

Chapter 6

EBT Card Replacements

In a State using an EBT system to deliver food stamp benefits, program recipients cannot access their benefits without an EBT card. Thus, if the card has been lost or stolen, the recipient must report it and receive a replacement. Similarly, if the magnetic stripe on the back of the card has been damaged and cannot be read by the EBT terminal, a replacement card must be issued before benefits can be accessed.

A series of events must take place before a replacement EBT card can be used. First, the cardholder must report the card as lost, stolen, or damaged, either to the EBT help desk or to the local food stamp office. Second, the help desk or food stamp office must deactivate the card so that the system does not have multiple active cards for the same account, a security feature. Third, a replacement card must be drawn from inventory. Fourth, information about the recipient, including his or her PIN (whether selected or assigned), must be added to the card's magnetic stripe. Fifth, information about the card itself (e.g., card number) and the PIN must be added to the system's database and linked to the recipient's account. Sixth, the card must be delivered to the recipient. Finally, if the card has been mailed, the recipient may have to call the help desk to activate the replacement card, another security feature to guard against unauthorized use of the card.

Because food stamp recipients cannot access their program benefits until they have an activated replacement card, EBT regulations say:

The State agency shall replace EBT cards within two business days following notice by the household to the State agency. The State may request a waiver from the Department to allow a longer replacement time.⁵⁰

In practice, this short time frame usually means that the recipient must go to a card issuance site to obtain a replacement card. Because one cannot expect or require food stamp recipients to travel long distances to obtain their cards, the 2-day time limit basically demands that food stamp offices be capable of issuing new EBT cards. To do so, they must keep blank cards in a secure inventory and have the equipment to initialize the card and post information about it to the system. Furthermore, local office staff must be trained in how to issue and activate cards, and supervisors must maintain security over the inventory of blank cards and the card issuance process to avoid theft and misuse.

The logistic difficulties, security concerns, and administrative costs of issuing EBT cards from local offices have prompted a number of State agencies to request a waiver to the 2-day time limit. FNS has granted waivers to 28 States and the District of Columbia. The waivers extend the allowable period for delivering replacement EBT cards from 2 business days to 3, 4, or 5 business days, depending on the State. In Alabama, the waiver extends the allowable period to the

⁵⁰CFR 274.12(g)(5)(ii).

maximum of 5 business days. Minnesota's waiver, extends the period from 2 business days to 3 in those areas of the State affected by the waiver.

In most of the States with the card replacement waiver, including our two study States of Alabama and Minnesota, the State agency uses this extra time to mail replacement cards to recipients. The mailing is done from a central location, which enables administrators to reduce costs and improve security.

Extending the time that State agencies have to deliver a replacement card has both advantages and disadvantages to recipients. An obvious disadvantage is that recipients must wait an extra 1 to 3 days to access their EBT benefits. This could prove difficult for recipients who are low on both food and cash when they discover that their EBT card is lost, stolen, or damaged. On the plus side, receiving a replacement card in the mail is more convenient and less costly than making a special trip to the food stamp office.

The study did not conduct a special survey of recipients requesting EBT replacement cards because of cost considerations. Instead, a module of questions about replacement cards was added to the Survey of New EBT Users. The findings presented in this chapter are based on this survey and on EBT vendor data on the prevalence and timing of card replacements.

Highlights

Of the 1,632 respondents to the Survey of New EBT Users, 146 were using a replacement EBT card when interviewed. In both Louisiana and Pennsylvania, 8.5 percent of the survey respondents were using replacement cards, compared with 9.9 percent in Alabama and 13.6 percent in Minnesota. The differences between the waiver and nonwaiver States are more likely due to differences in when new food stamp recipients were interviewed rather than to the card replacement waivers in Alabama and Minnesota.

The monthly probability of needing a replacement EBT card varied from 1.7 percent in Pennsylvania to 5.9 percent in Minnesota. There is no consistent evidence that new EBT users were more or less likely than existing food stamp cases to need a replacement card in a given month. The predominant reason for needing a new card was loss of the previous one.

As expected based on card issuance policies, nearly all recipients in the nonwaiver States of Louisiana and Pennsylvania traveled to their local food stamp office to pick up their replacement EBT card, whereas all of the Alabama recipients received theirs in the mail. In Minnesota, 86. percent of recipients with a replacement card went to the local office to pick it up.

In Minnesota, recipients have the option of waiting for mail delivery of their replacement card or going to the local office to pick it up. Thus, Minnesota recipients make the tradeoff between taking time and possibly incurring expenses to go to the office or waiting up to 3 days for mail delivery. In the other three study States, recipients do not have an option. Instead, the way replacement cards are issued depends upon whether State officials have requested and received a waiver to the 2-day card replacement regulation.

What is the tradeoff between waiting for mail delivery and going to the office to pick up the card? In Minnesota, recipients who went to the office spent an average of 1.09 hours making the trip and incurred an average of \$6.04 in lost wages and out-of-pocket expenses for bus or taxi fare and babysitters. Trips in Louisiana lasted an average of 1.45 hours and cost an average of \$13.22. Card replacement trips in Pennsylvania took more time (1.60 hours) on average than elsewhere and also cost more (\$21.95). The large variability among States is due to both small sample sizes and to the fact that only two recipients—one each in Louisiana and Pennsylvania—reported that they lost wages to make the trip to the office.

When the zero costs associated with mail delivery are considered (and when the costs of multipurpose trips are discounted), recipients in the waiver States averaged 0.44 hours to obtain a replacement card and incurred average expenses of \$1.02. Recipients in the nonwaiver States, in contrast, spent an average of 1.43 hours and \$8.49.

