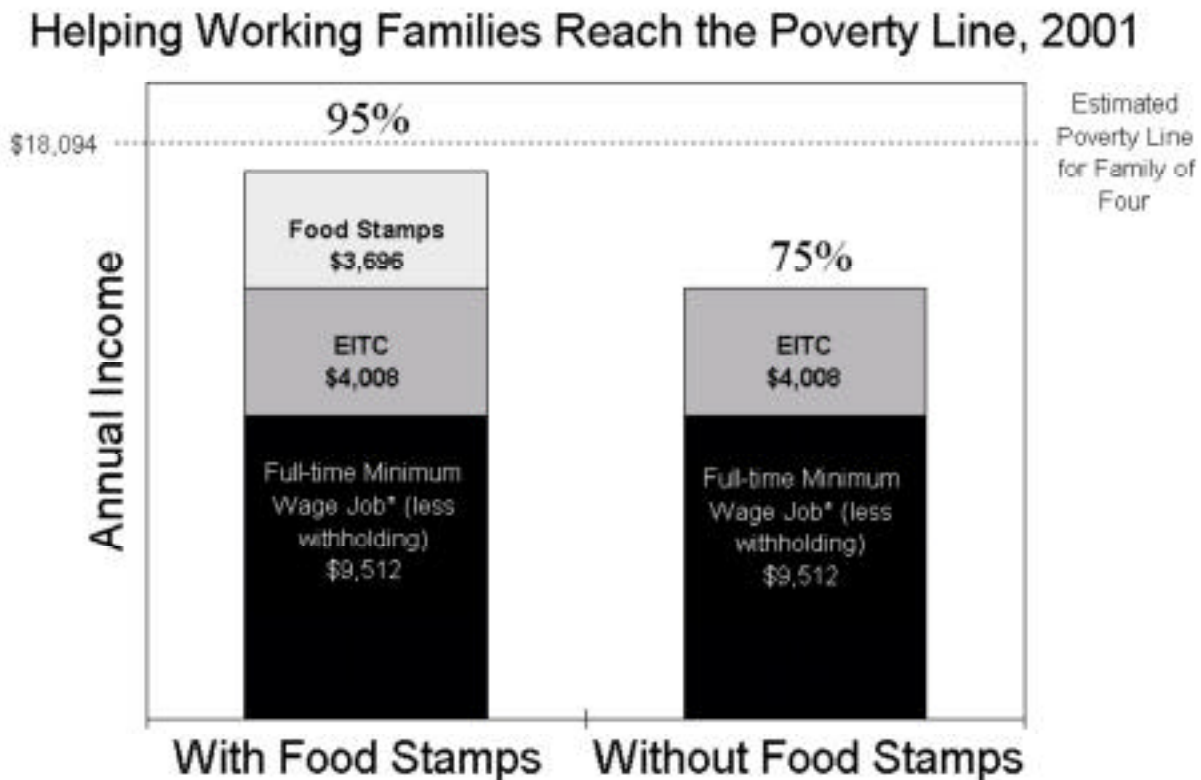


## Make Food Stamps Work for Working People

### ◆ Food Stamps are a vital Work Support

Food stamps and the earned income tax credit (EITC) are critical supplements for working poor families. Only with food stamps and EITC does a family of four with full time minimum wage earnings approach the poverty line. With the transition from welfare to work, we must ensure that work support programs are designed with working people in mind. Lengthy applications, frequent reporting, and confusing requirements serve as barriers between working people and the support they need.



\*Assumes 2,000 hours per year of work, and no work or child care expenses

F:\research\food\_stamps\minwage\_eitc\_fovb2

### ◆ Eligible working families in the West are less likely to receive food stamps than non-working families, across income levels

National research indicates that it takes five hours and two office visits to apply for Food Stamps. A California study revealed that it is too difficult for families to work and comply with burdensome food stamp paperwork requirements. All families in California, including low-wage workers, must submit reports each month detailing their income and circumstances as well as provide detailed proof, such as all their pay stubs and receipts for all their child care expenses. The time necessary to sort through this red tape often interferes with work. Many believe that paperwork hassle explains why fewer than half of eligible low-income Californians manage to participate in the Food Stamp program.

