

Chapter 6

Households That Left the Food Stamp Program

Households receiving food stamp benefits must comply with various participation requirements, such as reporting changes in their household circumstances or participating in employment and training activities, as a condition of continued participation. The specific requirements depend on individual State and local policies, and vary depending on the type of household. In addition, all households must periodically be recertified through a process that is similar to the initial application for benefits: completing a recertification application, attending an interview, and providing documents verifying household circumstances. Households that fail to comply with participation or recertification requirements are removed from the Food Stamp Program.¹

The active food stamp caseload can be subdivided into four groups:

- Households in a month when they are not required to recertify for benefits (an “interim month” and who continue to receive benefits in the following month (non-recertification month, continue)²;
- Households that close in the midst of a recertification period, also called “interim closures” (non-recertification month, close);
- Households whose certification period ends during the month, who reapply, and who are approved to continue receiving food stamps (recertification month, continue); and
- Households whose certification period ends during the month and who are denied continuing benefits (recertification month, close).

In any given month, the vast majority of the food stamp caseload is in the midst of an active certification period and will continue to receive benefits in the following month. For the sample month of June 2000, 85 percent of the active caseload was in this situation (figure 6.1). An additional 10 percent of cases were recertified during month, and thus continued to receive benefits the following month. A relatively small proportion of cases closed during the month—2 percent of households experienced interim closures and 3 percent were denied continuing benefits at recertification.

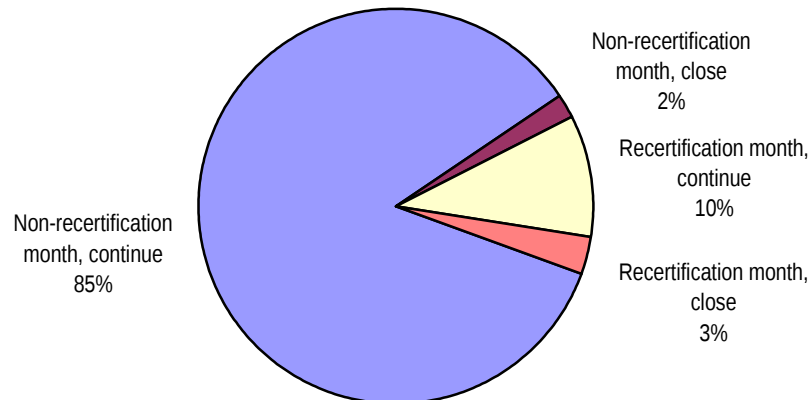
The discussion below examines the characteristics and experiences of households that left the FSP in June 2000. The 109 food stamp offices participating in the study provided for June 2000 lists of all food stamp cases that were due for recertification, plus all cases that were closed but not in a recertification month. For a sample of 1,232 cases, data were abstracted from the households’ case files. These data include information on the nature of the action (such as whether the certification was approved or denied and a reason for denial, if available) and the characteristics of the case as recorded at the most recent previous (re)certification. The 177 households in the sample that were due for a

¹ In some circumstances a participant may have multiple opportunities to meet the requirements, so termination of benefits does not necessarily follow from (initial) non-compliance.

² This also includes households that submitted a new application and were approved for benefits during the month and will thus continue to receive benefits in the following month.

recertification but did not complete the process were targeted for a follow-up survey. These households were no longer in contact with the program and were therefore difficult to reach, but interviews were completed with 71 of the households. The survey obtained additional information on the households' circumstances when they left the FSP in June 2000 and their perceptions of the recertification process.

