

March 2004

FOOD STAMP PROGRAM

Steps Have Been
Taken to Increase
Participation of
Working Families, but
Better Tracking of
Efforts Is Needed



GAO

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Highlights of [GAO-04-346](#), a report to congressional requesters

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Why GAO Did This Study

Eligible working families are believed to participate in the Food Stamp Program at a lower rate than the eligible population as a whole. As a result, many federal, state, and local officials believe the program is not living up to its potential as a component of the nation's work support system. This report examines: (1) what proportion of eligible working families participate in the program and what family characteristics are associated with a family's participation; (2) what factors may be acting as impediments to a working family's decision to participate in the program; and (3) what steps are being taken, or have been suggested, to help eligible low-income working families participate in the program while ensuring program integrity.

What GAO Recommends

GAO recommends that the Secretary of the U.S. Department of Agriculture direct the Food and Nutrition Service to: (1) encourage states to collect and report on the results of their outreach and other efforts to increase participation among eligible working families and (2) disseminate the lessons learned from those efforts to other states and localities.

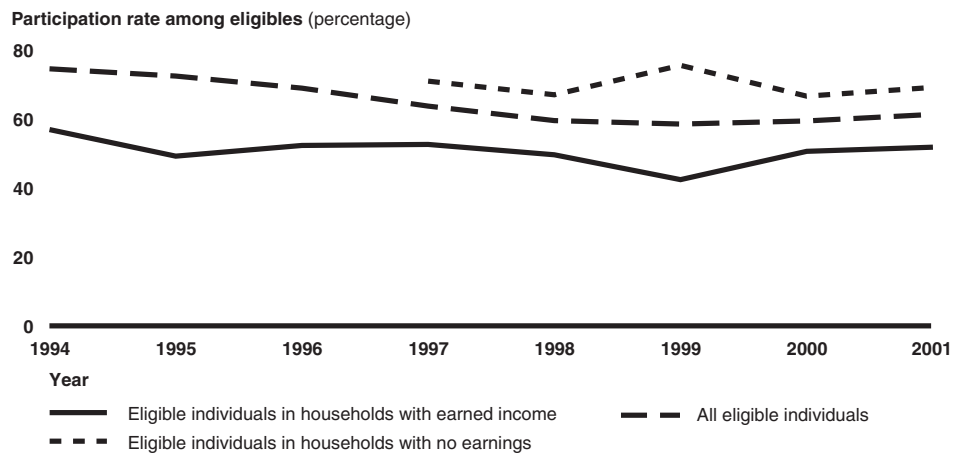
www.gao.gov/cgi-bin/getrpt?GAO-04-346.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Kay Brown at (202) 512-3674 or brownke@gao.gov.

What GAO Found

In 2001, an estimated 52 percent of eligible individuals in working families participated in the Food Stamp Program compared with about 70 percent of eligible members of nonworking families.

Participation Rates Are Lower for Working Families than for Nonworking Families



Source: The Food and Nutrition Service and GAO.

Participating working families are more likely to receive greater food stamp benefit amounts than those eligible working families that do not participate. Also, participating working families were more likely to participate in other government assistance programs and to rent rather than own their home.

Factors that can impede an eligible working family's participation in the program include whether the family is aware of the program's existence and eligibility criteria and whether a family considers the program's administrative process—including having to make frequent trips to a food stamp office during working hours and providing documentation of income—overly burdensome. However, there are some potentially significant benefits, including error and fraud prevention, to some of the administrative requirements. Evidence also suggests that some families weigh the perceived burdens of participation against the benefits of doing so and perceive a stigma attached to receiving food stamps.

The Food and Nutrition Service (FNS) and several states and localities have taken or suggested steps to address the impediments to participation in the program for working families, while also considering ways to balance easier participation with program integrity. These efforts include increasing food stamp outreach, adopting new administrative processes to ease participation and reduce program error, developing tools to help families estimate food stamp benefit amount, and re-naming the program to reduce the stigma associated with food stamps. Compiling a complete picture of these steps was not possible, however, because FNS does not systematically track these efforts, and the outcomes of their use are still largely unknown.

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Abbreviations

CHIP	Children's Health Insurance Program
CPS	Current Population Survey
EBT	Electronic Benefits Transfer
EITC	Earned Income Tax Credit
FSP	Food Stamp Program
PRWORA	Personal Responsibility and Work Opportunity Act of 1996
QC	quality control
SIPP	Survey of Income and Program Participation
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families
USDA	U.S. Department of Agriculture
WIC	Special Supplemental Nutrition Program for Women, Infants, and Children

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United States General Accounting Office
Washington, DC 20548

March 5, 2004

The Honorable Tom Harkin
Ranking Democratic Member
Committee on Agriculture, Nutrition, and Forestry
United States Senate

The Honorable Patrick J. Leahy
Ranking Minority Member
Subcommittee on Research, Nutrition,
and General Legislation
Committee on Agriculture, Nutrition and Forestry
United States Senate

The Honorable John M. Spratt, Jr.
Ranking Minority Member
Committee on the Budget
House of Representatives

The Honorable Calvin M. Dooley
Ranking Minority Member
Subcommittee on Department Operations,
Oversight, Nutrition, and Forestry
Committee on Agriculture
House of Representatives

The federal Food Stamp Program, established in 1964 and administered by the U.S. Department of Agriculture (USDA), is designed to provide basic nutrition to low-income individuals and families in the United States by supplementing their income with food stamp benefits; however, many individuals who are likely eligible to participate in the program do not. According to USDA data, while an average of almost 16 million Americans a month received food stamp benefits in fiscal year 2001, almost 11 million individuals who were likely eligible to receive food stamps in September of that year did not participate in the program. Overall, the program paid almost \$16 billion in benefits in fiscal year 2001.

Working families, defined here as those who live in households with earned income, that are eligible to receive food stamps participate in the program at a lower rate than the eligible population as a whole.¹ As a result, many federal, state, and local officials believe that the Food Stamp Program is not living up to its potential as a component of the nation's work support system. Work support programs assist low-income working families by subsidizing some of the expenses associated with work outside the home as well as everyday necessities. These supports have grown in importance following 1996's welfare reform legislation, which placed a priority on work and economic self-sufficiency. Although the Food Stamp Program's primary mission is to ensure that low-income Americans have access to a healthy diet, targeting food assistance to eligible low-income working families also helps adults enter and stay in the workforce by freeing up limited resources for other necessities.

USDA has made it a priority to increase working families' access to the nutrition assistance they need, while at the same time ensuring that only those who are eligible for benefits receive them. To better understand how the Food Stamp Program serves working families, you asked us to examine: (1) what proportion of eligible working families participate in the Food Stamp Program and what family characteristics are associated with a family's participation; (2) what factors may be acting as impediments to whether a working family participates in the Food Stamp Program; and (3) what steps are being taken, or have been suggested, to help eligible low-income working families participate in the Food Stamp Program while ensuring program integrity.

To answer these questions, we held discussions with program stakeholders, including officials at USDA's Food and Nutrition Service's (FNS) headquarters and regional offices,² state food stamp officials, representatives of advocacy organizations, and other program experts. We also conducted a search of the literature to identify recent (1996 or later) studies that specifically addressed participation in the Food Stamp Program among eligible working families. In addition, we analyzed simulated data prepared by Mathematica Policy Research, Inc., to produce

¹A food stamp household consists of individuals who live together and customarily purchase and prepare food in common.

²FNS oversees the program at the federal level, while each of the 50 states—plus Washington, D.C., Guam, and the Virgin Islands—administer their own programs, either at the state or county level.

program participation estimates for FNS. The simulated data are based on the most recently available public data primarily collected by USDA and the U.S. Census Bureau.³ Finally, we visited four states— Florida, Massachusetts, New York, and Oregon—with programs identified by federal officials, researchers, and other program stakeholders as having innovative approaches to encouraging participation in the Food Stamp Program among working families. During each of those site visits, we met with the state officials responsible for oversight of the Food Stamp Program, visited two local offices in different parts of the state, interviewed advocacy groups charged with doing formal and informal food stamp outreach for the state, and met with community-based organizations that had frequent contact with food stamp recipients as well as likely eligible individuals who were not participating in the program. In addition, we reviewed documentation about the rationale for, and the implementation of, state- and local-level strategies to increase participation in the four states we visited. We performed our work from May to November 2003 in accordance with generally accepted government auditing standards.

Results in Brief

About half of the individuals in working families who are eligible for food stamps participate in the program, and certain family characteristics, such as whether the family also receives other government benefits, are associated with the likelihood of participation. The rate of participation among the estimated universe of likely eligible working families has hovered around 50 percent since 1997, and participation has consistently been much lower than the rate of participation among members of likely eligible nonworking families. For example, in 2001, an estimated 52 percent of eligible members of working families participated in the program, and almost 70 percent of eligible members of nonworking families did so. In 2002, participating working families received an average of \$210, per household, a month in benefits, while participating nonworking families received an average of \$159, per household, a month in benefits. This difference is in part because participating working families are, on average, larger than participating nonworking families. Several family characteristics are associated with the likelihood that working families participate in the Food Stamp Program. Working families that participate in the program are more likely to be eligible to receive

³See appendix I for a detailed explanation of the methodology we used to analyze public data.

greater food stamp benefit amounts than those that are eligible but do not participate. In addition, participating working families were more likely than nonparticipating families to receive other government assistance and were more likely to rent rather than own a home.

Several factors can act as impediments to a family's participation in the program, including whether family members are aware of the program's existence, their potential eligibility, and their perception of the program based on our fieldwork and other studies. For example, a program official in Oregon suggested that many working individuals in that state assume that, because they have a job, their family is not eligible for the program. In addition, some families choose not to participate because they consider the administrative process—including having to make frequent trips to a food stamp office during working hours, completing the program application, and providing documentation of income—too burdensome. Evidence also suggests that, in deciding to participate, some families weigh the perceived burdens of participation against the benefits of doing so to determine if receiving food stamps is worth it given the size of the benefit and their level of need. However, some of the administrative requirements contribute to other priorities of the program, such as preventing fraud and lowering error rates and targeting benefits to need, and highlight the tension between the goals of increasing program access and reducing error rates. A working family's perception of the stigma attached to receiving food stamps is another factor influencing the decision to participate. For example, former program recipients in Florida said that some working families do not participate because they do not want to go to the assistance office.

To help families, including working families, participate in the program while ensuring program integrity, FNS and some states and localities have taken or suggested steps designed to inform the public about the program's existence and their potential eligibility, ease the administrative processes, demonstrate the value of the benefit, and reduce the stigma associated with food stamps. Compiling a complete picture of these steps was not possible because FNS does not systematically track these efforts, but our research identified several noteworthy efforts. For instance, to increase awareness of the program, FNS and some states and community-based organizations have advertised the program to working families and others and run hotlines to respond to questions about the program's rules. To help states ease the perceived administrative burden associated with their programs, FNS has provided guides that share with state and local offices some examples of known efforts to improve program access. One such practice, tried in California, was to extend office hours from 7:00 a.m.

to 9:00 p.m. to allow working families to visit without missing work. However, FNS did not include in the guide any evidence that this effort was successful or any lessons learned from this or other efforts. To demonstrate the value of benefits to families, several states we visited used a Web-based tool that allowed individuals to log on from personal computers and, guided by questions regarding family characteristics, determine potential eligibility and size of benefit. Other steps are being taken to reduce the stigma associated with the program. For example, in Miami, officials from a community-based organization gave presentations to low-income workers at their place of work on the value of food stamps as a work support. FNS officials have also discussed renaming the program nationally, in order to reduce the stigma associated with participation. At the same time states and localities are adopting practices to help families participate in the Food Stamp Program, officials also are mindful about their responsibility for ensuring program integrity. For example, many states have adopted program eligibility simplification options that have the potential to reduce program errors while also easing the administrative burden on states and working families. Finally, while the steps that have been taken or suggested may help families participate in the Food Stamp Program, not enough information on efforts underway or their outcomes is available to determine whether they are effective at increasing program participation.

