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Iowa Food Stamp Leavers Survey

Final Report

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Abstract

Enrollment in Iowa's Food Stamp Program (FSP) sharply decreased in the last years of the 1990s, following significant changes in social assistance programs in the State, passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and a period of good economic conditions. Data collected in a 1999 survey provide information about the well-being of families that had participated in Iowa's FSP in 1997, the time immediately following introduction of the new regulations. Nearly 58 percent of those participating in the FSP in 1997 were not participating in the program when interviewed in 1999. Those who left the FSP in 1997 (including working age adults without dependents or a disability) had better economic and employment outcomes than others. Adults without dependents or a disability who remained in the FSP in 1997 had the greatest hardships: They were most likely to have very low income, had less contribution from earned income, and were more likely to experience food insecurity and hunger in the last year. Over half of all of the households in the survey had used private food assistance in the past year.

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Table of Contents

List of Tables and Figures	iv
Executive Summary	v
Introduction.....	1
Survey Methodology and Data	3
Administrative Record Data	3
Iowa Food Stamp Leavers Survey and Questionnaire Development.....	3
Survey Design and Implementation	4
Sample	4
Survey Implementation.....	6
Groups for Comparison	7
Results	8
Basic Statistics	8
Program Participation.....	8
Reasons for Leaving the Program	9
Education	9
Health.....	10
Earnings and Income	10
Employment.....	11
Measures of Well-being.....	12
Respondents' Views of Food Stamp Program.....	14
Discussion.....	15
References	17
Tables	18
Figures.....	41

List of Tables and Figures

Table 1. Final Call Outcomes for Entire Sample	17
Table 2. Distribution of Entire Sample	18
Table 3. Comparison of Food Stamp Population with Weighted Means for 1999 Iowa Survey.....	19
Table 4. Case Head Descriptive Statistics	20
Table 5. Program Participation	21
Table 6. Reasons Given for Leaving the Food Stamp Program	22
Table 7. Education and Training of Case Head	23
Table 8. Health and Health Insurance Coverage	24
Table 9. Earnings and Income	25
Table 10. Employment and Reasons Why Respondent Was Not Working	26
Table 11. Type of Work Schedule	27
Table 12. Type of Occupation	28
Table 13. Type of Employer for Those Who Worked Last in Month.....	29
Table 14. Employment Benefits for Those Who Worked in Last Month.....	30
Table 15. Reason for Not Enrolling in Employer-Provided Health Plan.....	31
Table 16. Children and Child Care Costs.....	32
Table 17. Mode of Transportation to Work	33
Table 18. Distance to Work for Those Who Worked in Last Month.....	34
Table 19. Measures of Well-Being at the Time of Interview	35
Table 20. Use of Community Resources.....	36
Table 21. Economic Hardship	37
Table 22. Housing Quality.....	38
Table 23. Expectations and Views Concerning Self-Sufficiency.....	39
Figure 1 Caseloads for Iowa’s AFDC and Food Stamp Programs: 1990-2000	40
Figure 2. Education and Training	41
Figure 3. Measures of Well-Being (Stayers and Leavers)	41
Figure 4. Iowa Food Stamp Program Respondent Satisfaction (Stayers and Leavers)	42
Figure 5. Iowa Food Stamp Program Respondent Satisfaction (Stayers and Leavers).....	42

Executive Summary

In 1998, the U.S. Department of Agriculture's Economic Research Service (USDA/ERS) funded four studies designed to better understand the circumstances of people who left the Food Stamp Program (FSP) in 1997. Specifically, USDA sought information about the underlying economic, programmatic, and non-programmatic factors that affect the well-being of these low-income individuals and families. Because of the importance of program linkages and the role of the FSP as a program to support those leaving TANF, there was a need to evaluate whether the new program rules were effective in moving households and individuals toward economic self-sufficiency. And, more broadly, for the purposes of evaluation and effective policy design, it is important to understand the role that the FSP plays in the new welfare era, including whether the FSP continues to meet the needs of low-income households for obtaining food. This report provides the results from the study in Iowa.

Iowa experienced sharp decreases in FSP enrollment following the passage of PRWORA in 1996. The Iowa study was designed to better understand what happened to those who left the FSP and to identify the underlying economic, programmatic, and non-programmatic factors that affected the well-being of the FSP households.

The Iowa Food Stamp Leavers survey was conducted to evaluate the status of persons in the FSP in 1997. Of particular interest were those who left the program during 1997 (leavers) and working age adults who did not have dependents or a disability (ABAWDs). The ABAWDs faced stricter FSP eligibility requirements as a result of the welfare reform legislation of 1996. The survey questionnaire was administered through a telephone interview in June, July and August 1999. Those sampled were very much like the general population of FSP participants in 1997: predominantly female, non-Hispanic white and most households had children in the household. Those who left the program tended to be younger, married and have young children. The ABAWDs were more likely to be male and to be black.

Results from the survey showed that the FSP participants in Iowa are relatively well educated (80 percent had completed high school or a General Educational Degree), but with low incomes. On average, the FSP households received \$965 of income per month, with total household income being significantly higher for those who left the program than others. Earnings represented half of the total income, and for leavers, earnings represented over 60% of income. In contrast, the relatively small group of ABAWDs who remained in the FSP had low household income and the smallest share of income from earnings for the groups analyzed. Nearly 60% of the FSP households worked in the month prior to the interview; 66% of the leavers and 70% of the ABAWDs worked. Less than half (42%) of the 1997 FSP participants were participating in the FSP at the time of interview in 1999. Those classified as ABAWDs in 1997 participated at a much lower rate in 1999 (18%). The "leavers" indicated it was because their income increased, they got a job, their family situation changed or because the FSP presented too much paperwork. Relatively more ABAWDs reported being cut off from program benefits.

Although FSP participation fell dramatically during the two year period, other measures of well-being indicate that the families studied here continued to struggle. The majority (67%) of the 1997 FSP participants had household incomes below poverty in 1999. Over half (55%) of the FSP families were food insecure at some time in the previous 12 months. An estimated one-fourth (28%) of Iowa's FSP families and two-fifths (41%) of all of the 1997 ABAWDs were food insecure with hunger at some time in the year before the 1999 interview. These percentages are high and reflect the unmet basic needs of this population (those who had participated in the FSP in 1997 and who were still in Iowa in 1999). Use of other community resources, such as visiting emergency shelters or receiving county relief benefits, was common (42% of the full sample). Over half of the sample (57%) and nearly two-thirds of the ABAWDs had received privately provided food assistance in the last year. On a positive note, most of the families (85%) had access to health insurance, although the rates were lowest for the ABAWD group.

The Iowa survey shows that Iowa's food stamp recipients combine earnings and public and private assistance in an effort to meet basic needs. Often these efforts are not successful. Assistance programs including private food assistance remain important resources. Subsidies such as those for rent allow individuals and families to remain outside of other programs. Can earnings replace or supplement program benefits? It is not clear whether the lower work effort of stayers is a function of abilities and choice (labor supply) or the unavailability of more work opportunities (labor demand). Delving deeper into the labor-supply-labor-demand question remains a persistent issue, and one likely to be especially important if overall economic conditions decline.