Figure 6.1—Status of active food stamp caseload



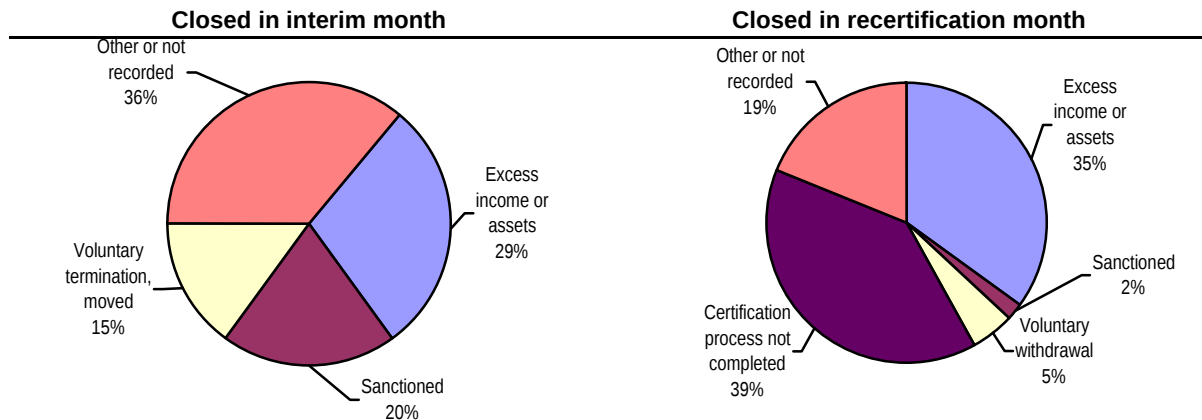
Data from appendix table B.39.

Among food stamp cases that closed in non-recertification months, 29 percent were closed because the household no longer met the eligibility criteria for income and assets (see figure 6.2). Another 20 percent were sanctioned, most commonly for failing to comply with income reporting requirements. Agency codes for recording cases that closed for other reasons were quite inconsistent across locations, and sometimes no closure reason could be found in the file. About 15 percent were recorded as having terminated voluntarily or moved, and it is quite possible that these reasons also apply to some closures in the “other” category. Because no survey was conducted of households exiting in interim months, we do not know what proportion were still circumstantially eligible among the households whose cases were closed for reasons other than excess income or assets.

About 35 percent of households that exited in recertification months were denied because of excess income or assets. Most of the remaining households had their certification denied because they failed to complete the recertification process.³ Just two percent were sanctioned, considerably less than in interim months (although failure to complete the recertification process is analogous to failure to comply with interim reporting requirements).

³ The coding of cases closed at recertification for reasons other than excess income/assets and sanctions is based on agency codes and, for survey cases, responses to survey questions. Some cases that would have been coded “other or not recorded” were reclassified, nearly always to “certification process not complete.” Among households that were targeted for the survey but not reached, 20 percent were “other or not recorded.”

Figure 6.2—Recorded reasons for case closures



Data from appendix table B.40.

Many households who did not complete the recertification process appear to have been circumstantially eligible for continued benefits. Among those surveyed, 93 percent were categorized as circumstantially eligible on the basis of their survey responses. The low survey response rate makes it difficult to know whether this high rate of circumstantial eligibility applies to the other households who closed at recertification. However, at the time of their most recent previous (re)certification, the surveyed households had very similar characteristics to the households not surveyed (see Appendix tables B.41 and B.42).⁴ In fact, the survey respondents seem to have been economically better off than the non-respondents, on average, with significantly more of the respondents having above-poverty incomes. Thus it seems likely that a very substantial proportion of the households who did not complete the recertification process were potentially circumstantially eligible. This is consistent with follow-up studies on households leaving the FSP, which have found more than half of the households had incomes that would apparently make them eligible for benefits (Mills and Kornfeld, 2000; Jensen et al., 2002; Richardson et al., 2003).

Although the circumstantially eligible households are the ones of principal interest to the study, most of the tables presented in this chapter include all households who exited the FSP, including those who were closed or denied because of excess income or assets. Tables based only on survey data are limited to circumstantially eligible households, and are so indicated.

Who Leaves the Food Stamp Program?