To better target federal, state, and local outreach efforts; maximize the benefits of the available outreach dollars; and identify and eliminate impediments to food stamp participation, we recommend that the Secretary of Agriculture direct FNS to: (1) encourage states to collect and report on the results of their outreach and other efforts to increase participation among eligible working families and (2) disseminate the lessons learned from those efforts to other states and localities. In its comments, FNS generally agreed with our findings, conclusions, and recommendations.

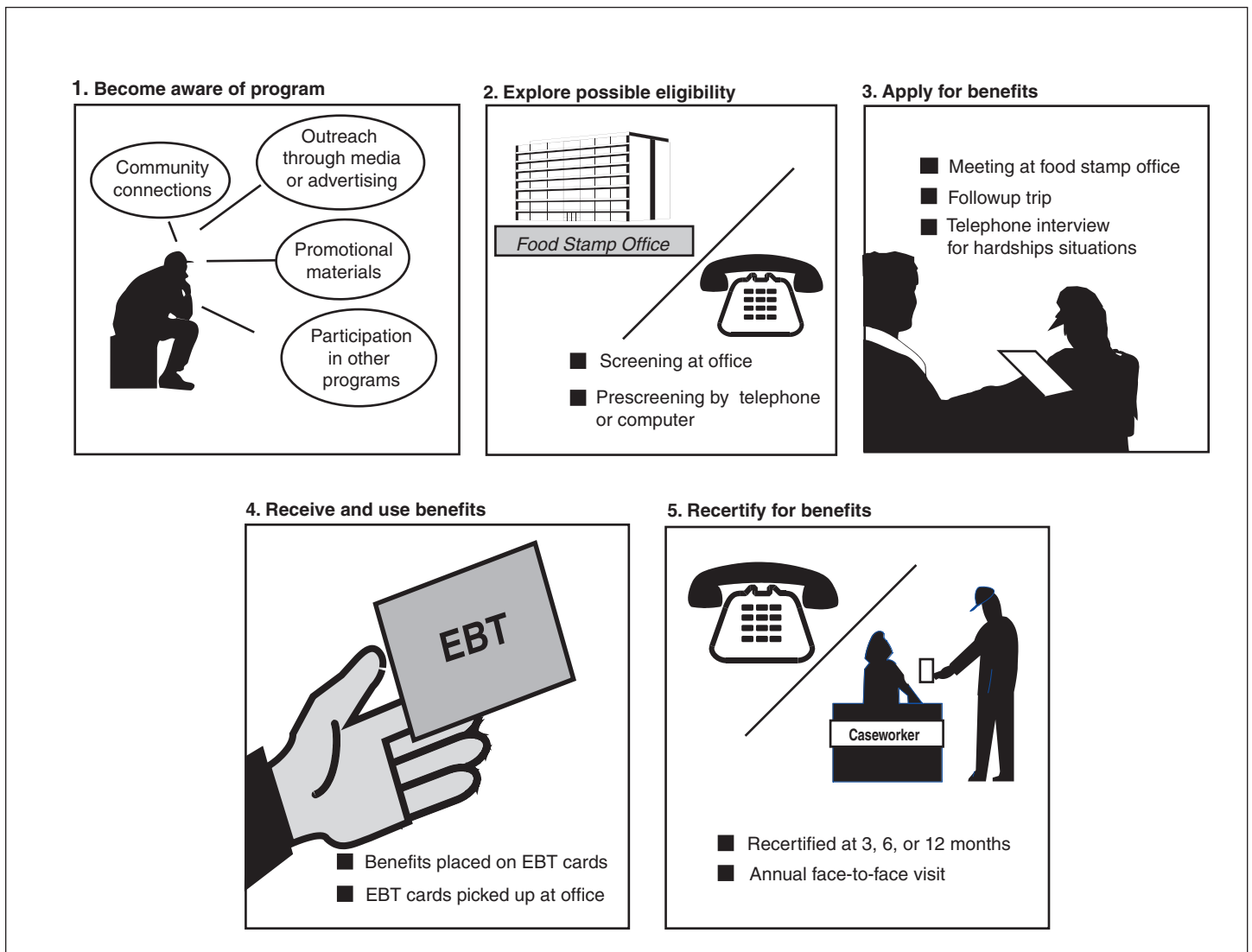
Background

The federal Food Stamp Program is intended to help low-income individuals and families obtain a more nutritious diet by supplementing their income with benefits to purchase food. FNS pays the full cost of food stamp benefits and shares the states' administrative costs—with FNS usually paying 50 percent—and is responsible for promulgating program regulations and ensuring that state officials administer the program in compliance with program rules. The states administer the program by determining whether households meet the program's income and asset requirements, calculating monthly benefits for qualified households, and issuing benefits to participants, usually on an Electronic Benefits Transfer

(EBT) card. The program is usually administered out of an assistance office and, oftentimes, assistance offices also offer other benefits, including Temporary Assistance for Needy Families (TANF), Medicaid, and child care assistance.⁴ Figure 1 outlines the general steps a household must take to participate in the Food Stamp Program and how each step occurs.

⁴Food stamp applications can also be taken at other locations such as health clinics and one-stop centers established by the Workforce Investment Act to serve job seekers accessing employment and training services.

Figure 1: Families Must Go through Several Steps to Receive Food Stamps



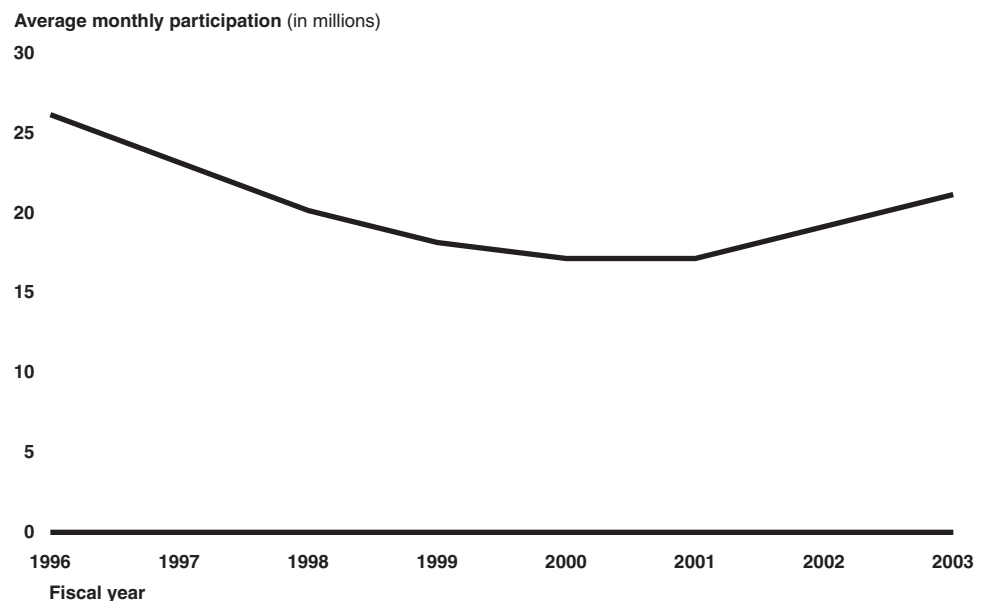
Source: GAO analysis.

Eligibility for participation in the Food Stamp Program is based on the Department of Health and Human Services' poverty guideline for households. In most states, a household's gross income cannot exceed 130 percent of the poverty guideline (or about \$1,654 per month for a family of three living in the contiguous United States) and its net income cannot exceed 100 percent of the poverty guideline (or about \$1,272 per month for a family of three living in the contiguous United States). In

addition, most states place a limit of \$2,000 on household assets, and basic program rules limit the value of vehicles an applicant can own and still be eligible for the program. Other factors affecting benefit levels include size of household, income level, shelter expenses, child care costs, and child support payments. (Eligibility requirements are less stringent for households with elderly or disabled members.) Participants must also periodically recertify by documenting their continued eligibility for program benefits.

In fiscal year 2003, the Food Stamp Program issued more than \$21 billion in benefits. In September 2003, more than 22.7 million individuals participated in the program. This is an increase from the same month in 2002, when the Food Stamp Program provided benefits to almost 19.8 million Americans. As shown in figure 2, the increase in the average monthly participation of food stamp recipients in 2003 continues a recent upward trend in the number of people receiving benefits.

Figure 2: Food Stamp Reciprocity Has Increased in the Last 2 Years, Following a Substantial Decline



Source: The Food and Nutrition Service.

The decrease in number of recipients from 1996 to 2001 can be explained, in part, by the passage of the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA), which toughened eligibility criteria and made certain groups ineligible to receive benefits, and had the effect

of un-tethering food stamps from cash assistance. In some cases, this caused participants to believe they were no longer eligible for food stamps when TANF benefits were ended.⁵ In addition, studies have suggested that the economic growth in the late 1990s played a major role in the decrease of recipients. Since 2000, that downward trend has reversed, and stakeholders believe that the downturn in the U.S. economy, coupled with changes in the program's rules and administration, has led to an increase in the number of food stamp recipients. Although the total number of food stamp recipients is still below the 1996 level, since February 2001, the number of recipients has increased over 30 percent.

Despite this increase, it remains the goal of FNS and several states to increase participation in the program among eligible families, while maintaining program integrity. FNS's fiscal year 2000 strategic plan makes it a goal of the administration to improve the rate of food stamp participation among all eligible people to 68 percent by 2005.⁶ According to FNS officials, eligible immigrants, elderly Americans, and members of working families are the major subgroups targeted to increase participation.

The administration has chosen to focus on participation among working families, in part, because of the increased emphasis placed on the need for work supports such as food stamps, the Earned Income Tax Credit⁷ (EITC), and child care and transportation subsidies—since PRWORA.

In addition, the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill) included provisions intended to encourage participation among underserved groups, including working families, and simplify program administration.⁸ For example, the 2002 Farm Bill gave states the option to

⁵As GAO and others have reported previously, following the passage of PRWORA, there is evidence that food stamp participation dropped as eligible recipients did not apply for food stamps because they incorrectly assumed that if they are ineligible for TANF, they are also ineligible for food stamps. See U.S. General Accounting Office, *Food Stamp Program: Various Factors Have Led to Declining Participation*, [GAO/RCED-99-185](#) (Washington D.C.: July 1999) for more details.

⁶The strategic plan sets a baseline of 63 percent in 1997.

⁷The EITC is a federal income tax credit for low-income workers who are eligible for and claim the credit. The credit reduces the amount of tax an individual owes and may be returned in the form of a refund.

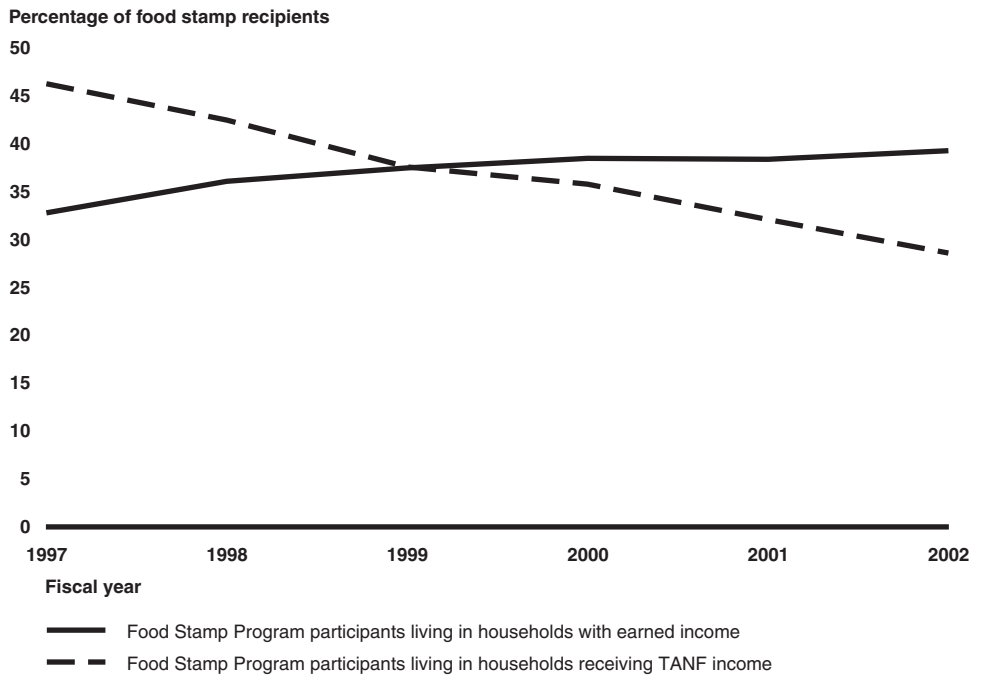
⁸See appendix II for details on the Farm Security and Rural Investment Act of 2002.

maintain food stamp benefits at a consistent level for a transition period for individuals who left TANF to go to work. The 2002 Farm Bill also made it possible for FNS to provide financial awards to states with higher or improved performance in program administration. In response, FNS has targeted improving program participation in addition to its existing focus on payment accuracy and lowering error rates. The food stamp error rate was 8.26 percent in fiscal year 2002, the lowest in the program's history.⁹

In the last few years, working families have become a greater proportion of the overall food stamp participant population. As of fiscal year 2002, about 40 percent of those individuals receiving food stamps were members of households with earnings, up from about 33 percent in 1997. As shown in figure 3, this increase occurred at the same time that the proportion of food stamp recipients receiving TANF declined dramatically. This can be explained, in part, by the fact that when TANF recipients leave that program, they may still be eligible for food stamp benefits. Thus, if TANF recipients leave that program because they have found employment, they can continue to receive food stamps until their income increases enough to disqualify them from the program or until they are no longer eligible for other reasons. Because of the increase in the proportion of food stamp participants who are living in households with earned income, serving low-income working families has taken on an increased importance for the Food Stamp Program in recent years.