By incurring this extra time and expense, recipients in Louisiana and Pennsylvania are able to obtain and use their EBT replacement cards an average of 6 days earlier than the Alabama and Minnesota recipients who receive their cards in the mail. The extra time for mailing could impose a burden on recipients if they had no other funds available to buy food while waiting for the replacement card. EBT data from Alabama, Minnesota, and Louisiana indicate that, depending on the State, from 24.3 to 29.6 percent of all reports of lost, stolen, or damaged cards occur within 5 days of issuing regular monthly food stamp benefits. It is during this period that EBT accounts are most likely to contain unspent benefits. Therefore, it is likely that many recipients needing replacement cards had no access to their EBT accounts while benefits remained in those accounts. In addition, over 50 percent of recipients needing a replacement card told us that they reported their original card as lost, stolen, or damaged “immediately” or within 1 hour of realizing they needed a new card. This quick response is suggestive of an urgent need to obtain a replacement card, during which extra days without access to food stamp benefits could impose a substantial burden. Finally, we note that in Minnesota, where recipients in our sample had the option of waiting for mail delivery or going to the office immediately to pick up a new card, 86 percent chose to go to the office. Although based on a small sample of recipients, the data suggest that the waiver to the 2-day card replacement regulation may impose a burden on recipients who need replacement cards.

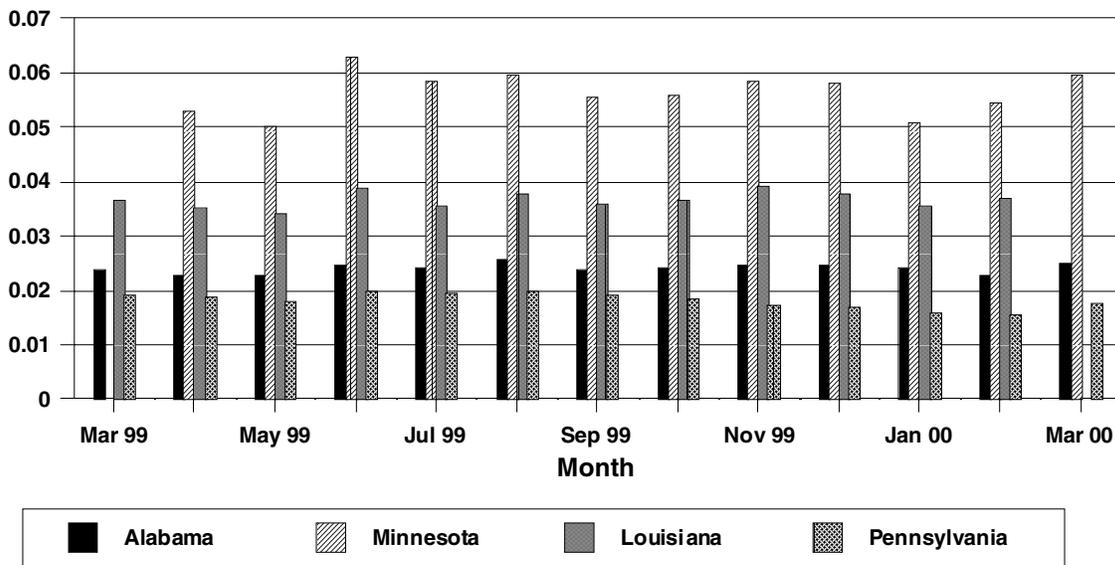
Prevalence of EBT Card Replacements

Unlike waivers for hands-on training and PIN selection, the waiver for card replacements affects only those recipients who need a replacement EBT card. In examining the impacts of the card replacement waivers, the first topic of interest is how often food stamp recipients request replacement cards. The EBT transaction data obtained for this study do not provide information on card replacements, but the monthly EBT summary statistics do. From figure 7, we see that in Minnesota the ratio of card replacements to active cases (including both food stamp and cash assistance cases) varies from roughly 0.05 to 0.06. The monthly average is 0.056. The average monthly ratios in Louisiana, Alabama, and Pennsylvania are 0.036, 0.024, and 0.018, respectively.

The first question to be addressed in figure 7 is whether the ratios can be interpreted as percentages. That is, does an average of 3.6 percent of EBT participants in Louisiana request a

replacement EBT card each month? The answer is that nearly that percentage of them do. Prior study of EBT systems has indicated that some food stamp recipients, especially those who are homeless, have a large number of lost or stolen cards. It is possible, therefore, that within a single month a participant could request more than one replacement card. To the extent this occurs, the ratios in figure 7 overstate the percentage of cases experiencing a lost, stolen, or damaged card. The second question is whether the data in figure 7 can be interpreted as an effect of the card replacement waivers. Are the rates in Minnesota high because Minnesota has implemented the card replacement waiver? There is little reason to believe so. The other waiver State, Alabama, does not have high card replacement rates. In addition, although one might argue that State policies can influence how well recipients take care of their cards by changing the ease or cost of replacing those cards, this possible effect seems limited (and contradicted by Minnesota's policy of imposing card replacement fees, which Alabama and Louisiana do not). Instead, for Minnesota, the summary statistics indicate that the State has high rates of lost, stolen, and damaged EBT cards, relative to the other States in the study.

Figure 7
Ratio of card replacements to active cases



Data on card replacements are not available for Minnesota in March 1999.