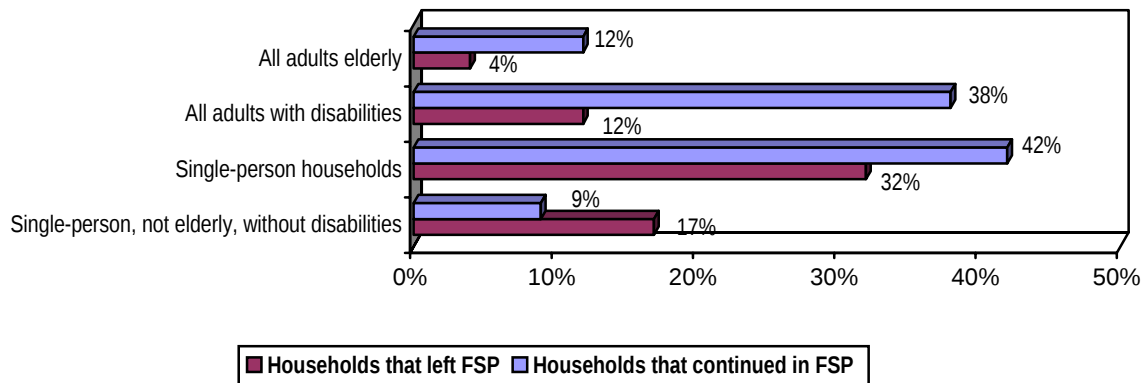
The households who left the Food Stamp Program in June 2000 were significantly younger, on average, than the participating households who continued to receive benefits (figure 6.3).⁵ In

⁴ Survey respondents appear in table B.41 to include a significantly smaller proportion of households headed by Hispanics than the abstract-only respondents. However, this information was missing from the case record in a substantial proportion of cases and, for those surveyed, survey responses were used when case record data were missing.

⁵ This analysis includes all households who left the FSP, including those who closed due to circumstantial ineligibility.

particular, the departing households were significantly less likely to be made up entirely of elderly adults or adults with disabilities. Because most one-person households in the FSP are elderly or people with disabilities, the households leaving the program included a smaller proportion of one-person households than those that continued. However, the exiting households included a significantly larger proportion of one-person households in which the recipient was an able-bodied adult (i.e., neither elderly nor with disabilities).

Figure 6.3—Demographic characteristics of households that left the FSP and households that continued (percent of group with characteristic)



Data from appendix table B.43.

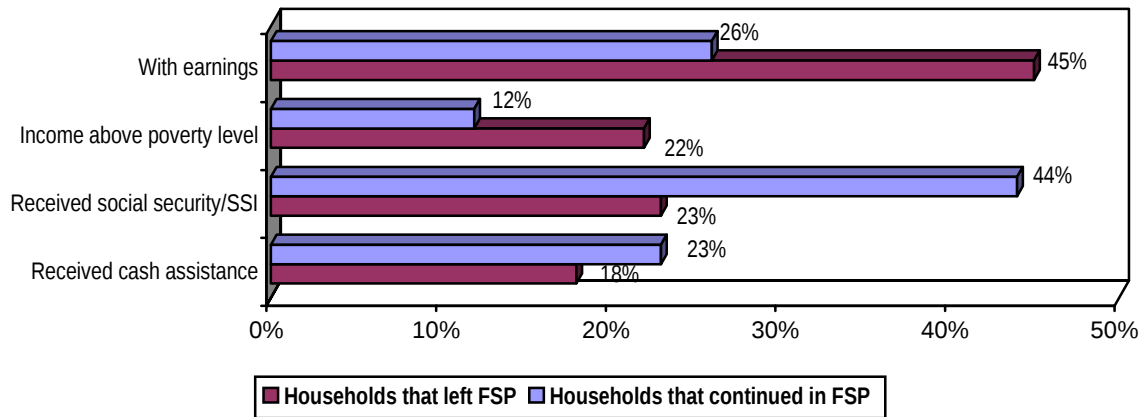
The households who left the FSP in June 2000 also tended to be in better economic circumstances than those who stayed (where circumstances are those reported at the beginning of the certification period that ended in June). Significantly more of the departing households had earnings (figure 6.4). On average, the earnings of those who left the FSP were \$1004 compared to \$791 for households that remained (Appendix table B.44). Moreover, 22 percent of the cases leaving the FSP had incomes above the federal poverty line, compared to 12 percent of participating households who continued to receive benefits. In contrast, the departing cases included significantly fewer households with Social Security or SSI income and with cash assistance.