⁹The food stamp error rate is calculated for the entire program, as well as every state, by adding overpayments to those who are eligible for smaller benefits, over payments to those who are not eligible for any benefit, and underpayments to those who do not get as many benefits as they should. In fiscal year 2002, the overpayment was 6.16 percent and the underpayment was 2.10 percent. The program also calculates a negative action error rate, defined as the rate of improper denials or terminations of benefits.

Figure 3: More Food Stamp Recipients Now Live in Households with Earnings than Households on TANF



Source: The Food and Nutrition Service.

Note: This figure depicts complementary trends in two groups of food stamp recipients that are not mutually exclusive. In other words, TANF recipients can also be employed and have earned income. In addition, other individuals who are neither working nor receiving TANF may receive food stamps as well, such as Social Security and unemployment compensation recipients.

Eligible Working Families Participate in the Food Stamp Program at a Lower Rate than Eligible Nonworking Families

A lower percentage of food stamp-eligible individuals in working families received food stamp benefits than those in eligible nonworking families, and certain family characteristics are associated with the likelihood of participation. In September 2001, the most recent data available, the participation rate of likely food stamp-eligible individuals in households with earnings was estimated to be approximately 52 percent. At the same time, estimated participation among members of eligible nonworking families was almost 70 percent. Despite their lower participation rate, the average participating working family received a larger benefit than the average nonworking family. The amount of food stamps a working family is eligible for appears to be one of the major factors associated with the participation of working families, with those families eligible for larger food stamp benefits more likely to participate in the program. Other characteristics that are associated with the likelihood of food stamp receipt among working families include family size, amount spent on

shelter, and the marital status of the head of household. Finally, working families that receive unearned income through other government assistance programs are more likely to receive food stamps than those with no unearned income.

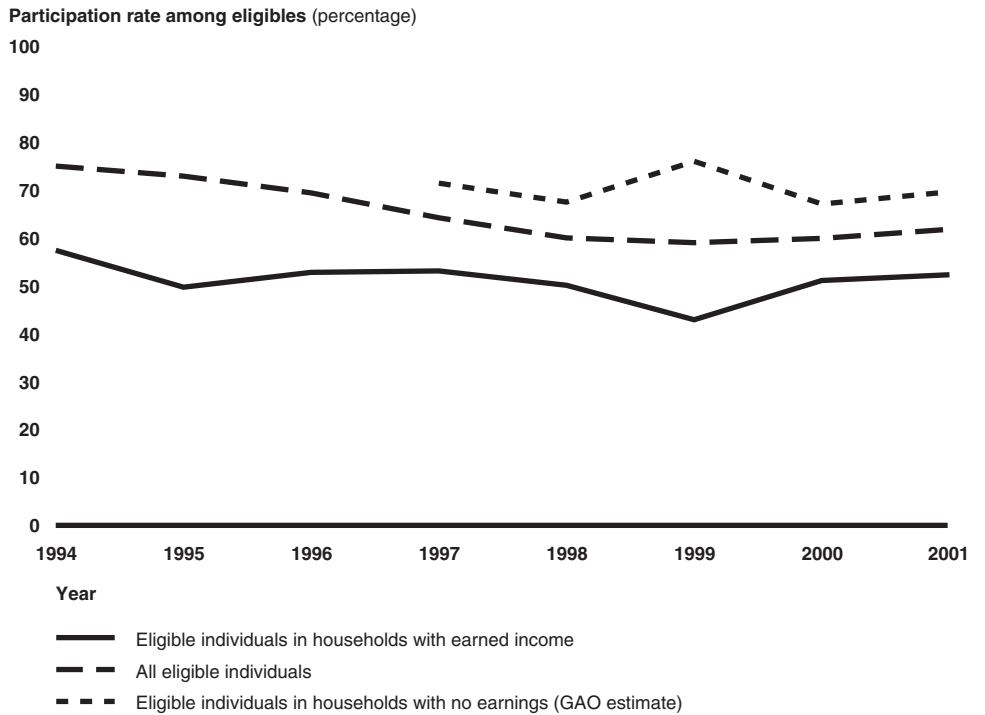
Just Over Half of Members of Eligible Working Families Participated in the Food Stamp Program in 2001

In September 2001, an estimated 52 percent of individuals in eligible working families participated in the Food Stamp Program, according to an analysis done for FNS.¹⁰ In the same month, the participation rate among all eligible individuals was estimated by FNS to be 62 percent,¹¹ and the rate among members of nonworking families was almost 70 percent. As shown in figure 4, the participation rate among working families has been relatively constant in recent years—hovering around 50 percent—and it has consistently been lower than the rate among nonworking families.

¹⁰K. Cunnyngham, Mathematica Policy Research, Inc., for The Food and Nutrition Service, *Trends in Food Stamp Program Participation Rates: 1999 to 2001* (Alexandria, Va.: July 2003). This study identified an increase in the participation rate among people eligible for benefits in households with earnings from 47.3 percent in fiscal year 1999 to 51.8 percent in fiscal year 2001.

¹¹The participation rates reported are based on the actual number of individuals participating in the Food Stamp Program and estimates of the number of individuals eligible for food stamps. FNS contracts with Mathematica Policy Research, Inc., to calculate participation rate data for the program. The participation rate figure is determined by dividing the actual number of individuals who participate by the estimated number of individuals who are eligible. The actual number of participants comes from Food Stamp Program operations data. The estimate of eligible individuals is derived from a model that uses March Current Population Survey data to simulate household characteristics. The Mathematica participation rate calculation is the generally accepted standard by USDA. Because of delays in the availability of needed survey data, a lag exists between actual participation numbers being available and the calculation of participation rates.

Figure 4: Participation Rates Are Lower for Working Families than for Nonworking Families



Source: The Food and Nutrition Service and GAO.

Participating Working Families Receive Higher Monthly Benefits than Nonworking Families, and Benefit Amounts Vary Based on Family Characteristics

Among the families that receive food stamps, working families get larger benefits than nonworking families. In 2002, working families that participated in the Food Stamp Program received, on average, \$210 a month in food stamps per household, according to information collected by FNS.¹² This amount is more than the \$159 average benefit received by households with no earned income. The fact that working families received more benefits, on average, than nonworking families is, in part, due to family size. In general, the larger the family size, the larger the family's benefit. Working food stamp families have an average of 3.2 persons per household, as opposed to nonworking families that receive

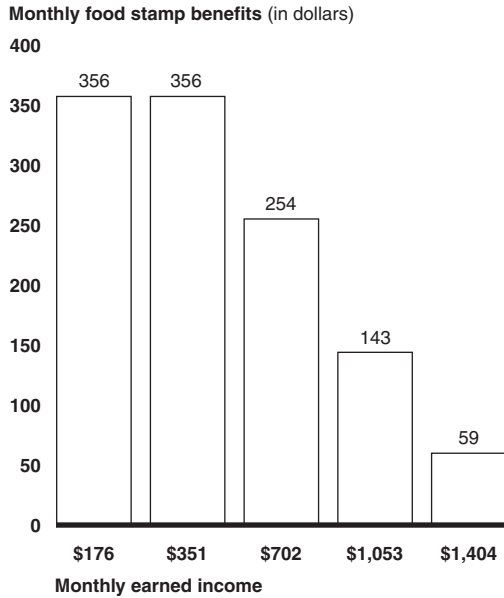
¹²U.S. Department of Agriculture, Food and Nutrition Service Office of Analysis, Nutrition, and Evaluation, *Characteristics of Food Stamp Households: Fiscal Year 2002* (Alexandria, Va.: December 2003).

benefits, which average fewer than two persons per household. In addition to household size, household income level also affects benefit level, as do other factors such as cost of shelter, child care costs, and child support payments.

While it is true that the amount of food stamp benefits that a working family is eligible for decreases as the family's gross income increases, there is not an immediate drop-off in benefit level as income increases, nor is there a one dollar drop in benefits for every additional dollar in income earned.

To demonstrate the effect of additional earned income on working families that receive food stamps, FNS provided us with an example of how earnings might impact a hypothetical family consisting of a single mother with two children. Figure 5 shows estimates of the amount of food stamps for which this family would be eligible given varying monthly income levels.

Figure 5: Estimated Food Stamp Benefits for a Single Mother with Two Children Based upon Varying Amounts of Monthly Income



Source: The Food and Nutrition Service.

Note: To develop this estimate, FNS assumed that the mother worked; had no unearned income, dependent care, or child support deduction; and had a \$300 a month shelter expense. FNS used the fiscal year 2002 Food Stamp Program rules, specifically the value of the maximum food stamp allotment for a family of three and the shelter deduction cap and other assumptions as appropriate. In fiscal year 2001, the average earned income for households with children was \$351 per month so FNS used multiples of that amount, ranging from one-half to four times that amount to produce its estimates. The maximum allotment for a household with three persons was \$356.

Certain Family Characteristics Are Associated with the Likelihood of Participation

Our data analysis shows that there are several characteristics that are associated with an eligible working family's likelihood of participating in the Food Stamp Program. To determine the family characteristics that contribute to the likelihood of program participation for eligible working families, we analyzed a database produced by Mathematica Policy Research, Inc., of likely eligible working families based on the March 2001 Current Population Survey (CPS).¹³ This is the most current data available. Table 1 shows the differences between participating working families and those we estimate are eligible but not participating in 2000, the last year for which information was available.

¹³For a detailed description of the process, used to complete this analysis, see appendix I.

Table 1: Characteristics That Are Associated with the Likelihood of Food Stamp Participation

Participating working families are more likely than eligible nonparticipating working families to:	Eligible nonparticipating working families are more likely than participating families to:
<ul style="list-style-type: none"> • Be eligible for higher monthly food stamp benefits. • Have lower shelter expenses. • Rent their home. • Not have an elderly member in the household. • Have a child under 5 in the household. • Have a head of household that is divorced, separated, or single. • Have citizen head of household. • Have unearned income. • Participate in other assistance programs (Women, Infants, and Children, Medicaid, energy assistance, school meals, or job training). 	<ul style="list-style-type: none"> • Be eligible for a lower amount of food stamp benefits. • Have higher shelter expenses. • Own their home. • Have an elderly individual in the household. • Not have a child under 5 in the household. • Have a married head of household. • Have noncitizen head of household. • Have no unearned income. • Not participate in other assistance programs.

Source: GAO

Note: The characteristics listed correspond to effects found significant at the 0.05 level in our statistical analysis. See appendix I for a complete discussion of this work.