Table 54 shows the percentage of respondents to the Survey of New EBT Users who said, at the time of the survey, that their current EBT card was a replacement.⁵¹ The average amount of time that had elapsed between initial card issue and the interview varied from 3 months in Pennsylvania to 4.6 months in Minnesota. Even in this short period, a substantial percentage of new food stamp recipients needed to have their EBT cards replaced. In both Louisiana and Pennsylvania, 8.5

⁵¹ It is possible that some of the Minnesota recipients may have been referring to the situation, just discussed, in which a replacement card is issued because the initial card has been delayed in the mail. Given the wording of Question A12 in the survey (see appendix B) and other factors, however, we believe that all or nearly all of the replacement cards referenced in table 54 were issued after the previous card had been received by the recipient and then lost, stolen, or damaged.

percent of new recipients were using a replacement card when interviewed. The figures in Alabama and Minnesota were 9.9 and 13.6 percent, respectively.

Table 54—New entrants using a replacement card

Entrants	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Percent of all new entrants	11.7	8.5†	9.9	13.6	8.5	8.5
Sample size (number)	879	746	544	335	387	359
Percent of vulnerable new entrants	9.5	3.5†	8.0	11.0	1.2	5.9
Sample size (number)	253	269	187	66	133	136
Percent of nonvulnerable new entrants	12.3	9.4	10.3	14.2	9.8	9.1
Sample size (number)	626	477	357	269	254	223
Average elapsed time (months) ¹	4.5	3.1	4.5	4.6	3.3	3.0

Note: Table entries are based on responses to Question A12 of the Survey of New EBT Users.

†Difference between this and the entry immediately to the left is significant at the 0.10 level.

*Difference between this and the entry immediately to the left is significant at the 0.05 level.

**Difference between this and the entry immediately to the left is significant at the 0.01 level.

¹Elapsed time measures the number of months between initial card issuance and when the interview was completed.

The significant differences (at the 0.10 level) between the waiver and nonwaiver States in table 54 may simply reflect the additional time in the waiver States that passed between initial card issue and our interviews with new food stamp recipients. As noted in chapter 2 and shown in table 54, an average of 4.5 months elapsed between card issue and our interviews in the waiver States, whereas the average elapsed time in the nonwaiver States was 3.1 months. Thus, survey respondents in the waiver States had a longer time, on average, to lose their EBT card or have it stolen or damaged. We therefore suggest that these data do not indicate a significant difference between the waiver and nonwaiver States in the rates at which replacement cards are used. There is, however, a significant difference within Louisiana, where nonvulnerable recipients were more likely to be using a replacement card (9.8 percent) than vulnerable recipients (1.2 percent). The difference is statistically significant at the 0.01 level. The large difference in Louisiana causes the difference for the two nonwaiver States combined (9.4 percent vs. 3.5 percent) to be significant as well, but at the 0.05 level.

Only 146 of the 1,632 respondents to the Survey of New EBT Users said that they were currently using a replacement EBT card, so the results presented in the remainder of this chapter are based on a small sample of new food stamp recipients. Even within this small sample, however, we see corroboration of the earlier statement that some food stamp recipients incur multiple instances of card loss. In table 55, 80.5 percent of waiver State recipients with a replacement card reported that they were using their first replacement card, so nearly 20 percent of these new food stamp recipients had already received two or more replacement cards.⁵² Within the nonwaiver States, over 38 percent of recipients with a replacement card had experienced multiple card replacements.

⁵²One recipient in Minnesota said that she had received 13 replacement cards in the 5 months between her initial card issuance and the interview. She was neither elderly nor disabled. The reason for the most recent card replacement was that her prior card had been lost.

Table 55—Number of card replacements

Number of cards	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
One replacement card	80.5	61.7	91.3	69.8	53.0	70.5
Two replacement cards	13.4	35.6	7.0	19.8	41.8	29.5
Three replacement cards	3.7	2.6	1.1	6.3	5.2	0
Four or more replacement cards	2.4	0	.7	4.2	0	0
<i>Number</i>						
Sample size	94	51	49	45	24	27
<i>Months</i>						
Average elapsed time	4.5	3.1	4.5	4.6	3.3	3.0

Note: Table entries are based on response to Question B1 of the Survey of New EBT Users.

These data on multiple card replacements raise a question—are new recipients more or less likely than existing cases to have a lost, stolen, or damaged card each month? We cannot compare figure 7 and table 54 to answer this question because table 54 covers multiple months, and it does not account for multiple replacement cards. We can estimate the monthly probability that a new recipient will request a replacement card, however, by comparing survey data on the number of replacement cards with data on elapsed time between initial card issue and the interview date. We can then use this information and the data on all cases from figure 7 to compute the monthly probability that an existing case will request a replacement card. Table 56 presents the results. In Alabama, the monthly probability of reporting an EBT card as lost, stolen, or damaged (and therefore needing a replacement) is nearly identical for new and existing cases—2.4 and 2.6 percent, respectively. Although the monthly probability is higher in Louisiana than in Alabama, it is again almost identical for new and existing cases—3.9 and 4.2 percent, respectively. In Minnesota, new entrants are less likely than existing cases to need a replacement card (4.9 vs. to 6.1 percent), whereas in Pennsylvania they are nearly twice as likely as existing cases to need a new EBT card (3.6 vs. 1.9 percent). There appears to be no consistent evidence, therefore, that new entrants are either more or less likely than existing food stamp recipients to experience a lost, stolen, or damaged card.

Table 56—Monthly probability of needing a replacement card

Recipients	Total waiver	Total nonwaiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
New entrants	3.6	3.7	2.4	4.9	3.9	3.6
Existing cases	4.3	3.1	2.6	6.1	4.2	1.9
All cases	4.2	2.8	2.5	5.9	3.9	1.7

Notes: Results for new entrants based on survey responses to Question B1 and elapsed time between initial card issuance and interview. Results for all cases are taken from the November 1999 data in figure 7. Results for existing cases are derived from the above data and the percentage of cases in November 1999 that were new entrants (see table 14).