- ◆ **Participation rates in the West vary, however in four states participation has dropped below half of eligible families: California, Arizona, Nevada and Idaho.**
- ◆ **In all western states but Hawaii, the share of eligible low-income people who participate in the food stamp program has declined. This drop includes poor children.**

A July 1999 GAO study concludes, “children’s participation in the Food Stamp Program has dropped more sharply than the number of children living in poverty, indicating a growing gap between need and assistance.”

- ◆ **Since 1994, more than 2 million fewer individuals receive Food Stamps in the ten western states, a 44% drop. California leads the nation with a 49% drop.**

State	Monthly Participation Jan-Mar 1994	Monthly Participation Jan-Mar 2001	CHANGE
Alaska	42,816	40,586	-5%
Arizona	513,120	276,573	-46%
California	3,285,121	1,664,449	-49%
Hawaii	112,936	108,545	-4%
Idaho	83,516	60,453	-28%
Montana	73,031	62,545	-14%
Nevada	98,023	66,418	-32%
Oregon	293,385	274,026	-7%
Utah	130,136	81,583	-37%
Washington	473,121	309,687	-35%
<b>United States</b>	<b>27,833,164</b>	<b>17,151,038</b>	<b>-38%</b>

---

◆ **What Can Be Done to Make the Food Stamp Program Work for Working Families?**

**Provide states with more flexibility to improve benefit delivery and access to the program so that families have to visit the office less, and benefits are less subject to small variation in family income.**

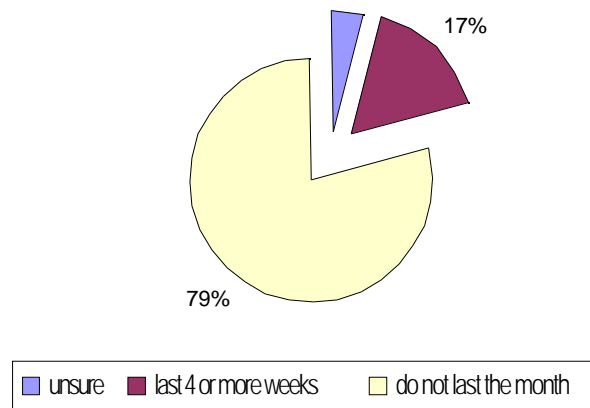
- ◆ **Link eligibility rules to other work support programs like Medicaid or child care so that families face a simple single set of paperwork requirements for key work supports.**
- ◆ **Provide incentives for the adoption of extended office hours, phone interviews, and the use of mail-in options so that working folks don’t have to miss work to get help.**
- ◆ **Prohibit practices like monthly reporting so that we don’t bury working folks in paperwork.**
- ◆ **Increase the asset limit to at least \$5,000, and allow families to own reliable cars and still qualify for food stamps.**
- ◆ **Extend the current option of Transitional Benefits Program for families leaving TANF cash assistance from three months to six months.**

## Ensure Benefit Adequacy

- ◆ While Food Stamps can significantly supplement a household's food budget, the benefit level does not adequately meet household needs.

According to America's Second Harvest, forty-one percent of Americans who access emergency charitable food also receive Food Stamps. They must resort to private assistance when their food stamps run out. The increasing reliance on private emergency food resources like food banks and local government programs is well-documented. While the private non-profit sector and local governments have tried to meet their residents' needs, the federal government has a clear role to ensure that poor families, the elderly and the disabled do not go hungry.

### Food Bank Clients who also receive Food Stamps report how long their monthly Food Stamp allotment lasts:



47% of these respondents report that the food they purchase with Food Stamps lasts less than 3 weeks

- ◆ Working families receive fewer food stamps today than they did several years ago.