None of these patterns are surprising. Elderly participants and participants with disabilities have long been observed to be in circumstances that fluctuate little over time, which is the major reason that such cases are traditionally assigned relatively long certification periods.⁶ Conversely, households with earnings have more opportunity for income increases that will make them ineligible for FSP benefits, and consequently they are often assigned short certification periods. The one somewhat surprising pattern in the data is the relatively high prevalence of Hispanic households among interim month closures (29 percent, compared to 14 percent of the continuing cases in non-recertification

⁶ When continuing cases in recertification months are compared to continuing cases in non-recertification months, we find a significantly smaller proportion of elderly/disabled and one-person households in the former group.

months). This pattern is not repeated among cases in their recertification month, so it is not clear whether it is meaningful or simply a random feature of this particular sample.⁷

Figure 6.4—Economic characteristics of households that left the FSP and households that continued (percent of group with characteristic)



Data from appendix table B.44.

Who Fails to Complete the Recertification Process?

Just over half (53 percent) of the households that left the Food Stamp Program in June 2000 were due for recertification in that month (Appendix table B.39). Of those that closed in their recertification month, 35 percent were determined to be ineligible on the basis of their income or other household circumstances.⁸ Most of the remaining households failed to complete the recertification process, although a small fraction were sanctioned. For convenience, we will refer to all households who were neither approved for benefits nor denied for excess income/assets as having failed to complete the recertification process.

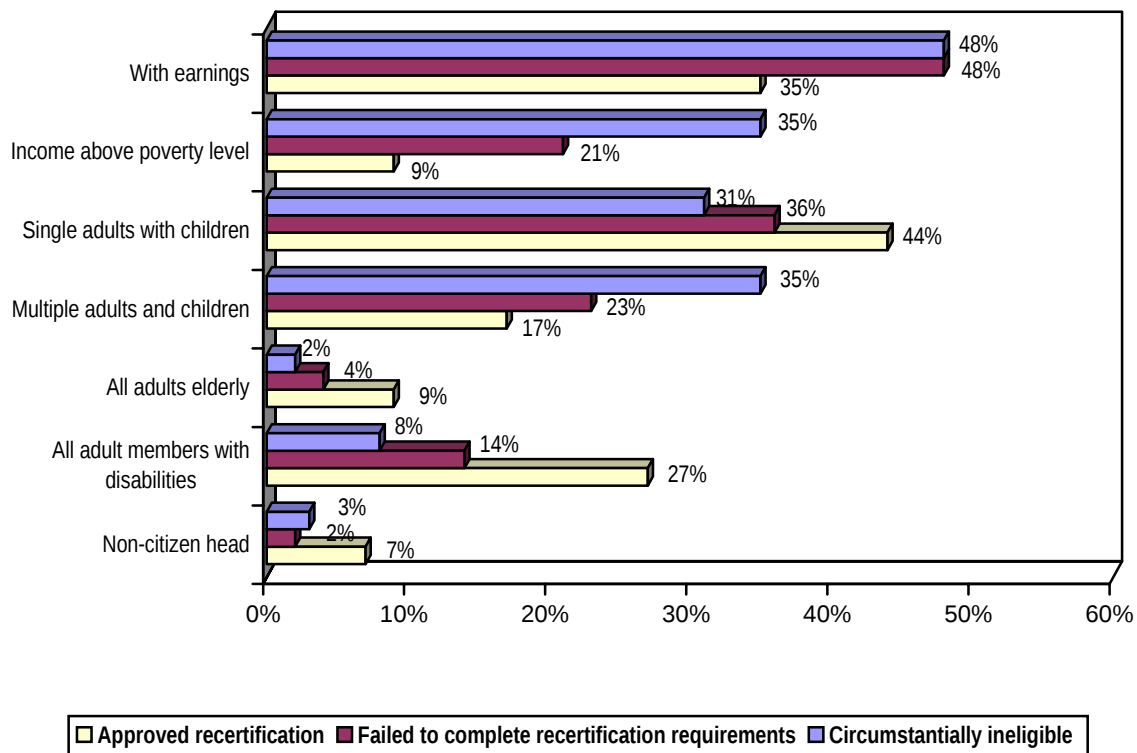
Households that failed to complete the recertification tended to be in better economic circumstances (as measured at the most recent previous recertification) than those households who were approved for continuing benefits at recertification, but somewhat worse off than those who closed at recertification due to circumstantial ineligibility (figure 6.5). As noted in the previous section, households that left the FSP were more likely than those who stayed to have earnings. Among households with earnings, those who did not complete the recertification process had average monthly earnings of \$930, higher than the \$803 reported by households that continued in the FSP, but lower than the \$1,362 of those deemed circumstantially ineligible for benefits at recertification. A similar pattern is observed in total family income—21 percent of households that failed to complete recertification had incomes exceeding the poverty level, compared to 9 percent for those that