Reasons for Card Replacement

In all study States except Pennsylvania, the EBT summary statistics provide separate counts of the replacement cards issued because the prior card was reported as lost, stolen, or damaged. For December 1999, table 57 shows that card loss was by far the most frequent reason for needing a replacement card, followed by the card being damaged and stolen.⁵³ The distributions in table 57 are similar to the distribution of reasons that our sample of 146 new food stamp recipients needed replacement cards. From table 58, we see that, depending on the State, card loss was the reason why 51.5 to 67.6 percent of the sample of new recipients needed a replacement card. As with the EBT statistics in table 57, card damage was the second most frequent reason, followed by theft.

Table 57—Reasons for card replacement, based on summary EBT statistics

Reason	Total waiver	Total nonwaiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
Previous card was lost	66.5	NA	69.3	63.7	73.5	57.4
Previous card was stolen	7.7	NA	8.6	6.8	7.7	
Previous card was damaged	25.8	20.2	22.1	29.5	18.8	21.5
Other reason	0	10.6	0	0	0	21.2
<i>Number</i>						
Sample size	9,587	7,644	4,106	5,481	7,644	15,007

Note: Table entries are based on EBT summary statistics for December 1999. The Pennsylvania data do not report separate counts of lost and stolen EBT cards. In addition, the Pennsylvania data provide no further detail on “other reason.” No significance tests were performed because the data do not represent a sample. NA = Not available

Table 58—Reasons for card replacement, based on survey data

Reason	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
Previous card was lost	59.3	59.3	52.9	65.7	51.5	67.6
Previous card was stolen	12.0	14.4	17.3	6.7	22.0	6.9
Previous card was damaged	23.4	26.1	21.3	25.5	26.6	25.5
Other reason	5.3	0	8.5	2.1	0	0
<i>Number</i>						
Sample size	94	51	49	45	24	27

Notes: Table entries are based on response to Question B2 of the Survey of New EBT Users. Chi-squared tests show no significant differences between waiver and nonwaiver State distributions of reason for card replacement. Similarly, there are no significant differences between the Alabama and Minnesota distributions or the Louisiana and Pennsylvania distributions.

It is tempting to compare the results in table 57 and 58 to see if there is a difference in the distribution of reasons that new recipients need replacement cards, relative to the entire caseload. (For instance, do recipients with greater experience with the EBT card protect it better from theft or loss?) Beyond recognizing that the order of reasons (lost, damaged, stolen) is the same in each State for each dataset, however, we do not advise a more detailed comparison of the results. The survey-based data represent the experience of a small number of recipients, so the estimates are

⁵³ The frequency distributions for reason for needing a replacement card are similar in all other months for which we have data.

not very precise. Furthermore, the EBT summary statistics include both food stamp and cash assistance cases, whereas the survey data include only food stamp cases.

Impacts of the Card Replacement Waivers

When an EBT card is lost, stolen, or damaged, the food stamp recipient cannot access his or her food stamp benefits until a replacement card is issued and activated. Until then, the food stamp recipient must rely on non-food stamp resources to purchase groceries. The wait for a new card may last from 2 to 7 calendar days, depending on what day of the week the original card was reported as lost, stolen, or damaged; whether the State has a card replacement waiver; and the period of allowable days specified in the waiver.

Obviously, if a recipient has no other resources with which to purchase food, the extra wait for a replacement EBT card in a waiver State could be quite burdensome. The recipient and members of his or her family might go hungry until the new card is received (although Minnesota does allow “hardship” cases to go directly to the local food stamp office to pick up a replacement card without waiting for one to be mailed). The actual impact, however, will depend on a number of factors. First most food stamp benefits are redeemed within the first 1 to 2 weeks of the monthly benefit issuance cycle.⁵⁴ Thus, if a recipient realizes toward the end of the cycle that a new card is needed, there may be few benefits left in the EBT account to access. In this situation, waiting a few extra days to obtain a new card may impose very little extra burden on the recipient’s family. Second, if the recipient has cash resources available when the replacement card is ordered, these resources may be used to purchase groceries until the replacement EBT card arrives.

To assess the impact of waiting longer to receive a replacement EBT card, we considered asking recipients a set of questions concerning how many food stamp benefits were left in their account when their card was lost, stolen, or damaged and whether they needed to reduce food purchases or consumption while they waited for the replacement. Because of concerns about errors in client recall and the potential sensitivity of the questions, this approach was dropped in favor of learning more about when during the issuance cycle recipients realized the incident had occurred. If it was early in the cycle, then there is a good chance that it occurred before a sizeable portion of that month’s food stamp allotment had been spent. In this situation, having to wait extra days for a replacement card could have a major impact on the recipient’s ability to purchase food. In contrast, if recipients realized they needed a new card late in the issuance cycle, chances are that most of the month’s food stamp allotment had already been spent and the extra time would impose little burden.

⁵⁴Bartlett and Hart report that for the EBT demonstration in Reading, Pennsylvania, 69.5 percent of monthly food stamp benefits were redeemed within 7 days of issuance. By the end of 2 weeks, 89.1 percent of benefits had been redeemed. See Susan H. Bartlett and Margaret M. Hart, “Food Stamp Recipients’ Patterns of Benefit Redemption,” Cambridge, MA: Abt Associates Inc., Exhibit 1-1, p. 43.