Unfortunately, the value of food stamp benefits has eroded over time. The 1996 welfare law included several 'across the board' benefit cuts that affected all food stamp households, including seniors and working families. Currently a family of three with monthly income of \$957 and average rental expenses receives \$154 in food stamps. If the welfare law had not enacted 'across the board' benefit reductions, the household would receive \$174, or 11% more each month.

---

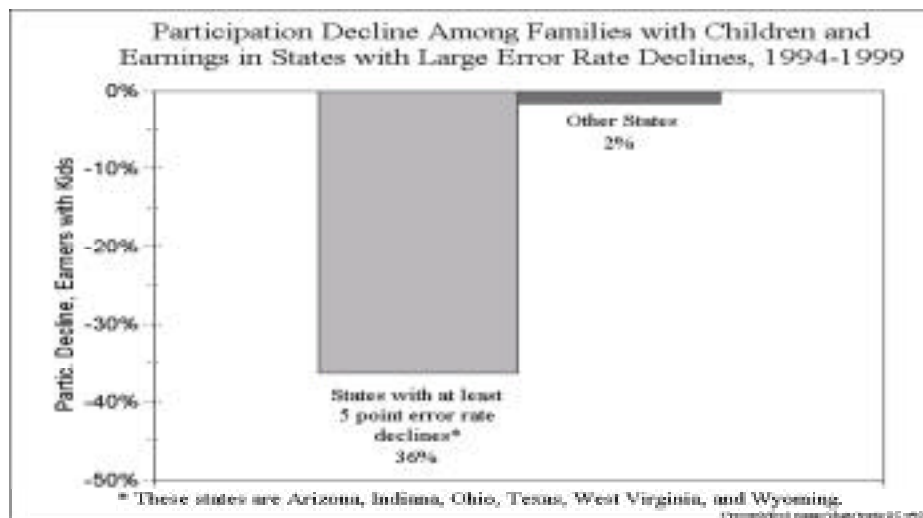
### ◆ What Can Be Done To Make Food Stamp Benefits More Adequate?:

- ◆ Remove the shelter cap in calculating benefits, and streamline the shelter deduction.
- ◆ Raise the minimum benefit and apply it to all households.
- ◆ Increase the standard deduction and adjust it for family size.
- ◆ Index deductions to inflation to prevent benefit erosion.

## Redesign the Method of Program Evaluation

- ◆ **The current Quality Control system creates perverse incentives that sacrifice important participation goals, such as serving the working poor.**

State performance in the food stamp program is judged only on their error rate, i.e. how accurately they pay benefits to households. Unfortunately, households with earnings are more error-prone and states with large numbers of working families tend to have higher error rates. In response, states often set up paperwork and office visit requirements that are more onerous for working families than for other households. States that have achieved dramatic reductions in their error rates (usually by requiring working families to reapply for food stamps every three months) typically are also those states where participation among working families has declined the most dramatically. While increasing accuracy is a laudable goal, the procedures sacrifice an important yet unrewarded goal – participation. Working families have been starkly affected.



- ◆ **Half the states each year are penalized by current evaluation methods**

In the last several years, USDA has recognized that states with disproportionately high numbers of families with earnings and legal immigrants experienced higher error rates. In response, USDA adjusted these states financial penalties downward to bring some balance to the system. These adjustments are not guaranteed in the future, however. A more permanent change in how the Food Stamp Program is evaluated is critically needed.

### ◆ **What Can Be Done to Redesign the Method of Program Evaluation?:**

- ◆ Add new measures to Food Stamp Program evaluation that examine timeliness of benefit issuance, improper denials, and participation rates for working families.
- ◆ Provide incentive bonuses for states ranking highly on these new measures as well as states that improve.
- ◆ Adjust the error rate evaluation system so that half of the states are not penalized, states have more time to correct error rate problems (instead of having to adopt drastic measures like three-month certification periods), and no states are penalized unless below a reasonable national standard.