Some characteristics are associated with the increased likelihood of participation. For instance, food stamp participation was more likely among working families that were eligible for a larger amount of food stamp benefits; specifically, each \$100 increase in monthly benefits for which families were eligible increased the likelihood of participating in the program by approximately 30 percent. Working families with young children—under 5 years old—in the household were also more likely to participate than likely eligible working families without young children.

Other characteristics are associated with the reduced likelihood of participation. For example, working families with higher shelter expenses were less likely to participate; each \$100 increase in monthly shelter expenses decreased the likelihood of participating by about 10 percent. In addition, working families that owned rather than rented their dwellings, were less likely to participate in food stamps than other working families, by about 50 percent. Families with a noncitizen head of household, and families with elderly or married individuals in the household, were also only about half as likely to participate in the program.

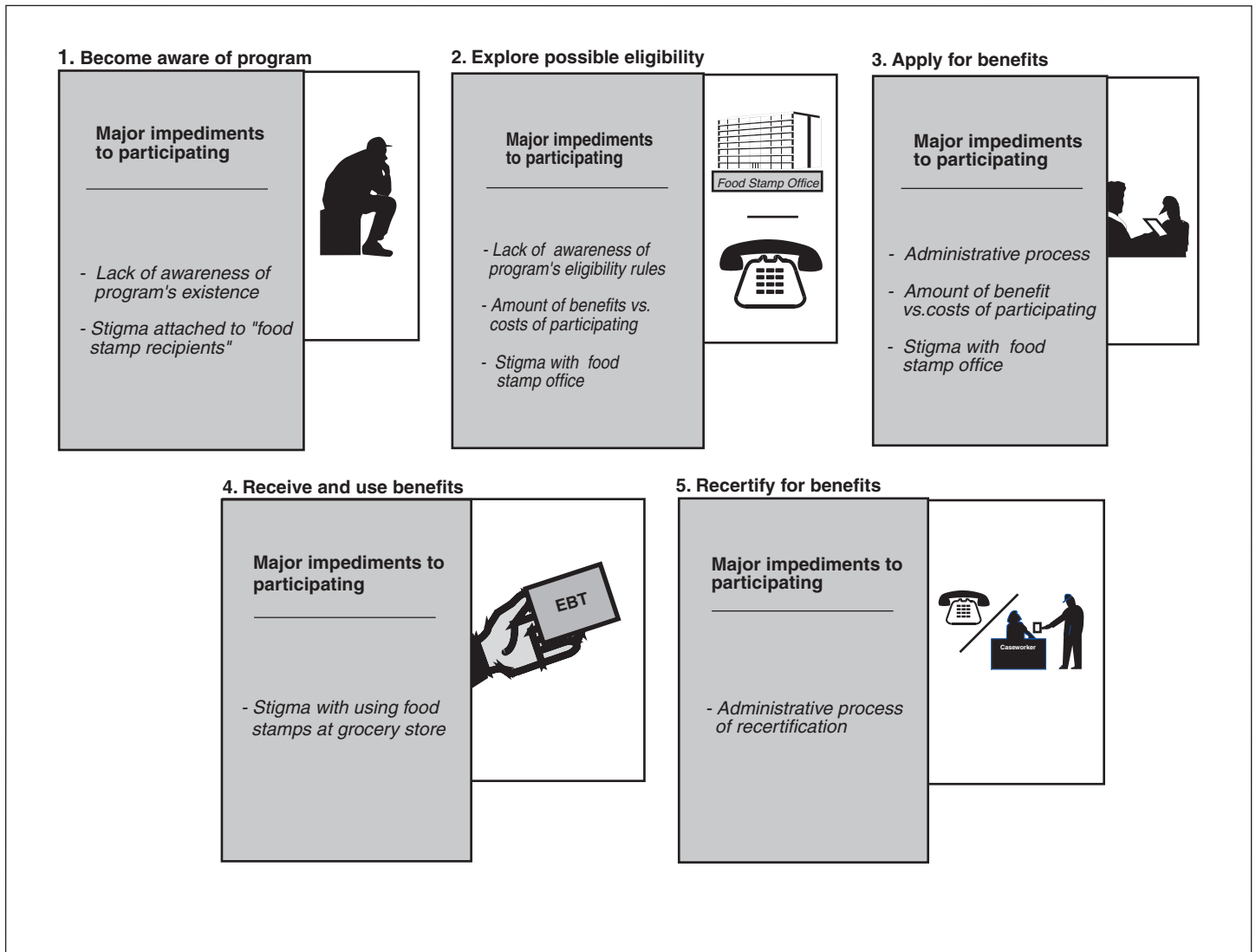
Finally, families with any unearned income were more than 2 times as likely as those without any unearned income to participate in the Food Stamp Program. And, the likelihood of participating was almost 11 times higher for those families that received Medicaid benefits than for those who did not, over 6 times higher for those who received energy assistance and over 4 times higher for households in which someone received job training. Similarly, the likelihood of participating in the Food Stamp Program was about 3 times higher for working families participating in free or reduced school lunch program or in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) than for those eligible nonparticipating working families that did not participate in those programs.

In assessing the results of our analysis, it is worth noting that some of the characteristics that are associated with the participation by likely eligible working families also are likely to be associated with the participation of all eligible participants. For this study, however, the analysis focuses on how these characteristics are associated with working families. By focusing on the differing characteristics of participating and nonparticipating working families, it is possible to develop a better understanding of how working families that receive food stamps are different from likely eligible working families that do not receive benefits. This analysis does not, on its own, offer any explanation for why these families choose to participate, but it does help identify characteristics of those families who do and do not participate. The analysis also provides additional support for how certain impediments we identified can affect a working family's decision to apply for and receive food stamp benefits. The following section elaborates on those factors.

Factors Related to a Family's Awareness and Perception of the Food Stamp Program Influence Their Participation

Several factors may impede an eligible working family's participation in the Food Stamp Program, according to our fieldwork and literature on the subject. Among them are whether the family is aware of the program's existence and the family's possible eligibility, the family's willingness to deal with the program's administrative process, whether the family judges the amount of food stamp benefits received to be worth the effort and cost of participating in the program, and the extent to which the family associates a stigma with food stamp receipt. Figure 6 shows how these factors interact with the steps necessary for a working family to receive food stamps.

Figure 6: Impediments to Participation Have the Potential to Impact Each Step of the Food Stamp Process



Source: GAO analysis.

Participating in the Food Stamp Program Depends on a Family's Awareness of the Program and Eligibility Criteria

To receive food stamps, a family has to apply for the benefits, a step which is taken, generally, by a member of the family going to a local assistance office and filling out an application. Participation, therefore, is dependent on the family being aware of the program's existence and its possible eligibility. Yet, studies of participation in the program that we reviewed offer evidence that many eligible families lack such awareness. For

example, a study done by Mathematica Policy Research, Inc., for FNS, based on interviews with likely eligible individuals that do not participate in the program, found that 72 percent of those surveyed were not aware of their probable eligibility.¹⁴

Program stakeholders, too, said that lack of information about the program and how it works plays a key role in nonparticipation for working families. For instance, according to officials in Florida, working families may not participate because they are uncertain about the program's rules and eligibility criteria and how to participate. A worker for a community-based organization in Florida who did outreach to working families said that many individuals are unfamiliar with the program's workings, making food stamp receipt difficult.

Program officials also suggested that many working individuals assume that their having a job makes their family ineligible for the program. As one official in Oregon said, she believes that some working people do not think of themselves as food stamp recipients, because they believe that food stamps are something for the very poor, and thus do not think they would be eligible given that they have jobs. Officials in Florida and Massachusetts agreed that some potentially eligible working families do not participate because they do not know that they are potentially eligible for food stamps.

Confusion about the relationship between food stamp eligibility rules and TANF eligibility rules can also contribute to working families wrongly believing that they are ineligible for food stamps, according to program officials that we talked with. An official for the New York Office of Transitional and Disability Assistance said that some people still believe that when one's TANF case closes, one's food stamp case closes as well. The official said that, despite New York's best effort to combat this false information, some people leave the Food Stamp Program when they leave TANF because they believe that they are no longer eligible for food stamps.

¹⁴Michael Ponza, et al., Mathematica Policy Research, Inc., *Customer Service in the Food Stamp Program* (Princeton, NJ: July 1999).

The Perception that the Food Stamp Program's Administrative Process Is Burdensome Can Deter Participation

Another factor influencing whether a family participates in the Food Stamp Program is how the food stamp administrative process is perceived. In other words, according to the literature we reviewed and the program officials we spoke with, if the administrative process is seen as being burdensome, families may not participate because of the effort required to apply for and receive food stamps. In addition, our analysis of CPS data demonstrates that, in 2000, working families that participate in the Food Stamp Program are more likely to receive other types of government assistance—such as Medicaid, WIC, and energy assistance—than nonparticipating working families. One possible explanation for this difference is that those that have a comfort level with the administrative process of applying for and receiving assistance might be more likely to participate in the Food Stamp Program.

We identified certain administrative practices during our site visits to food stamp offices in Florida, Massachusetts, New York, and Oregon, that could be considered burdensome by potential recipients who work and that might deter participation. Among the practices identified were multiple required office visits, food stamp office operating hours, food stamp applications, requirements for eligibility documentation and verification, finger imaging for program participants, and the requirement for workers to report changes in their income and hours worked. However, we found that not all of these practices that are potential impediments to participation were in place in every local office that we visited and that these practices are not in place in exactly the same fashion at each office. In addition, it is clear that there are potentially significant benefits—including fraud and error prevention, targeting benefits to need, and the provision of more cost-effective service—to some of the administrative processes.

Among the practices that can influence whether a family participates in the Food Stamp Program are:

- **Required office visits.** In some cases, potential recipients make a trip to the assistance office to fill out a food stamp application and a separate trip for the recipient to meet with a caseworker to determine eligibility. In addition, potential clients may have to return to the food stamp office if they do not bring all the required documentation to their first visit. This means that a family often has to make two or more trips to the office to participate in the program, which can be difficult for individuals who are working.

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- **Office hours.** Assistance offices are often only open during regular working hours. For example, we visited an office that opened from 8:30 a.m. to 4:30 p.m. from Monday to Friday. For working individuals, getting to a food stamp office during the work week can be difficult. A recent study by the Urban Institute supports the notion that a working families' participation status is influenced by the hours they work and, perhaps, by the hours a food stamp office is open.¹⁵ The study found that those who work so-called traditional hours are less likely to participate than those who work a less traditional schedule. However, offering longer hours of service can have cost implications such as additional personnel, utility, computer, and security costs.
 - **The food stamp application.** During our site visits, program advocates said that applications, which often serve both food stamps and other assistance programs, such as Medicaid and TANF, are too complex. For instance, an advocate said that she believed that the food stamp application was too long and required a reading level that was too advanced for most potentially eligible individuals. State officials in Oregon, however, said that having a slightly longer food stamp application allows for better integration of assistance programs, which can benefit recipients, as well as a reduction of workload for caseworkers at assistance offices.
 - **Eligibility documentation and verification.** Participating in the program requires proof of income level, residency, and family size, among other information. Providing such proof usually is done by bringing documentation to the food stamp office at the time of enrollment. This, however, can be perceived as being burdensome for potential clients. For example, current and former food stamp clients surveyed in an Oregon focus group reported that various documentation forms in that state are intrusive and often excessive. However, under current program rules, these requirements are an essential component of ensuring that food stamp applicants are eligible to receive food stamps and that they receive the proper benefit amount.
 - **The finger-imaging requirement.** Four states in the country have requirements that new recipients of food stamps are finger-imaged at the assistance office before they receive their benefits.¹⁶ New York was the

¹⁵Signe-Mary McKernan, et al., The Urban Institute: *Employment Factors Influencing Food Stamp Participation* (Washington, D.C.: August 2003).

¹⁶The four states with finger-imaging requirements are Arizona, California, New York, and Texas.

only state we visited that had such a requirement. Advocates in that state complained that being finger-imaged was a deterrent to participation, in that it potentially required them to make an additional trip to the food stamp office. However, quality control officials in that state believed that it was a vital way to prevent people from defrauding the Food Stamp Program by allowing officials to verify that the applicant did not already have a case open somewhere else in the state.