⁷ See table B.45. A substantial proportion of case records on closed cases did not have sufficient data on race/ethnicity for accurate coding. Survey responses supplemented the case record data, but no households who closed in interim months were surveyed.

⁸ Calculated from data in table 2.4.

remained in the FSP and 35 percent for those whose circumstances made them ineligible for benefits at recertification.

Figure 6.5—Characteristics of households due for recertification (percent of group with characteristic)



Data from appendix tables B.46 and B.47.

The food security of households that did not complete the recertification process was similar to that of applicant households—two-thirds reported food insecurity and one-quarter experienced hunger (Appendix table B.48).

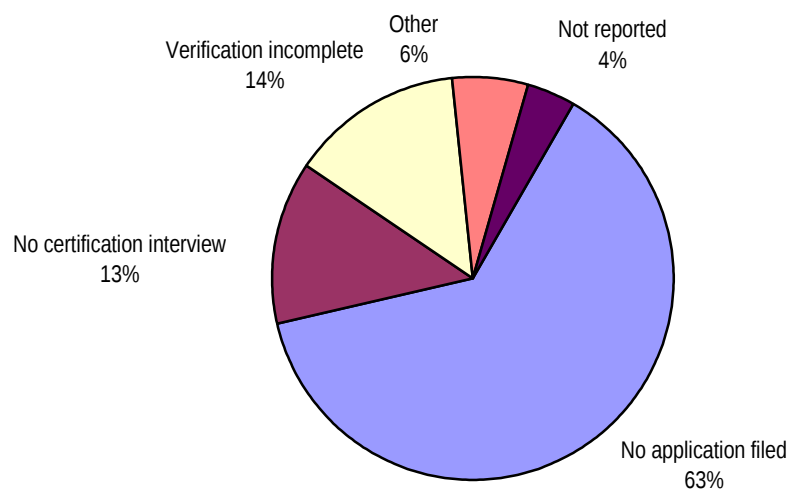
The household composition of those that left the FSP for failing to complete all recertification requirements differed from that of households who continued to receive benefits. While both groups were equally likely to include children, households that left were more likely to include multiple adults and thus less likely to be headed by single adults. In addition, one-person households were equally represented in both groups, but households that failed to complete the recertification process were less likely to be comprised of only elderly adults or only adults with disabilities.

One might expect that households headed by non-citizens would be more likely not to complete food stamp recertification due to concern or confusion over alien regulations. This does not appear to be the case, however, as these households comprised a smaller proportion of those that failed to complete all requirements than of those approved for continuing benefits at recertification.

Why Do Some Households Fail to Complete the Recertification Process?

Many households who failed to complete the recertification process did not even begin it. Almost two-thirds of the survey sample of non-completers (63 percent) reportedly did not file an application (figure 6.6). Smaller proportions of households either did not complete their certification interview or did not complete their verification—13 or 14 percent in each category, based on case records and survey responses. The remaining 10 percent reported a variety of other responses or could not remember enough about the certification process to classify them. The patterns seen in the survey responses and the case files are roughly similar after excluding the “not reported” group (Appendix table B.49).

Figure 6.6—Status of recertification application of households that did not complete the process



Data from appendix table B.49.

