.6
Ever cut or skip meals	22.0	27.9
How often did this happen		
Almost every month	30.7	20.8
Eat less b/c of money	59.3	46.5
Food insufficient	16.9	21.0
Food we bought didn't last		
Often or sometimes true	59.3	46.5

SOURCE: MDRC calculations from survey data from the evaluations listed in Table 2.

NOTES: The analysis is restricted to individuals in the control groups who were not receiving welfare at the time of the survey. Respondents are coded as "food insufficient" if they responded "sometimes not enough to eat" or "often not enough to eat" to the question: Which of these statements best describe the food eaten in your household in the last month?

**Table B1**  
**Characteristics of Welfare Leavers**

	Those who continued receiving Food Stamps	Those who did not stay on immediately, but returned within one year	Those who did not use Food Stamps in the year after leaving welfare
<b>Age (%)</b>			
Younger than 25	19.2	21.4	16.0
25-35	47.3	46.6	44.5
Older than 35	33.5	32.1	39.5
<b>Ethnicity (%)</b>			
Black	51.7	35.3	30.7
Hispanic	9.9	16.9	16.0
White	38.4	47.7	53.3
<b>Education (%)</b>			
Less than grade 9	8.9	10.0	11.5
Grades 9-11	37.0	39.2	34.2
High school graduate	44.0	38.8	39.8
Some college	10.1	12.0	14.6
Single parent (%)	88.7	81.5	81.8
<b>Marital status (%)</b>			
Never Married	52.3	47.1	41.0
Married	5.6	6.1	6.7
Div/ sep/ wid	42.0	46.7	52.3
<b>Number of children (%)</b>			
1	37.7	40.2	42.1
2	32.8	31.0	31.7
3 or more	29.5	28.9	26.2
<b>Young Children (%)</b>			
Younger than 6	54.1	52.9	44.6
6 or older	45.9	47.1	55.4
<b>AFDC spell length</b>			
Less than 24 months (%)	44.9	49.1	47.8
24 months or more (%)	55.1	50.9	52.2
<b>Economic status</b>			
Average earn exit (\$)	1,495	1,390	1,425
Average earn 12 months (\$)	6,154	4,842	6,587
<b>Region (%)</b>			
Urban	72.8	78.5	85.9
Rural	27.2	21.5	14.1
<b>Sample Size</b>	<b>8,816</b>	<b>3,763</b>	<b>8,131</b>

SOURCE: MDRC calculations from administrative records and Baseline Information Forms.

NOTES:

The data are weighted to reflect the size of the welfare caseload in each state.