- **Change reporting requirement.** Participating in the program often requires families to report income changes, meaning that some working families would have to be in frequent contact with their caseworker as the amount of hours they worked or the wages they received fluctuated. The requirement has the potential to add to the burden of participation, and program officials said that the requirement was a potential deterrent for working families. However, doing so also ensures that food stamp recipients continue to receive the correct benefit amount. These income changes can result in either an increase or decrease of benefit levels.

Government officials we talked with acknowledged that the food stamp administrative process can be burdensome and that participating in the program is complex. However, officials spoke positively of many of the practices in their states, such as finger imaging and the requirement for multiple office visits. Many of the practices that might be perceived by potential recipients as causing burdens contribute to other priorities of the program, such as streamlining the eligibility process and keeping the program's error rate as low as possible.¹⁷ The perceived impediments associated with many of the administrative processes, and the justifiable reasons the processes exist, highlight the tradeoffs between the various program goals, including increasing program access and reducing error rates, that are inherent with the design of the Food Stamp Program. Some of these practices probably contribute to some eligible working families not participating in the program, but they also probably help to ensure that only eligible families receive benefits, which is vital to maintaining public support for the program.

¹⁷For more information on program integrity and participation challenges, see U.S. General Accounting Office, *Food Stamp Program: Program Integrity and Participation Challenges*, [GAO-01-881T](#) (Washington D.C.: June 27, 2001).

Evidence Suggests that Food Stamp Participation Is Often Driven by Whether a Family Considers the Benefits Worth the Effort and Cost of Participating

Another factor influencing whether eligible working families participate in the Food Stamp Program is how much they value the food stamp benefit, according to evidence from available public data, the literature we reviewed, and visits to four states. Working families may make an informal cost-benefit analysis of whether their need for the benefits they would receive outweighs the effort and cost of participation. Costs can include taking time off from work and the transportation costs of getting to a food stamp office. Our analysis of 2000 CPS data—which demonstrates that working families that receive other government assistance are more likely to participate in the Food Stamp Program—is consistent with that. Given that many assistance programs are administered at the same office and sometimes using the same application as food stamps, participating in other programs is likely to reduce the cost of food stamp participation, which makes a working family more likely to participate in food stamps.

Our analysis of the 2000 data also demonstrates that working families that are eligible for larger benefits are more likely to receive food stamps than those that are eligible for smaller benefit amounts. Program officials also cite the amount of benefits as a reason that some working families do not participate. An official in Massachusetts said that some working families may qualify only for a small dollar amount a month, which our evidence supports, and, because of that fact, some potential recipients believe that the effort associated with applying is not worth the small amount.

In addition, available research shows that whether a family is willing to participate in the program can also be influenced by the extent to which the family believes it needs the benefit. In a survey and focus groups Mathematica Policy Research, Inc., conducted for FNS, it found that many likely eligible working families did not participate because they believed that they could get by without food stamps and that others need them more.¹⁸ Such families seem to be placing a minimal value on their food stamp benefit. Moreover, research done by USDA's Economic Research Service suggests that families that are food insecure¹⁹ are more likely to

¹⁸Sheena McConnell, Michael Ponza, and Mathematica Policy Research, Inc., *The Reaching the Working Poor and Poor Elderly Study: What We Learned and Recommendations for Future Research*, (Washington, D.C.: December 1999).

¹⁹Food insecurity is defined as a family being, at some point during the previous year, uncertain of having, or unable to acquire, enough food to meet basic needs of all its members because they had insufficient money or other resources.

participate than families that are food secure.²⁰ Both of these research efforts suggest that a family's level of need plays a role in whether a working family participates in the Food Stamp Program. Those families believe that they do not need food stamps are less likely to bear the costs of participating in terms of lost time and inconvenience, while those families that are in need may be more likely to participate no matter what the benefit level is.

A study published by The Lewin Group reinforces the idea that need plays a role in the decision to participate.²¹ In a study using data from the Survey of Income and Program Participation (SIPP),²² the authors found that likely eligible nonparticipating working households differed from participating working households in their income variability. Nonparticipating households were more likely to have experienced a short-term drop of income than participants and were more likely to have had recent past income that exceeded 100 percent of the federal poverty level. From these findings, the authors suggest that many nonparticipants have expectations of higher future income and do not see the need for food stamps, which helps to explain why they do not participate.

The Stigma Associated with the Food Stamp Program Can Cause Some Families Not to Participate

The stigma associated with the Food Stamp Program is one of the reasons some eligible families do not participate in the program, according to existing research and interviews with program stakeholders. Although the program's primary mission is nutrition assistance, program stakeholders believe the stigma associated with food stamps is largely related to the program's welfare connotations. Focus groups of current and former food stamp recipients, conducted by a community-based organization in Oregon, echoed that sentiment. A theme that ran through the focus group responses was that people were ashamed, or too proud, to receive food stamps. The focus group responses indicated that individuals can have

²⁰Mark Nord, et al., USDA Food Assistance & Nutrition Research Program, *Household Food Security in the United States, 2001* (Washington, D.C.: October 2002).

²¹Mary Farrell, David Stapleton et al., The Lewin Group and Cornell Center for Policy Research *The Relationship of Earnings and Income to Food Stamp Participation: A Longitudinal Analysis* (Washington, D.C.: August 2003).

²²The SIPP is conducted by the Census Bureau. It collects source and amount of income, labor force information, program participation and eligibility data, and general demographic characteristics to measure the effectiveness of existing federal, state, and local programs. This study followed a panel of households from 1996 over a 4-year period.

personal shame about receiving food stamp benefits and may be worried about being looked down upon for receiving them.

For working families, the welfare stigma can be a particular deterrent toward food stamp participation. For example, program officials cited the occasional need to verify a food stamp recipient's wages and employment status with the recipient's employer as one stigma associated with food stamp receipt for working families. A related deterrent for working families is that to participate in the program, a family usually has to make a trip to the food stamp office, which is also the "welfare office." Advocacy groups said that this was a requirement that discouraged participation among working families. Former Florida food stamp recipients told us that caseworkers ask personal questions regarding how they manage their finances. For example, how one pays for hair care and laundry, which they considered intrusive and made them less likely to participate in the program. However, local officials in Florida said that these questions are an effective method to deter program fraud and ensure that food stamp benefit amounts were provided accurately.

Measuring the extent of stigma can be difficult, because stigma is often a personal matter. Many of the officials we spoke with said that the move toward EBT cards has helped alleviate the stigma of the program for working families and others by making food purchases by program recipients look more like ordinary food purchases, thus making it more difficult for other shoppers at grocery stores to identify food stamp recipients' purchases. Still, many of the same officials said that stigma remains an issue.

FNS and Some States and Localities Have Taken, or Suggested, Steps to Help Working Families Participate in the Program While Ensuring Program Integrity

FNS and the states and localities we visited have taken or suggested a variety of steps to address identified program impediments that may hinder the participation of working families in the Food Stamp Program. These efforts include informing the public about the availability of food stamps, easing the administrative processes, estimating eligibility and the potential size of benefits, and reducing the stigma associated with food stamps while also adopting strategies to ensure that serving working families does not jeopardize program integrity.

Several Efforts Are Underway to Better Inform the Public about Food Stamp Availability and the Program's Eligibility Criteria

Several federal, state, and local efforts are in place to make information about the Food Stamp Program available to potentially eligible working individuals. These include efforts to inform the public through outreach efforts, such as media campaigns, and to reach potential program participants in locations where they are likely to be, such as their places of employment. While officials we spoke with were hopeful about the ability of these efforts to reach the right audience, little outcome data are available to determine which outreach efforts are most effective.

FNS Outreach Grants and Guides

FNS has provided some specific grants to states and organizations to conduct food stamp outreach; however, FNS does not know the total amount of other funds states spend on outreach. In fiscal years 2001 and 2002, FNS awarded 100 percent funded competitive outreach grants to state- and community-based organizations.²³ Some of these grants specifically targeted working families while others targeted all low-income families. The impact of these grants are largely unknown to date, although FNS is conducting assessments. Because the grants are awarded to address local needs, FNS officials reported that they do not expect major findings on ways to improve service to working families, but do expect results to reveal potentially effective ways to do localized outreach. In addition, FNS also recently awarded competitive program participation grants made available by the 2002 Farm Bill to agencies or universities. The goal of these grants is to improve the food stamp application process and work to identify and eliminate barriers to participation. FNS will in addition, pay for half of any outreach effort funded by the states. Some of these efforts are formalized through an approved outreach plan, and the funds spent on them are reported separately. Other state outreach efforts, however, may be conducted without FNS's knowledge and claimed as an allowable administrative expense but not separately identified as outreach in the states' fiscal reports according to an FNS official. Table 2 provides more information about the known outreach efforts.

²³In fiscal year 2004, FNS hopes to gain new partners by awarding smaller grants for food stamp outreach to smaller-sized, community-based and faith-based organizations, with the anticipation of obtaining new ideas for implementing outreach activities. One of the strategies promoted in the grant solicitation is the use of employers to facilitate the application process.

Table 2: Recent FNS-Funded Outreach Activities Conducted by States, Local Government, or Community-Based Organizations

Type of outreach effort	Fiscal year	FNS percentage funding rate	Number of states	Total funding (dollars in millions)
State outreach plan	2002	50	14	\$8.8^a
Outreach grant	2002	100	19	5.0
Program participation grant	2003 ^b	100	5	5.0

Source: FNS.

^aStates or community-based organizations paid \$4.4 million of this amount.

^bThe 2002 Farm Bill allows USDA to award up to \$5 million per year for fiscal years 2003 through 2007 to entities to carry out projects to simplify food stamp application and eligibility determination and to improve access to food stamp benefits.

FNS regional offices also conduct program access reviews of selected local offices in all states to determine whether state and/or local policies and procedures served to discourage individuals from applying for food stamps or whether local offices had adopted measures to improve customer service. Some of these measures are gathered into a periodic best practices guide published by FNS.²⁴ The guide contains information about the goal of the practice being tried, the number of places where it is in use, and contact information for a person in these offices. For the most part, however, the guide does not include any evidence that these efforts were successful or any lessons learned from these or other efforts.²⁵

Efforts to Inform the Public

FNS is launching a \$4 million, nationwide radio food stamp promotion campaign to raise awareness about the benefits of the Food Stamp Program. The goals of the campaign are to position the program as a nutrition assistance and work support program and improve the public's understanding of the program's purpose and who may be eligible, including working families. Transit ads and radio spots have been developed and will be placed in key locations throughout the nation, promoting the national or state toll-free Food Stamp Program numbers, as appropriate.

²⁴State Best Practices Improving Food Stamp Program Access, USDA, FNS, (June 2002).

²⁵Advocacy groups such as the American Public Human Services Association, the Food Research Action Center, and the Nutrition Consortium of New York State also make information available on food stamp outreach and access in best practices guides, on their Web sites, or through conferences.

The ads will refer potential food stamp recipients to either FNS's or the state's telephone hotline to receive information about the Food Stamp Program. In 2003, the FNS bilingual (English and Spanish) hotline averaged about 1,900 calls per month according to FNS.²⁶ Some states have also launched media campaigns. For example, in New York, as part of its approved outreach plan, efforts were underway to garner interest in the program in the form of a statewide, \$300,000 media campaign and a \$500,000 media campaign for New York City. In addition, in each of the four states we visited, either the state- or a community-based organization had established a hotline to provide broader outreach to potential clients and to make them aware of program eligibility requirements and the documentation they need to apply for benefits. For example, from September 2001 to June 2003, the Community Food Resource Center in New York City fielded over 110,000 calls from 59,000 individuals requesting food stamp assistance. The center reported that these calls resulted in 3,240 new food stamp cases. Other media outreach efforts, both statewide and local, included advertising on television and radio, posters, and shopping bags and in newspapers and direct-mail supplements. Many of these broad outreach efforts were not specifically targeted to working families, but since some working families may not believe they are eligible for food stamps, these efforts may help to make them aware of the eligibility requirements, promote the image of the Food Stamp Program as a nutrition assistance program, and inform families what they have to do to apply for benefits.