When a Replacement Card Is Needed

Table 59 presents the results of the survey question on when recipients realized they needed a new EBT card. Survey respondents had some difficulty answering this question; 17 percent could not provide an answer at all. Of those who did answer, nearly half of recipients needing a replacement card in both the waiver and nonwaiver States said they realized they needed the card within 5 days after receiving their monthly food stamp benefits. We do not know how many benefits were available in their EBT accounts at the time, but this is the period when most food stamp benefits are redeemed. Minnesota recipients were somewhat more likely to report realizing they needed a new card during this 5-day period, but the sample sizes upon which these numbers are based are so small that we should not make too much of State-to-State variations.

Table 59—When card holders (new entrants) realized they needed a replacement card

Point in benefit cycle	Total waiver	Total nonwaiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
			<i>Percent</i>			
Within 5 days of receiving monthly food stamp benefits	49.9	49.4	44.7	55.2	49.9	48.9
Between 6 and 10 days after benefit receipt	10.3	25.6	8.0	12.6	27.3	23.9
Between 11 and 15 days after benefit receipt	7.4	9.1	4.1	10.7	10.9	7.4
More than 15 days after benefit receipt	32.4	15.9	43.2	21.6	11.9	19.8
			<i>Number</i>			
Sample size	82	39	43	39	19	20

Notes: Table entries are based on response to Question B3 of the Survey of New EBT Users. Chi-squared tests show no significant differences between the waiver State and nonwaiver State distributions.. Similarly, there are no significant differences between the Alabama and Minnesota distributions or the Louisiana and Pennsylvania distributions.

It turns out that the data in table 59 are systematically biased toward the early part of the monthly benefit issuance cycle. Based on supplementary EBT information for Alabama, Minnesota, and Louisiana provided by eFunds Corporation, we know the actual dates in November and December 1999 that recipients reported to customer service that their EBT cards were lost, stolen, or damaged. We also know the dates that food stamp benefits were issued to these recipients, because benefit issuance dates are typically based on the last one or two digits of a recipient's case ID number. Comparing these two dates for all card reissuances in November and December 1999, reports of lost, stolen, or damaged cards are close to evenly distributed throughout the benefit issuance month, with only a somewhat greater likelihood of being reported in the first 2 weeks. To facilitate comparison of the survey and EBT data, table 60 breaks out the EBT data for the same time periods used in table 59. In table 60, from 24.3 to 29.6 percent of recipients reported their EBT card as lost, stolen, or damaged within 5 days of receiving their monthly food stamp benefits, depending on State. These percentages are much lower than those suggested by the survey data in table 59, where the corresponding percentages varied from 44.7 to 55.2 percent.

Table 60—When card holders (all cases) reported EBT card as lost, stolen, or damaged

Point in benefit cycle	Total waiver	Total Nonwaiver	Waiver States		Nonwaiver States		
			Alabama	Minnesota	Louisiana	Pennsylvania	
			<i>Percent</i>				
Within 5 days of receiving monthly food stamp benefits	25.6	29.6	27.0	24.3	29.6	NA	
Between 6 and 10 days after benefit receipt	14.0	14.5	13.5	11.5	14.5	NA	
Between 11 and 15 days after benefit receipt	10.8	10.8	11.8	9.9	10.8	NA	
More than 15 days after benefit receipt	46.4	45.1	47.7	54.3	45.1	NA	
			<i>Number</i>				
Sample size	10,787	13,595	1,385	9,402	13,595	NA	

Notes: Table entries are based on supplementary EBT data from November and December 1999. No significance tests were performed because the data do not represent a sample.

NA = Not available.

What is the import of this discrepancy between the EBT data and the survey responses? Certainly it reinforces the fact that survey respondents had difficulty remembering when during the benefit issuance cycle they realized they needed a replacement card (remember that 17 percent could not answer the question at all). The EBT data also counter the interpretation of the survey data that a large percentage of recipients needing a new card may have gone without one just when they were most likely to have needed their food stamp benefits to buy groceries. Even so, the more accurate EBT data still indicate that 25.6 percent of recipients in the waiver States and 29.6 percent of recipients in Louisiana reported their EBT cards as lost, stolen, or damaged within 5 days of benefit issue, when benefits are most likely to be used.

An alternative measure of how urgently recipients need a new card to access their benefits might be how quickly they report their card as lost, stolen, or damaged; it is this reporting that triggers agency or EBT vendor action to replace the card.⁵⁵ Among the four States, of the 127 recipients for whom we could determine how quickly they made this report, 51.9 percent said they reported the incident “immediately” or within one hour. Another 10.7 percent said they reported within 24 hours of the incident, and a total of 75.5 percent reported they did so within 48 hours. In contrast, 17.1 percent said they waited one week or longer. Because the sample sizes are small, and because we are not trying to ascertain whether the card replacement waiver changed behavior, we have not broken these numbers out by State or waiver status. Instead, the question is whether extending the time to replace EBT cards imposes a burden on recipients, especially in terms of not having access to food stamp benefits. From the little evidence available, we believe that a risk exists that some recipients will not be able to purchase needed food while waiting for their replacement EBT cards to arrive. Most recipients report their cards as lost, stolen, or

⁵⁵The rapid reporting of a lost or stolen card may be an effort to prevent unauthorized access to one’s EBT benefits as much as an effort to obtain a replacement card as soon as possible.

damaged within 24 hours, and approximately one-quarter of recipients realize they need replacement cards during the first portion of the benefit cycle, when some benefits are most likely to remain in the EBT account.

Time To Receive a Replacement Card

Using the supplemental EBT data provided by eFunds Corporation and similar data provided by Pennsylvania, we are able to address the issue of how quickly recipients in the four States receive and are able to use their replacement EBT cards. We first provide a chronology of the card replacement process. We do not have data on all the steps of the process, but this allows us to more easily see the comparisons that we will be making among States.