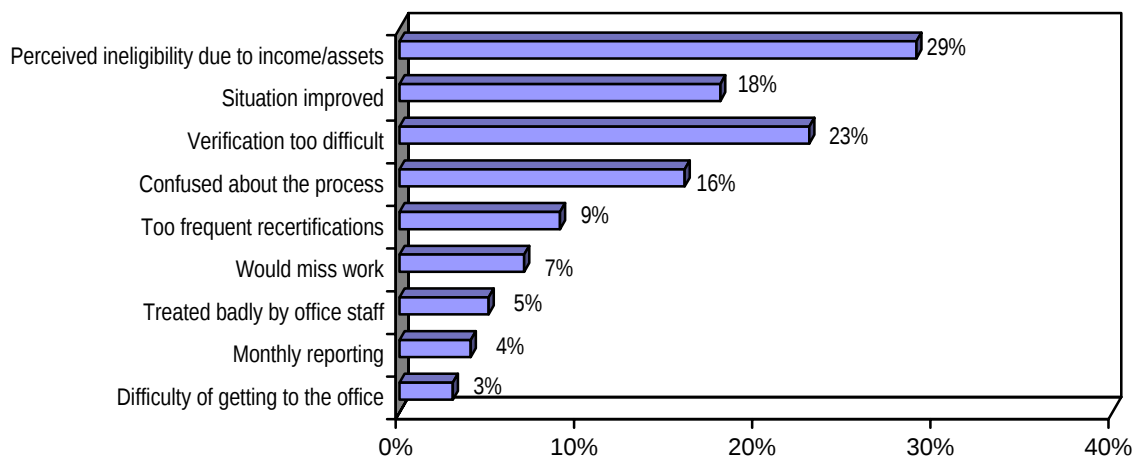
Nearly all of the households (93 percent) that failed to complete their recertification were still apparently eligible for food stamp benefits, based on the income and household information they provided in the survey describing their circumstances in June 2000. The discussion below focuses on those survey respondents who failed to complete the process and were apparently circumstantially eligible for benefits.⁹ The relatively small number of households (67) makes the estimated proportions imprecise, as indicated by their standard errors, and cautious interpretation is needed.

Like the households who failed to complete the initial application process (described in Chapter 4), those who failed to complete their recertification were read a list of possible obstacles to participation and asked whether these factors applied to their situation and, if so, whether they were reasons for not completing the recertification. The survey also asked about food security, stigma, and satisfaction with the Food Stamp Program.

⁹ One household whose circumstantial eligibility could not be determined is also included.

Eighteen percent of households that failed to complete their recertification said that their circumstances had improved so that they had less need of benefits (figure 6.7), including 9 percent who said they believed they were ineligible for continued participation. Another 20 percent believed themselves ineligible even though they did not indicate that their situation had improved. For 29 percent to believe themselves ineligible is somewhat surprising, given that these households were already participating in the program and might be expected to have relatively good understanding of program rules.¹⁰

Figure 6.7—Reasons circumstantially eligible households did not complete recertification requirements^a



a Includes only households classified as circumstantially eligible based on their survey responses.

Data from appendix table B.50.

Overall, 38 percent cited some difficulty in the recertification process or some program participation requirement as their reason for not completing the recertification, including 24 percent who cited these reasons only and 14 percent who also mentioned a change in their situation and/or perceived ineligibility (Appendix table B.50). About a quarter of the non-completers said that the verification requirements were too difficult and 16 percent reported that confusion about the recertification process played a role in their decision not to pursue the recertification. In addition some households mentioned program reporting requirements—9 percent cited the requirement for periodic recertifications and 4 percent cited monthly reporting—as reasons for not completing the process. No

¹⁰ Recall that about half (46 percent) of households who did not complete the initial application process believed themselves ineligible (see Appendix table B.22). This figure is not significantly different from the perceived ineligibility percentage among households not completing recertification. On the other hand, some of these households may, in fact, have been ineligible. As mentioned earlier, the income and assets criteria used to determine eligibility have been shown to be quite accurate, but will lead to some classification errors.

one mentioned employment and training requirements, child support, or child immunization requirements, however.