Efforts to Reach Eligible Working Families

Some efforts are made to reach working families specifically by making applications and informational materials available where eligible working families are likely to go, such as at tax preparation sites, health clinics, supermarkets, WIC centers, and food pantries. For example, FNS has partnered with H&R Block to promote food stamps to those families who qualify for the EITC, which can indicate eligibility for food stamps. FNS officials said this effort resulted in an increased number of calls to their hotline during the tax season. FNS plans to expand this type of partnership

²⁶In fiscal year 2003, FNS also made a wide variety of free flyers, posters, and brochures available to state and local food stamp agencies and other interested organizations which can be downloaded or ordered online from the agency's Web site. These educational materials, which include "Food Stamps Make America Stronger," "Who Qualifies for Food Stamps?" and "A Small Reason to Find Out if You Qualify for Food Stamps," are available in English and Spanish and are targeted to the working poor, immigrants, and seniors, as well as the general low-income population.

further to tax preparers at the Voluntary Income Tax Assistance Program.²⁷ In Oregon, we spoke with a food stamp worker who is regularly stationed in a local food pantry. She noted that many working people are more comfortable coming to the food pantry to apply for food stamps because government food stamp offices can be off-putting to some people. She estimated in the last 2 years she has done 1,000 intakes at the food pantry. However, food stamp officials in all four states cited problems with tight state budgets resulting in staffing freezes or cuts. As a result, some offices have cut back on such resource-intensive practices.

Food stamp advocates have also worked with employers whose employees would likely be eligible for benefits. For example, in Miami, the Human Services Coalition of Dade County, as part of the Greater Miami Prosperity Campaign, is attempting to reach out to employers of low-income workers to promote certain available work support programs for their employees. The goal is to convince employers that these work supports are a win for employees because they augment the wages of low-income workers; they are a win for employers, because they bring stability to the life of their employees who, therefore, feel more loyalty to their employer; and, they are a win for the community at large, because more federal dollars are brought into the local economy through the spending of those who receive work supports. Representatives of the coalition and its partners are working with the Greater Miami Chamber of Commerce and are making presentations to employers and their low wage employees and human resource manager associations around the region focusing on this message.²⁸ The coalition representatives ask employers to take three actions to support the campaign: (1) send letters to employees about available work supports; (2) provide information about the EITC, children's health care, and food stamps when sending out copies of government documents such as Internal Revenue Service W-2 earning

²⁷This program, sponsored by the Internal Revenue Service, provides voluntary assistance with federal income tax returns. FNS has also initiated additional new efforts to promote food stamps to low-income individuals through the tax filing process. VITA sites have been encouraged to display food stamp materials and refer their clients to the food stamp toll-free number. FNS plans to include an Internal Revenue Service publication on EITC along with the food stamp materials mailed to callers of the toll-free number.

²⁸Since 2002, FNS has also presented information and provided training regarding the importance of food stamps as a work support at the U.S. Chamber of Commerce's Annual Workforce Development Leadership Course. The course is designed to build the capacity of local chambers of commerce to support employers in the area of workforce training and development, with a focus on employers of low-wage workers and former welfare recipients.

statements; and (3) allow coalition workers to pre-screen employees at the workplace. The prescreening allows the advocates to more fully explain the eligibility requirements and what steps applicants must take to qualify for benefits. As of August 2003, the advocates had convinced a large Miami-based cruise line to send out information about the work support programs with employees' W-2 forms and pay stubs, and they had also conducted on-site pre-screening for employees at several local businesses.

Some state and local programs we visited have also partnered with other assistance programs, such as the EITC, Medicaid, Head Start, school lunch program, and WIC, to make working and nonworking families aware of their potential eligibility for food stamps. Stakeholders spoke highly of such efforts, and as previously discussed, our analysis of simulated data show that the likelihood of working families participating in the Food Stamp Program was much higher if they participated in other assistance programs as well. Finally, our previous work also showed that 26 states are conducting food stamp eligibility interviews in at least some of their Workforce Investment Act one-stop centers.²⁹

In addition to the outreach efforts that have been tried, one local official suggested that food stamp outreach could be greatly expanded if the state used taxpayer records to identify potentially eligible working families. Adopting such a strategy, however, could be problematic because of the need for state human service agencies and departments of revenue to coordinate with one another, as well as privacy concerns over the use of tax data.

Several Efforts Are Underway to Simplify the Administrative Process

States and local offices we visited have adopted a number of different practices to make administrative processes less burdensome on potential participants. Among the efforts that resonated particularly with working families were those intended to save participants' time and allow them to fulfill program requirements to ensure only eligible families receive benefits in ways that minimize their need to miss work. While officials we spoke with were hopeful about these efforts, little outcome data are available to determine their effectiveness at easing administrative burdens.

²⁹U.S. General Accounting Office, *Workforce Investment Act: States and Localities Increasingly Coordinate Services for TANF Clients, but Better Information Needed on Effective Approaches*, [GAO-02-696](#) (Washington, D.C.: July 2002).

Steps to Facilitate the Application Process

States and local offices we visited have adopted a number of different practices to facilitate the food stamp application process. Oregon and Florida have adopted a “no wrong door policy” that allows people to apply for benefits at any food stamp office, and states with Web sites have placed food stamp applications on the Web, which is a requirement of the 2002 Farm Bill.³⁰ In addition, New York, Oregon, and Massachusetts shortened and simplified their food stamp applications. While well received, shortening the application has had some drawbacks. For example, New York officials told us that because their shortened application was for food stamps only, it limited the client’s ability to apply for more than one assistance program at the same time. Also, local officials in Oregon told us that their shortened form required their already overburdened caseworkers to spend more time with clients gathering information previously captured on the longer application forms.

States are also facilitating the food stamp application process by adopting certain available administrative options that can simplify the application process. For example, when considering the value of a vehicle as an asset, states may choose to substitute the more generous asset rules from other assistance programs in place of Food Stamp Program rules thereby reducing the amount of documentation collected from individuals applying for more than one program. All four states we visited have adopted similar vehicle policy options. All four states have also adopted an option that allows certain families with incomes up to 200 percent of the poverty level to be automatically eligible for the Food Stamp Program.³¹

Several states have experimented with alternative practices to requiring applicants to come to the food stamp office during traditional office hours. Three local offices we visited experimented with offering extended office hours during the week or on Saturdays. State and local officials reported mixed success with these options. For example, officials at one local office in Oregon said that adopting client friendly policies such as these has led to an increase in the caseload while local officials in New York and Massachusetts dropped these efforts after few potential clients took

³⁰Community-based organizations in Massachusetts and New York City have such efforts under development that would allow applications to be sent electronically to local food stamp offices, but the technology is not yet in place.

³¹This option, called expanded categorical eligibility, helps simplify eligibility determination by eliminating the requirement to determine the value of assets and verifying family income up to 200 percent of poverty.

Steps to Facilitate Continuing Program Participation

advantage of the extended hours. In addition, in an effort to help working families avoid missing work and overcome transportation impediments, Massachusetts adopted liberal rules allowing local offices to interview clients and take food stamp applications over the telephone or via the mail if coming to the office would be a hardship for them. Using this practice, clients still must submit the necessary documentation to ensure program integrity. In the period from November 2002 to June 2003, over 5,000 food stamp applications were received through the mail.

Some states have taken advantage of options to simplify on-going reporting requirements. Typically, working families were expected to report earned income changes. FNS was concerned that the increase in employment among food stamp households would result in larger and more frequent income fluctuations, which would increase the risk of payment errors and be burdensome for the working poor. As a result of these concerns, FNS established regulations in November 2000 that gave states the option to require working families to report changes in income between 6 month certification periods only when a change in their income made them ineligible for food stamps. All of the four states we visited chose this option.³² In addition, FNS continued to support efforts to further expand states' flexibility to streamline complex rules, simplify program administration, and help ease the transition from welfare to work through their support of the 2002 Farm Bill amendments. For example, the 2002 Farm Bill simplifies on-going reporting requirements by allowing states to disregard changes in certain amounts deducted for child care expenses, child support payments made, and medical expenses.³³ One of our four states, New York, has chosen this option. Finally, Oregon has simplified on-going participation by allowing clients to recertify their program eligibility via the mail rather than by requiring face-to-face interviews.

For families who are leaving cash assistance, the 2002 Farm Bill also allows states the option of facilitating continued program participation by providing 5 months of automatic transitional food stamp benefits when a family leaves the TANF program without requiring the family to reapply or

³²All four states have also expanded the use of semiannual reporting to all households that can be asked to report periodically, a change allowed under the 2002 Farm Bill.

³³This provision is known as simplified determination of deductions in the 2002 Farm Bill.

submit any additional paperwork. Of our four states, Massachusetts, New York, and Oregon have adopted this option.³⁴

Finally, because application and continuing program participation impediments can vary from state to state and from locality to locality, some states and localities have established working groups of program stakeholders to identify program impediments and to generate ideas on how to remove them. For example, the Oregon Hunger Relief Task Force established a committee of officials from the state Department of Human Services and other state agencies, community advocates, food bank representatives, local office workers, and former recipients to assess program access and participation issues. These efforts have opened the lines of communication and have been deemed successful by both the state officials and advocates we interviewed.

Efforts Are Underway to Estimate Eligibility and the Size of the Potential Food Stamp Benefit

Some program advocates and officials have taken steps to develop ways to reach people who may have the wrong impression about their eligibility and the size and value of food stamp benefits. While the usage of these tools shows promise where they have been put into place, the final outcomes of their use are still largely unknown.

Steps to Show People the Amount of Their Estimated Benefit

FNS's Web site has a pre-screening tool that allows individuals to log on from personal computers and, guided by questions regarding family characteristics, determine their potential food stamp eligibility and the size of their benefit. FNS, however, has not yet started to track how often this tool is used. Some experts we spoke with suggested that such Web-based tools are most effective when a third party, such as a program advocate, is available to help potential clients use them.

We visited three community-based organizations that had prescreening tools available to help individuals determine their eligibility and estimate their benefits. Project Bread, located in Massachusetts, uses a Web-based tool similar to FNS, while Florida Impact and the Community Food Resource Center in New York City send staff members with laptops to sites where likely eligible people are found—including emergency food programs or pantries, WIC centers, health clinics, hospital lobbies,

³⁴For more information on the states' use of options and waivers see U.S. General Accounting Office, *Food Stamp Program: States' Use of Options and Waivers to Improve Program Administration and Promote Access*, [GAO-02-409](#) (Washington, D.C.: Feb. 22, 2002).

unemployment offices, supermarkets, and senior centers—to prescreen potentially eligible clients. The Community Food Resource Center’s prescreening tool collects client information, estimates their potential food stamp benefits, and prints out a document guide listing the documents necessary to apply. This estimated benefit information allows the client to decide whether the potential benefit would outweigh the perceived burden of following through with the application process. Table 3 has selected results from these efforts. Officials from these organizations have not studied why potentially eligible people chose not to apply for food stamps.

Table 3: Selected Results from Prescreening Tools Used by Community-Based Organizations

Program	Time period	Number screened	Number potentially eligible	Number applied for food stamps	Number approved for food stamps
Florida Impact	9/3/02—9/8/03	1,277	1,025 ^a	306	284 average benefit—\$176
Mass. Project Bread	1/15/02—8/11/03	46,505 ^b	39,994	170 ^c	120 ^d
New York City’s Community Food Resource Center	2002	12,107	9,504 ^e estimated benefit—\$166	f	f

Source: Community-based organizations visited.

^aNumber of potentially eligible individuals with earned income is not available.

^bFifty-five percent of those screened reported earned income.

^cProject Bread officials did not know why so few potentially eligible individuals were counted as applying for food stamps but speculated that local offices may not have input the code on the application form that would identify Project Bread as the source of the application.

^dFor the period January 2002-June 2003.

^eThirty-two percent of the potentially eligible had earned income; the average was \$1,022 per month.

^fInformation not available.