## Patch the Holes in the Food Stamp - Nutrition Safety Net

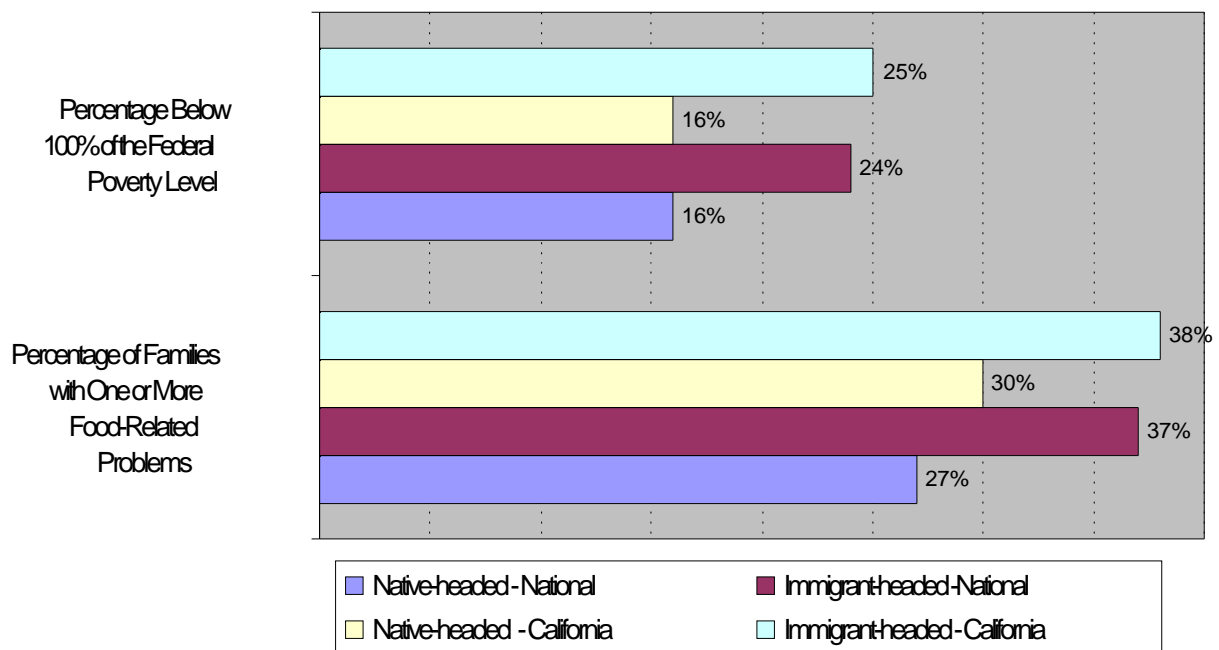
- ◆ As the USDA Food Stamp outreach brochure says, “Hunger Does Not Discriminate.”

Cuts in Food Stamp Program funding in 1996 had the greatest impact on legal immigrants and unemployed adults without dependents (ABAWDs). Recent research pointed out most emphatically the impact of food stamp cuts on children of immigrant parents.

- ◆ Citizen children of immigrant parents’ participation declined 75%.

This is particularly troubling since their eligibility remained unchanged. The following chart is for all children of immigrants – 80% of whom are citizens. National and California data is shown below:

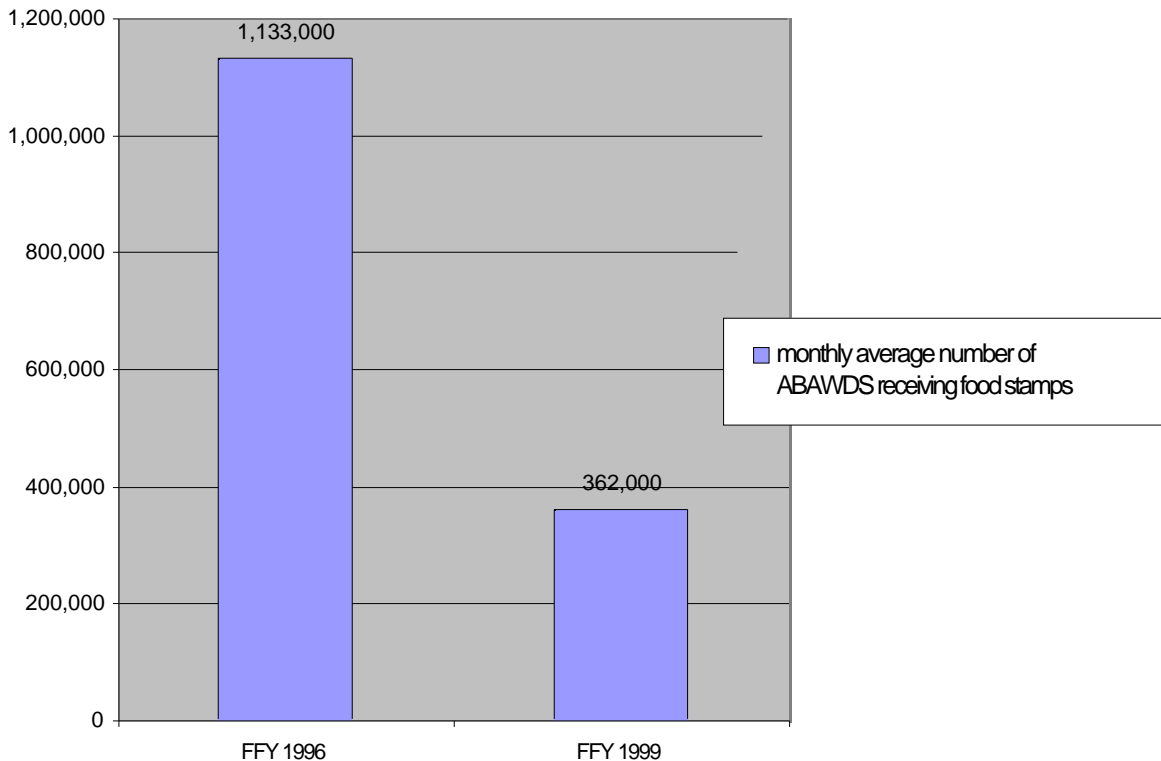
Poverty and Hunger Rates among Children of Native-headed and Immigrant-headed Households



- ◆ While some western states have chosen to provide food assistance to legal immigrant families with state funds, budget crises exacerbated by rising energy costs will make this a more difficult choice in the future.
- ◆ Participation by unemployed adults without dependents (ABAWDs) has fallen 68%.

The protections designed by Congress to mitigate the effects for those living in high unemployment areas or facing other employment challenges are underutilized in the western states. State options to apply for labor surplus waivers and adopt policies to use federally-granted waivers for other individuals have not been implemented in many states. This means that in many areas of high unemployment, unemployed adults without dependents can only receive food stamps three months out of every three years. In rural or resource-dependent areas, this is simply not sufficient time to find new employment.

**Monthly Average Number of ABAWDS Receiving Food Stamps**



---

**◆ What Can Be Done to Patch the Food Stamp – Nutrition Safety Net:**

- ◆ Restore eligibility for all legal immigrants
- ◆ Restore or extend eligibility for ABAWDS
- ◆ Provide access to Workforce Investment Act and other training to ABAWDS as part of Food Stamp Employment and Training

**For more information contact:**  
**Western Region Anti-Hunger Consortium**  
427 W. First Avenue  
Spokane, WA 99201  
509.747.7205  
[linda@childrensalliance.org](mailto:linda@childrensalliance.org)