Table 61 details the steps in the card replacement process. We start with date of benefit issuance (A), not because it is part of the card replacement process, but because the point in the issuance cycle when a card is lost, stolen, or damaged is important in examining how much time passes before a replacement card is available for use.

Table 61—Steps in card replacement process and data availability

Events	Alabama	Minnesota	Louisiana	Pennsylvania
(A) Date of benefit issuance	Known	Known	Known	Known
(B) Date of card loss, theft, or damage	Unknown	Unknown	Unknown	Unknown
(C) Date recipient realizes that card is lost, stolen, or damaged	Unknown	Unknown	Unknown	Unknown
(D) Date recipient reports that card is lost, stolen, or damaged	Known	Known	Known	Unknown
(E) Date replacement card is issued	Known; usually date card was reported as lost, stolen, or damaged	Known; usually date the card was reported as lost, stolen, or damaged	Known; usually date card was reported as lost, stolen, or damaged	Inferred; probably date the card was reported as lost, stolen, or damaged
(F) Date recipient receives replacement card	Unknown; recipient waits for mail delivery	Same as card issuance date if picked up at office. Otherwise, recipient waits for mail delivery	Same as card issuance date	Same as card issuance date
(G) Date replacement card is activated and ready to use	Known; card activated when recipient calls customer service	Known. If picked up at office, same as card issuance date. Otherwise, card activated when recipient calls customer service	Known; same as card issuance date	Known; assumed to be same as card issuance date

Step B is the actual date of card loss, theft, or damage. We do not have information on this date for any of the four study States. Indeed, even the recipient may not know exactly when an EBT card was compromised.. This brings us to step C, which is the date the recipient realizes his or her

card needs to be replaced. The EBT data do not indicate what date this is. From the survey data, we know how quickly the survey respondents said they reported their card as missing or unusable. We have not, however, made any attempt to merge the two datasets, because the survey data represent only a small portion of all cards reported as lost, stolen, or damaged.

The supplemental EBT data provided for Alabama, Minnesota, and Louisiana indicate, for each card reissued in November and December 1999, the date the food stamp recipient reported the initial card as lost, stolen, or damaged (step D). This date, however, was not available in the data provided by Pennsylvania.

Step E is the date the replacement card was issued. For Alabama, Minnesota, and Louisiana, the EBT data almost always indicated that the replacement card was issued on the same date that the previous card was reported as missing or damaged. In Pennsylvania, we know the date the replacement card was activated (step G). Because card activation occurs when the card is issued in Pennsylvania, we can infer the issuance date.

Step F is the date the recipient receives the replacement card. In the nonwaiver States, card issuance, card receipt, and card activation (steps E through G) occur at the same time, when the recipient travels to the office to pick up the replacement card. The same is true for those recipients in Minnesota who choose to go to the local office to pick up their replacement card. For others in Minnesota, however, and for everybody in Alabama, step F (card receipt) occurs when the mailed card is delivered. The supplemental EBT data do not indicate this date. The data do indicate, however, when a mailed card is activated (step G). For recipients receiving their cards in the mail, activation occurs when they call customer service to verify receipt.

Table 62 presents the average number of days between selected events in the card issuance process. Three time periods are examined: between benefit issue and when a card is reported as lost, stolen, or damaged (period AD, using the steps in table 61); between the recipient's report and when the replacement card is activated (period DG); between benefit issue and when the replacement card is activated (period AG). The last time period is the sum of the first two.

Table 62—Average number of days between selected events

Events	Total waiver	Total nonwaiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
Benefit issuance and card reported as lost, stolen, or damaged (AD)	14.6	13.8	14.1	15.0	13.8	NA
Card reported as lost, stolen, or damaged and card activation (DG)	4.2	1.3	7.2	1.2	1.3	NA
Benefit issuance and card activation (AG)	18.8	14.6	21.3	16.3	15.1	14.1
<i>Number</i>						
Sample size	10,787	39,710	1,385	9,402	13,595	26,115

Notes: Table entries are based on supplemental EBT data provided by eFund Corporation and similar data provided by Pennsylvania. No significance tests were performed because the data do not represent a sample. NA=Not available.

In all three States for which data are available, the average time between card issuance and when an EBT card is reported as lost, stolen, or damaged is approximately 2 weeks.

In Minnesota and Louisiana, an average of just over 1 day passes between when a card is reported as missing or damaged and when the replacement card is activated. In Louisiana, recipients either go to the office a day or two after reporting the card as lost, stolen, or damaged, or they make the report while at the office and receive their replacement card the same day. The Minnesota average is low because, as noted previously, the survey data indicate that a large majority of recipients needing a replacement card go to the office to pick one up. In contrast, in Alabama an average of 7.2 days elapses between reporting the need and the activation of the replacement card. Available data do not tell us how many days elapse before Alabama recipients receive their cards in the mail. The 7.2-day average includes any delay between card receipt and card activation through a phone call to customer service.

Overall, an average of 21.3 days elapses between the last benefit issuance date in Alabama and activation of the replacement card. The averages in Minnesota and Louisiana are 16.3 and 15.1 days, respectively, with the quicker time due to recipients' ability to go to the local food stamp office for immediate card replacement. The average for Pennsylvania is 14.1 days, in line with the values for Minnesota and Louisiana.

Cost To Obtain a Replacement EBT Card

Recipients may incur a variety of costs to obtain a replacement EBT card. Some States charge a fee to cover the issuing cost. When recipients must travel to the food stamp office to pick up their replacement card, they may incur travel-related expenses (bus or taxi fare, parking fees or tolls, and gas costs) or baby-sitting fees.. If they have to take time off from work, they may lose wages.