Steps to Demonstrate the Value of Food Stamp Participation

Because some working families believe that their food stamps benefits are likely to be too low to make participation worthwhile, some local offices have taken steps to promote the related benefits of food stamp participation, such as reduced utility bills in some states and categorical eligibility for school meals. While such efforts may convince potential participants of the value of food stamps, many of the stakeholders we interviewed believe that more people would participate in the program if the minimum food stamp benefit was raised from \$10 to at least \$25. Doing this, however, would increase program costs according to FNS.

Program Officials Have Taken Steps to Reduce the Stigma Associated with Food Stamps

Program stakeholders are taking steps to address the stigma associated with receiving food stamp benefits, trips to the “welfare office,” and being a “food stamp recipient.” Program officials and stakeholders noted changes that have already been made in the program to limit the stigma and suggested additional changes. While officials we spoke with were hopeful about these efforts, little outcome data are available to determine their effectiveness at easing administrative burdens.

Steps to Re-Brand the Program

PRWORA mandated that states replace food stamp coupons with the EBT card, a change that introduced a greater element of privacy during food purchases. Many of the stakeholders we spoke with believe the EBT card has helped to reduce the stigma associated with the use of food stamps. Use of the EBT card has also had the effect of reducing food stamp fraud. As of September 2003, 95 percent of all food stamp benefit issuance is provided via the EBT card. Some states and local outreach organizations have taken the additional step of re-branding, or renaming, their EBT cards. Oregon promotes its card as the Oregon Trail Card, and the Community Food Resource Center in New York City promotes the EBT card as “the Food Card.”

Beyond renaming the card, many officials suggested that stigma could be reduced if the program’s name was more suggestive of a nutrition program rather than a welfare program. Four states across the nation have already renamed their programs.³⁵ For example, Michigan has changed the name of its Food Stamp Program to the “food assistance program.” FNS is currently considering renaming the program and is consulting with its state partners on what the name should be.

Steps to Disassociate Food Stamps from Welfare

To corroborate the Food Stamp Program as a nutrition program and to eliminate trips to “the welfare office,” some officials suggested moving the Food Stamp Program out of the state welfare office and placing it under the Health Department. However, because states decide where their various nutrition programs reside, this program change would be difficult to implement nationally.

New York State is testing a model that allows potential applicants to avoid the welfare office. The state has developed Transitional Opportunity Program centers for former TANF recipients who are working and who are still eligible for work supports, such as food stamps. The idea behind

³⁵The four states are Kansas, Michigan, Minnesota, and Washington.

these centers is to provide benefits and case management for low-income workers in a friendlier, more positive environment where the focus is on helping low-income workers achieve self-sufficiency. To do so, caseworkers provide active case management, bank officials provide seminars on how to open and manage a bank account, tax preparers discuss the EITC, former welfare recipients discuss paths to success, childcare providers highlight strategies for childcare, and nutritionists discuss healthy eating habits. The case managers are also available to help if a rent or utility emergency arises.

Finally, some food stamp researchers have suggested a fundamental reshaping of the way the Food Stamp Program is administered and overseen.³⁶ They suggested delivering program benefits to those who work regularly through the tax code, much like the EITC program. Such a change would eliminate the need for working individuals to go to the food stamp office. However, such a fundamental reshaping of the program from food assistance to cash assistance has significant implications for program mission and integrity, targeting intended beneficiaries, and administration and would require significant study and review.

Serving Working Families Need Not Jeopardize Program Integrity

State officials believe that food stamp cases with earned income are more complex and error prone than cases with no income. Food stamp quality control data show that in fiscal year 2001 cases with only earned income accounted for about twice the percentage of dollars attributed to errors as cases with no income. These cases are more complex because low-income working families' incomes tend to fluctuate as the numbers of hours they work rise and fall. Therefore, tracking eligibility status, proper benefit level, and accurate income level is more difficult. This is important to note because officials in three of the four states we visited were supportive of the goal of increasing the participation of working families but were also concerned about the impact these more complex cases could have on their program error rates. Data indicate, however, that the increase in the

³⁶Michael E. Fishman and Harold Beebout, *Supports for Working Poor Families: A New Approach* (Washington, D.C.: December 2001). Robert I. Lerman and Michael Wiseman, *Restructuring Food Stamps for Working Families* (Washington, D.C.: August 2002). These reports offered potential policy options for the Food Stamp Program, with an interest in spurring discussions about improving the delivery of benefits to and well being of low-income working families. We did not conduct a detailed review of the reports or make an assessment of the applicability or validity of any of the policy options offered by the authors. We selected this example to highlight some advantages and disadvantages of one alternative scenario for delivering food stamps.

proportion of working recipients from fiscal years 1997 to 2001 did not unduly affect the program error rate. Food Stamp Program quality control data show that over this same period the percentage of dollar payments made in error to households with only earned income remained about the same while the overall program error rate declined. These data suggest that program integrity can be maintained as states strive to better serve working families.

The program simplification options that many states have adopted also have the potential to reduce program error while easing the administrative burden on states and on working families. Some of the options ease the administrative burdens on families by reducing the number of times they have to report changes in their cases, in turn reducing the number of potential errors that can occur responding to those changes. Other options ease program participation by simplifying the eligibility determination process. By adopting these options, states are hoping to reduce program errors while better serving working families.³⁷

Conclusions

Passage of the 1996 welfare reform law changed the safety net landscape for families by placing greater emphasis on work and self-sufficiency. In this new environment, the Food Stamp Program can play an important role in supporting low-income working families, either in their attempt to avoid receiving cash assistance or as they leave cash assistance and strive for self-sufficiency. Current efforts focus attention and resources on increasing participation among all eligible families, particularly working families. Yet, almost half of those working families that are likely eligible to receive benefits do not participate in the program. Many of the federal, state, and local officials we spoke with believe the program could do more to serve eligible working families, and FNS's goal is to make it easier for low-income and working families to access the benefits to which they are entitled.

We observed a number of initiatives that show promise in addressing one or more of the reasons why working families do not participate in the

³⁷States also have antifraud measures in place to ensure program integrity. The states we visited use automated data matches to search for unreported household income and assets. They match their food stamp caseloads against their wage reporting systems, new-hire data, Internal Revenue Service Form 1099 data, Social Security and Supplemental Security Income data, unemployment insurance data, etc. New York State also uses finger imaging to protect against clients maintaining duplicate food stamp cases.

program. Most of the initiatives we observed have only been tried on a small scale at various scattered locations. While we know many efforts are being undertaken, a complete picture is unavailable because FNS does not systematically track state activities, nor does it require that states collect and evaluate outcome data on their own efforts. Although FNS is beginning to assess the outcomes of some of the outreach grant efforts, not enough is currently known about all the practices being tried and whether they have achieved their goals. In addition, in those cases where initiatives have achieved positive outcomes, there is no systematic vehicle for disseminating lessons-learned to other programs or community-based organizations interested in taking similar steps. Efforts to systematically collect and report simple outcome data on such initiatives could be a significant resource for other states that want to increase the food stamp participation among their eligible working families.

However, despite FNS's and states' best efforts, some eligible working families may continue to choose not to participate in the Food Stamp Program and may have good reasons for making that choice. Other eligible families could benefit significantly if they did participate. Some of the factors that influence a family's decision about whether to apply for food stamps are unrelated to the program's design. Some families may make a personal decision that the effort and cost to them of applying for and receiving benefits, including complying with the measures in place to promote program integrity, is not worth the ultimate gain. This seems to be especially true for families with higher earnings. Each family must make its own personal calculation based on its unique circumstances, and some families will likely continue to opt out of receiving benefits.

Recommendations to the Secretary of Agriculture

To better target federal, state, and local outreach efforts; maximize the benefits of the available outreach dollars; and identify and eliminate impediments to food stamp participation, we recommend that the Secretary of Agriculture direct FNS to

- encourage states to collect and report on the results of their outreach and other efforts to increase participation among eligible working families and
- disseminate the lessons learned from those efforts to other states and localities.

Agency Comments

We provided a draft of this report to the U.S. Department of Agriculture for review and comment. On February 9, 2004, we met with FNS officials,

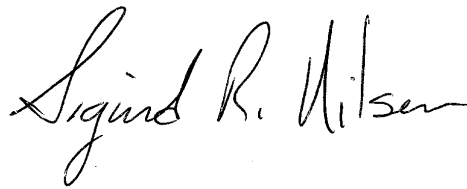
including the acting deputy administrator for the Food Stamp Program, to get their comments. The officials said that they generally agreed with our findings, conclusions, and recommendations. FNS also provided us with technical comments, which we incorporated where appropriate.

The FNS officials reiterated their commitment to increase working families' participation in the Food Stamp Program and suggested that we provide a fuller recognition of their efforts to increase this participation. The officials said they believe their ongoing efforts to better inform the public about food stamp availability and the program's eligibility criteria are contributing significantly to the overall goal of increasing program participation. In addition, the officials highlighted their efforts to work with state and local food stamp agencies and other partners—such as nonprofit organizations, retailers, and employers—to assist in developing and implementing outreach strategies. The officials also cited their efforts to encourage the states to simplify the administrative process and adopt user friendly options. In addition, we were asked to highlight additional examples of FNS's efforts, and we did, where appropriate.

Agency officials agreed that our recommendation that FNS track outreach activities and collect outcome data could provide valuable information. However, the officials expressed concern that imposing additional data collection, reporting, and evaluation requirements could be seen as burdensome by states or local agencies and may discourage some from undertaking desirable, but optional, activities like outreach. We agree that requiring rigorous research and evaluation of all outreach efforts would be costly and difficult. However, we believe encouraging states to report simple and uniform outcome data on the results of USDA-funded efforts could be a cost-effective means of collecting information of value to others attempting to increase working families' participation in the program. For efforts that are funded locally, USDA could provide a suggested template of data to collect so that similar data elements would be gathered across various locations. For example, the sites we visited did not systematically collect similar information on the number of working families reached by different activities and the disposition of their cases. USDA could also use cost-effective means of sharing lessons-learned with states and localities by posting this information on its Web site.

We are sending copies of this report to the Secretary of Agriculture; appropriate congressional committees; and other interested parties. We will also make copies available to others upon request. In addition, the

report will be available at no charge on GAO's Web site at <http://www.gao.gov>. Please contact me at (202) 512-7215 if you or your staffs have any questions about this report. Other major contributors to this report are listed in appendix III.

A handwritten signature in black ink that reads "Sigurd R. Nilsen". The signature is written in a cursive style with a large initial 'S'.

Sigurd R. Nilsen
Director, Education, Workforce,
and Income Security Issues

Appendix I: Methodology for Comparing Participating Working Families to Likely Eligible Nonparticipating Working Families

Our analysis relied on simulated data produced by Mathematica Policy Research, Inc., based on the March 2001 Current Population Survey (CPS).

The simulated data were used to establish a universe of all working families that are likely eligible to receive food stamps for the purpose of comparing the characteristics of participating working families to likely eligible nonparticipating working families. Mathematica created this simulated data, in part, because comparisons between the CPS estimates of Food Stamp Program participation and administrative data from the program suggest that program participation is underreported in the CPS, and eligibility for program benefits cannot be directly observed or reported in existing survey data. To complete the simulation, Mathematica assigned individuals in each CPS household to one or more “food stamp units.” For each food stamp unit, Mathematica used CPS data and information from other sources to assign simulated values for variables such as monthly shelter expenses and monthly earned income. Mathematica Policy Research, Inc., then tested each food stamp unit to assign the unit as eligible or ineligible to receive food stamps.

The cumulative characteristics of all households with eligible food stamp units, as determined by Mathematica’s simulated data, are shown in table 4, and include income-related and demographic factors associated with the households and variables that reflect whether anyone in the household was participating in other government assistance programs.

Appendix I: Methodology for Comparing Participating Working Families to Likely Eligible Nonparticipating Working Families

Table 4: Characteristics of Eligible Households with Earnings Used as Factors to Predict Food Stamp Program Participation (Observed N=2,498; weighted N=4,911,252)

Factor	Mean/percent (weighted estimates)
Monthly food stamp benefits*	\$153
Monthly shelter expenses*	\$508
Monthly earned income *	\$956
Any nonearned income*	37%
Number of people	3.6
Elderly	10%
Under age 5	37%
Married	42%
All white – Non-Hispanic	42%
All black (including black Hispanics)	24%
All white Hispanic	26%
Other/mixed race	8%
Noncitizen	8%
Own home	34%
Multifamily	23%
Job training	2%
Free lunch	38%
Energy assistance	8%
Women, Infants, and Children Program (WIC)	19%
Medicaid	43%
Children’s Health Insurance Program (CHIP)	6%
Supplemental Security Income*(SSI)	9%

Source: GAO.