It is interesting to note that TANF issues were not a major factor. None of the households who failed to complete the process saw the receipt of TANF benefits, the termination of TANF receipt, or being subjected to some type of TANF diversion as a reason for food stamp ineligibility.

Questions regarding the perceived convenience of the office location and office hours show that inconvenience was not a problem for most households who failed to complete their recertification (appendix table B.51). Responses were quite similar to those of households who successfully completed an initial application. Likewise, the level of perceived stigma was quite similar to that reported by successful applicants. These patterns are not surprising, since the households leaving the program were once successful applicants.

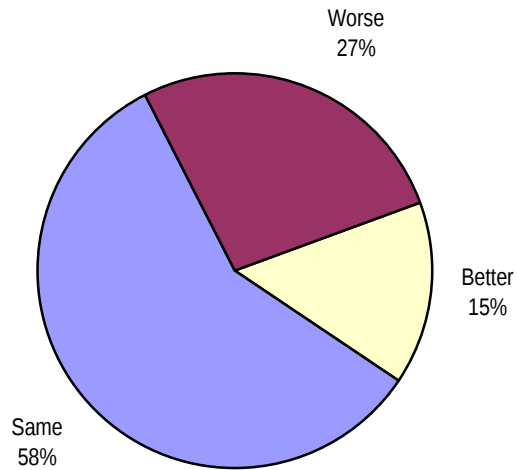
Finally, households who failed to complete their recertification expressed mixed opinions about the FSP and their treatment by program personnel (appendix table B.51). Overall, the majority (59 percent) were “satisfied” or “somewhat satisfied,” but 41 percent were “dissatisfied” or “somewhat dissatisfied” with the program. Comparing treatment by the food stamp office to that by other government offices, most households saw no important difference; but households who felt the food stamp office treated them worse than other government offices outnumbered those who felt better treated in the food stamp office (figure 6.8). These point estimates lie between (but are not statistically different from) the pattern for successful applicants and the pattern for applicants who did not complete the application process.

Conclusion

In June 2000, about 203,000 participating households who were in their recertification month left the FSP. Based on the limited available data, we project that as many as 123,000 of these households may still have been circumstantially eligible for benefits.¹¹ This is approximately 50 percent greater than the number of apparently eligible initial applicants who failed to complete the application process. This suggests that, to the extent that local office policies and practices can influence participation among people who are already in contact with the program, the opportunity for influence may be greater at recertification than initial certification. Nonetheless, both the recertification and initial certification numbers are small compared to the number of apparently eligible households who were not in any direct contact with the program during a given month.

¹¹ About 71,000 households were denied continued benefits because their income or resources exceeded program eligibility limits. Of the remainder, 93 percent of those who were reached by the survey were classified as apparently circumstantially eligible. If the rate of circumstantial eligibility was the same for households not reached by the survey, 123,000 households would be classed as circumstantially eligible. While this is the best estimate available, the low survey response rate suggests that it should be viewed with caution.

Figure 6.8—Treatment at food stamp office compared to other government offices^a



a Includes only households classified as circumstantially eligible based on their survey responses.

Data from appendix table B.51.

Among the small sample (67) of apparently eligible households who failed to complete the recertification, 29 percent believed that they were not eligible. This proportion is rather surprising—one might expect active food stamp recipients to be more knowledgeable about program eligibility rules—and may represent an opportunity for communication to influence participation.

Another somewhat surprising finding is that nearly a quarter of the households who failed to complete their recertification cited difficult verification requirements as a reason. Verification requirements at recertification are not normally more stringent than those at initial application, and these households had already succeeded at passing through the application process.¹²

Consistent with the findings in previous chapters, households' responses do not indicate that confusion related to TANF policies has any pervasive effect on FSP participation. If important effects exist, they are apparently too subtle or indirect to be captured by the types of direct questions used in the surveys.

¹² Because verification requirements do vary across offices, the multivariate analysis reported in Appendix D will examine whether this variation is associated with the likelihood that a household will continue to receive benefits after its recertification month.