Replacement Card Fees

Of the four States, only Minnesota and Pennsylvania charge for card replacement. Minnesota charges \$2.00 per replacement, either by mail or in person, unless the recipient presents a damaged card. Pennsylvania charges \$2.50 for the second and subsequent replacements. Both Minnesota and Pennsylvania deduct the replacement fee from the cash or FSP account if a sufficient balance is present. For cases with insufficient balances, Minnesota generally requires a cash payment (unless this would entail true hardship), but Pennsylvania generally waives the fee. No fee is charged for replacement of an authorized representative's card.

When asked whether they had to pay a fee for their replacement card, only survey respondents from Minnesota and Pennsylvania said yes. The amounts they reported, however, did not always match the policies described above. In Minnesota, the average reported amount for a replacement fee was \$2.45. Although 10 of the 15 recipients reporting a fee said they paid \$2.00, 1 said \$1.00, 2 said \$3.00, and 2 said \$5.00. Across all Minnesota recipients using a replacement card, the average fee was \$0.82. Three recipients in Pennsylvania said they paid a fee. None of the recipients, however, said the fee was \$2.50; the responses were \$1.50, \$2.00, and \$5.00. The average cost for the three recipients was \$2.83. When averaged across the 27 recipients in Pennsylvania who were using a replacement card, the average cost was \$0.41.⁵⁶

⁵⁶ All average cost figures are based on weighted data.

Time Incurred To Obtain a Replacement Card

As with initial card issuance, States with a waiver for card replacement generally replace lost, stolen, or damaged EBT cards by mail, and the nonwaiver States issue replacement cards at the local food stamp office. In Minnesota, replacement cards are mailed except under three conditions: in high-mail-loss areas, when the replacement is not the recipient's first, or when the recipient does not want to wait for a card by mail. Alabama has, on occasion, used express delivery for card replacements, but this is rare.

All Alabama recipients in the survey who were using replacement cards received them in the mail. In the other three States, however, most of the replacement cards were picked up rather than received by mail. This was expected in the nonwaiver States of Louisiana and Pennsylvania, where 98.9 and 100 percent of the cards were picked up, respectively.⁵⁷ Even in Minnesota, however, 86 percent of the replacement cards were picked up, suggesting that few recipients were willing to wait for mail delivery. Table 63 shows these percentages. The table also shows, for recipients who went to the local office to pick up their replacement card, the conditional probabilities of dealing with other business while at the office.⁵⁸ Among the three States where recipients went to the food stamp office for replacement cards, from 8.2 to 18.0 percent conducted other business while there.

Table 63—Recipients going to local food stamp office to pick up replacement card

Recipient group	Total Waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All recipients picking up card (percent)	43.0	99.4**	0	86.0**	98.9	100.0
Sample size (number)	95	50	50	45	24	26
Of recipients picking up card, those with no other business at office (percent)	91.8	86.1	Undefined	91.8	90.2	82.0
Sample size (number)	35	47	0	35	23	24
Of recipients picking up card, those with other business at office (percent)	8.2	13.9	Undefined	8.2	9.8	18.0
Sample size (number)	35	47	0	35	23	24

Note: Table entries are based on responses to Questions B6 and B9 of Survey of New EBT Users.

†Difference between this and the entry immediately to the left is significant at the 0.10 level.

*Difference between this and the entry immediately to the left is significant at the 0.05 level.

**Difference between this and the entry immediately to the left is significant at the 0.01 level.

Table 64 shows the average amount of time recipients spent picking up their replacement EBT cards in each State. Total average time varied from 1.09 hours in Minnesota to 1.60 hours in Pennsylvania. For the two nonwaiver States, the total average time was 1.52 hours. We use the average for Minnesota to represent the waiver States because none of the Alabama recipients traveled to the office to pick up their cards.

⁵⁷One survey respondent in Louisiana was an alternate shopper who said he received the card from the food stamp recipient. It is most likely that the recipient went to the office to pick up the card, but we have no direct evidence that this is the case.

⁵⁸The conditional probabilities are undefined in Alabama because none of the sampled recipients from Alabama went to the office to pick up a replacement card.

Table 64—Average time spent picking up replacement EBT card

Recipient group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All recipients picking up card:						
At office (hours)	0.43	0.66†	undefined	0.43	0.63	0.70
Traveling to and from office (hours)	.69	.84	undefined	.69	.78	.90
Total (hours) ¹	1.09	1.52*	undefined	1.09	1.45	1.60
Sample size (number)	35	44	0	35	21	23
Recipients with no other business at office:						
At office (hours)	.41	.63	undefined	.41	.57	.70
Traveling to and from office (hours)	.66	.88	undefined	.66	.82	.94
Total (hours) ¹	1.03	1.53*	undefined	1.03	1.43	1.63
Sample size (number)	31	37	0	31	18	19
Recipients with other business at office:						
At office (hours)	.73	.93	undefined	.73	1.15	.72
Traveling to and from office (hours)	1.11	.58	undefined	1.11	.43	.73
Total (hours) ¹	1.84	1.51	undefined	1.84	1.58	1.44
Sample size (number)	3	7	0	3	3	4

Note: Table entries are based on response to Questions B8 through B10 of the Survey of New EBT Users.

†Difference between this and the entry immediately to the left is significant at the 0.10 level.

*Difference between this and the entry immediately to the left is significant at the 0.05 level.

**Difference between this and the entry immediately to the left is significant at the 0.01 level.

¹Average total time does not equal the sum of average travel time and average time at work when the three measures are based on slightly different samples (arising from missing data on one of the component variables). The sample sizes shown in the table are for the total time measure.