Note: Asterisks denote variables with simulated values that were developed by Mathematica Policy Research, Inc. All estimated means in the table have sampling errors that, with 95 percent confidence, do not exceed 4 percent of the value of the estimated means. All estimated percentages in the table have sampling errors that do not exceed 3 percentage points, with 95 percent confidence.

According to table 4, on average, the households with earnings—working families—that were deemed eligible to participate in the Food Stamp Program were eligible to receive \$153 in food stamps per month. The monthly shelter expenses of these families averaged \$508, and the monthly income for these families averaged \$956. Slightly more than one-third (37 percent) of the families reported some nonearned income, and a similar percentage (34 percent) of the families involved had homes or

dwellings that were owned rather than rented. The rest of the results can be discerned similarly.

The Analysis Allows for Comparisons between Households with Participating and Nonparticipating Working Families

In addition to assigning a determination of whether a unit within a household is eligible to receive food stamps, Mathematica Policy Research, Inc., made an assignment, based on its known participation patterns, as to whether eligible food stamp units were receiving food stamp benefits as of a fixed reference month. However, we could not use Mathematica's simulated variable that identifies units receiving food stamp benefits to conduct the substance of our analysis, which was primarily focused on the difference among participating and likely eligible nonparticipating food stamp units. This is because Mathematica's procedures were not amenable to multivariate procedures that would allow an estimate of the "net" effects of different factors on Food Stamp Program participation – for example, the effect that food stamp benefit amounts have on the likelihood of participating after the associations of benefit amounts and participation likelihoods with other potentially confounding factors are taken into account. Instead, to conduct this analysis, we relied on CPS estimates of participating working households and compared those households with those that were eligible, but not participating, based on Mathematica's work. Given that, it should be recognized that the results below are affected by our having chosen to use CPS's variable to identify participants and Mathematica's variable to identify eligibility. Among households with working families an estimated 26 percent of the households with an eligible unit (as defined by Mathematica) were identified as participating by CPS's variable. By contrast, an estimated 31 percent were identified as participating by Mathematica's simulated variable. This difference masks somewhat the extent of the discord between the two variables; an estimated 38 percent of all households that Mathematica's simulation indicates as participating were not coded as participating by CPS, and an estimated 2 percent of the households that Mathematica's simulation indicates as nonparticipating were coded as participating in CPS. Additionally, an estimated 30 percent of the households that CPS recorded as participating were deemed ineligible to participate by Mathematica's simulation process. Still, the work that went in to Mathematica's simulation gives us confidence that the results presented in table 5 are a reasonable approximation of the different characteristics between participating and nonparticipating eligible working families. It is worth noting that variations from the procedures produced by Mathematica for estimating eligibility could yield results that differ from our analysis since our work relies on Mathematica's simulation of eligibility.

To estimate the net effect of different factors affecting the likelihood of participating, we used logistic regression models that produce odds ratios to indicate how the odds on participating differed across different types of households, or across various levels of continuous variables (like income or the value of food stamp benefits that households were eligible for) that are associated with each unit. Overall, the odds on participating were 0.35; that is, 35 eligible households participated for every 100 that did not.¹ These odds differed markedly across different households, however, and the odds ratios from bivariate models shown in table 5 indicate the bivariate effects of various factors on the odds on eligible food stamp working families participating in the Food Stamp Program, when each factor is considered in isolation, or independently, from every other factor. Model 1 and model 2 test for the effect of any characteristic using multivariate models, in order to control for other factors in measuring whether any single factor effects likelihood of participation.

¹The odds on participating are somewhat different from, but related to, the percentage participating. The odds equal the percentage participating divided by the percentage not participating. In this sample of eligible households with earnings, as noted above, 26 percent of the households were participating in the Food Stamp Program. The overall odds of participating were 0.35, which equals 26/74, and implies that 0.35 households were participating for every one that was not, or that 35 were participating for every 100 that were not. While odds are somewhat less familiar than percentages, the use of odds and odds ratios to describe the effects of certain factors on the likelihood of participation involve certain desirable properties, not the least of which are that they are, unlike percentages and percentage differences, unaffected by whether we choose to look at the likelihood of participating rather than not participating, and by how likely or unlikely participating is across the subgroups we are comparing.

Appendix I: Methodology for Comparing Participating Working Families to Likely Eligible Nonparticipating Working Families

Table 5: Odds Ratios Indicating the Effects of Various Factors on Food Stamp Participation among Eligible Earning Households, from Bivariate and Multivariate Logistic Regression Models (Observed N=2,498; weighted N=4,911,252)

Factor	Odds ratios		
	Multivariate models		
	Bivariate model	Model 1	Model 2
Monthly food stamp benefits (in \$100s)	1.310*	1.367*	1.316*
Monthly shelter expenses (in \$100s)	0.908*	0.923*	0.934*
Monthly earned income (in \$1000s)	0.869	1.128	1.113
Any nonearned income	2.564*	2.964*	1.705*
Number of people	1.101*	1.027	0.877*
Elderly	0.479*	0.595*	0.780
Under age 5	1.875*	1.533*	0.989
Married	0.566*	0.563*	0.678*
All black (including black Hispanic)	1.775*	1.311	1.327
All white Hispanic	0.839	1.226	0.962
Other/mixed race	0.861	0.995	0.818
Noncitizen	0.489*	0.516*	0.624*
Own home	0.446*	0.575*	0.704*
Multifamily	0.978	0.763	0.795
Job training	4.268*		2.868*
Free lunch	2.930*		2.346*
Energy assistance	6.374*		3.190*
WIC	3.260*		2.330*
Medicaid	10.794*		7.182*
CHIP	0.993		0.332*
SSI	2.129*		1.260

Source: GAO.

Note: Asterisks denote estimated odds ratios which, with 95 percent confidence, are significantly different from 1. The logistic regression analyses used CPS weights and included information that provided approximate adjustments for the complex sample design of CPS.

These bivariate results demonstrate that, based on our estimates, food stamp participation was more likely in eligible households in which the benefits of participation were greater; that is, each \$100 increase in monthly benefits for which household members were eligible increased the odds on participating by a factor of 1.31, or by 31 percent. Likely eligible households with higher shelter expenses were, at the same time, less likely to participate; each \$100 increase in monthly shelter expenses

decreased the odds on participating by a factor of 0.91. While households with higher incomes were not significantly different from households with lower incomes to participate, households with any nonearned income were 2.6 times as likely as those without any nonearned income to participate. Larger households were also more likely to participate than smaller ones (i.e., every additional person in the eligible household increases the odds on participating by a factor of 1.1). While the presence of elderly or married individuals in a household reduces the odds on participation by roughly half, the presence of young children (under age 5) in the household nearly doubles the odds of participating. Households consisting of all black members (including black Hispanics) were nearly twice as likely as families with all white (non-Hispanic) members to participate, though there were no significant differences between households consisting of other races and households that were all white. Households with any noncitizen unit head, and households involving owned rather than rented dwellings, were also less likely to be participating in food stamps than other households.

Participation in the Food Stamp Program was also greatly affected by whether the persons in the eligible household participate in other programs. That is, the odds of participating were over 10 times higher for those working households that received Medicaid benefits (than for those who do not), over six times higher for those who received energy assistance, and over four times higher for households in which someone was receiving job training. Similarly, the odds of participating in the Food Stamp Program were about three times higher for those working households participating in free lunch programs or in WIC than for those not participating in those programs, and they were roughly twice as great for those who received any SSI benefits.

The first multivariate model (Model 1) provides estimates of the effects of the various socioeconomic and demographic factors when they are estimated simultaneously, using a multivariate logistic regression model. While odds ratios estimating the different effect sizes change modestly in some cases, most of the factors that appeared significant when they were estimated from bivariate models remain significant when they are estimated in a multivariate context and the effects of other factors are controlled.

Model 2 of the multivariate analysis shows the estimates of the effects of participating in other programs, net of each other, and net of the effects of the socioeconomic and demographic factors. Here too, most of these effects remain consistent with what was found in the bivariate analyses,

except that receiving SSI does not appear to affect Food Stamp Program participation net of the other factors and, when other factors are controlled, households involved in the Children's Health Insurance Program appear to be only a third as likely as households that do not receive food stamps. While our estimates of the effects of participating in other programs on food stamp participation are somewhat attenuated or diminished when they are estimated simultaneously, rather than independent of one another, it remains the case that households, including someone who receives Medicaid, energy assistance, or job training are the most likely to receive food stamps. We believe that, these multivariate estimates of the effects of program participation are, by virtue of being estimated simultaneously and while controlling for the socioeconomic and demographic characteristics of the eligible households, somewhat better estimates than those obtained in our bivariate analyses.

Appendix II: Summary of Farm Bill Provisions

Option/ provision	Description
Encouragement of payment of child support (option)	Treats legally obligated child support payments to a nonhousehold member as an income exclusion rather than a deduction.
Simplified definition of income (option)	Excludes types of income that are not used to determine eligibility for TANF or Medicaid, with some exceptions
Simplified definition of resources (option)	Excludes certain types of resources that the state does not count for TANF or Medicaid.
Simplified determination of housing costs (option)	Allows states to use a standard deduction from income of \$143 per month for homeless households with some shelter expenses
Simplified determination of deductions (option)	Disregard reported changes in deductions during certification periods except for changes associated with a new residence or earned income until the next recertification.
State option to reduce reporting requirements (option)	Expand simplified/semiannual reporting systems to most households, not just those with earned income.
Transitional food stamps for families moving from welfare (option)	Continue food stamp benefits to households for up to 5 months after they lose TANF cash assistance.
Simplified utility allowance (option)	Simplifies the Standard Utility Allowance to promote its use.
Alternative procedures for residents of certain group facilities	Pilot project to assess feasibility of issuing standardized rather than individual benefits to certain residents of group homes.
Availability of food stamp program applications on the Internet	Require state agencies that have a Web site to post applications on these sites.
Grants for simple application and eligibility determination systems and improved access to benefits	Authorizes up to \$5 million annually to pay for projects to improve access for food stamp-eligible households or to develop and implement simplified application and eligibility systems.
Reform of quality control (QC) system	This provision makes substantial changes to the QC system that measures states' payment accuracy in issuing food stamp benefits. Only those states with persistently high error rates would face liabilities.
Bonuses for states that demonstrate high or most improved performance	Creates a performance system that will award \$48 million in bonuses each year to states with high or improved performance for actions taken to correct errors, reduce the rates of error, and improve eligibility determinations.
Partial restoration of benefits to legal immigrants	This provision restores food stamp eligibility on certain dates to qualified aliens who are otherwise eligible and meet criteria laid out in the legislation.

Source: Section-By-Section Summary of Provisions Affecting Food Stamp Provisions. Compiled by USDA's Food and Nutrition Service.

Note: Bolded provisions are those we identified as having the potential to have particularly positive impact on participation among working families.

Appendix III: GAO Contacts and Acknowledgments

GAO Contacts

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Acknowledgments

Bob Kolasky and Thaddeus Hackworth also made significant contributions to this report. In addition, Paula Bonin, Robert DeRoy, Kevin Jackson, Beverly Ross, Sidney Schwartz, and Douglas Sloane produced our estimates of participation among working families, and Corinna Nicolaou assisted in the message and report development.

Related GAO Products

Welfare Reform: Information on Changing Labor Market and State Fiscal Conditions. [GAO-03-977](#). Washington, D.C.: July 15, 2003.

Food Stamp Employment and Training Program: Better Data Needed to Understand Who Is Served and What the Program Achieves. [GAO-03-388](#). Washington, D.C.: March 12, 2003.

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Food Stamp Program: Storeowners Seldom Pay Financial Penalties Owed for Program Violations. [GAO/RCED-99-91](#). Washington, D.C.: May 11, 1999

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