The second and third sections of table 64 present, respectively, estimates of time for recipients with no other business at the office and for those who conducted other business while picking up their replacement cards. Later in this section, when we assess the overall costs of obtaining replacement EBT cards in each State, we will assign only 50 percent of time and expenses for those recipients who took care of other matters while at the food stamp office. This is the same approach we used in chapter 3 when we examined time and expenses associated with EBT training.

Lost Wages and Out-of-Pocket Expenses

Of the 88 individuals in the three States who went to the local food stamp office to pick up their replacement EBT cards, only 2 said they lost wages as a result of the trip (a weighted average of 2.9 percent). Many of the recipients incurred some out-of-pocket expenses, however, for babysitting, bus or taxi fare, or parking or tolls. Table 65 presents average total costs incurred to travel to the food stamp office to pick up a replacement card, for those recipients who reported an expense. Only trip-related costs, including lost wages, are counted.⁵⁹ As shown in the table, the average cost per trip was \$6.04 in Minnesota, \$13.22 in Louisiana, and \$21.95 in Pennsylvania. The higher costs in Louisiana and Pennsylvania are due both to lost wages and babysitting expenses. With small sample sizes and highly variable costs, however, there is only one significant difference in costs: recipients in the nonwaiver States with no other business to transact had higher average costs than their counterparts in the waiver States (\$20.10 vs. \$5.07).

Table 65—Average cost incurred when picking up replacement EBT card

Recipient group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All recipients incurring a cost:						
Average cost (dollars)	6.04	17.59	undefined	6.04	13.22	21.95
Sample size (number)	15	17	0	15	6	11
Recipients with no other business at office:						
Average cost (dollars)	5.07	20.10†	undefined	5.07	13.22	26.98
Sample size (number)	13	14	0	13	6	8
Recipients with other business at office:						
Average cost (dollars)	13.00	7.29	undefined	13.00	undefined	7.29
Sample size (number)	2	3	0	2	0	3

Note: Table entries are based on responses to Questions B11a and B12a of the Survey of New EBT Users. Card replacement fees are not included in the estimates.

†Difference between this and the entry immediately to the left is significant at the 0.10 level.

*Difference between this and the entry immediately to the left is significant at the 0.05 level.

**Difference between this and the entry immediately to the left is significant at the 0.01 level.

Summary of Trip-Related Costs

The average time and expenses presented in tables 64 and 65 are summarized in table 66, but with two important changes. First, for trips to the local food stamp office that included other business at the office, only 50 percent of the recipient's time and expense is counted. Second, the expenses are averaged over all recipients who traveled to the office to pick up their replacement cards, not just those who incurred travel-related expenses. For both these reasons, the numbers presented in table 66 are either equal to or less than their counterparts in the previous tables. Overall, waiver State recipients (as represented here only by Minnesota because no Alabama recipients made a trip to pick up a replacement card) spent an average of 1.03 hours and \$2.37 in lost wages and out-of-pocket expenses to pick up a replacement EBT card. Recipients in nonwaiver States spent an average of 1.43 hours and \$8.49 in lost wages and travel-related expenses.

⁵⁹ These cost estimates exclude card replacement fees, because the decision to impose a fee is unrelated to the existence of the card replacement waiver itself.

Table 66—Summary of time and expenses for all recipients picking up replacement cards

Recipient group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Time for picking up card:						
With no other business @ 100 percent (hours)	1.03	1.53*	undefined	1.03	1.43	1.63
With other business @ 50 percent (hours)	.92	.76	undefined	.92	.79	.72
Average total (hours)	1.03	1.43	undefined	1.03	1.37	1.48
Sample size (number)	35	45	0	35	22	23
Expense for picking up card:						
With no other business @ 100 percent (dollars)	2.22	9.76	undefined	2.22	3.58	15.93
With other business @ 50 percent (dollars)	4.33	1.25	undefined	4.33	0	2.50
Average total expense (dollars)	2.37	8.49	undefined	2.37	3.23	13.76
Sample size (number)	34	44	0	34	22	22

†Difference between this and the entry immediately to the left is significant at the 0.10 level.

*Difference between this and the entry immediately to the left is significant at the 0.05 level.

**Difference between this and the entry immediately to the left is significant at the 0.01 level.

The total impact of the card replacement waivers on recipients' time and costs can only be ascertained, however, when time and costs associated with trips to the food stamp office are averaged over all recipients obtaining replacement cards, including those who receive their cards in the mail. Table 67 presents this overall impact. In the waiver States, average total time falls from the previously reported 1.03 hours to 0.44 hours. Average total expenses fall from \$2.37 to \$1.02. These large changes arise mostly because none of the Alabama recipients (and only 86 percent of the Minnesota recipients) spent time or money traveling to a food stamp office to pick up a replacement card. In contrast, all of the recipients in Louisiana and Pennsylvania did so. Therefore, as shown in table 66 as well, these trips averaged 1.43 hours and \$8.49 in expenses.⁶⁰

Table 67—Summary of time and expenses for all recipients with replacement cards

Recipient group	Total Waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Average total time to obtain replacement card (hours)	0.44	1.43**	0.00	0.88	1.37	1.48
Sample size (number)	92	45	50	42	22	23
Average total expense to obtain replacement card (dollars)	1.02	8.49	0	2.04	3.23	13.76
Sample size (number)	91	44	50	41	22	22

†Difference between this and the entry immediately to the left is significant at the 0.10 level.

*Difference between this and the entry immediately to the left is significant at the 0.05 level.

**Difference between this and the entry immediately to the left is significant at the 0.01 level

⁶⁰ For the one alternate shopper in Louisiana who said she did not go to the office to pick up the replacement card, we do not know the costs incurred by the recipient. Thus, our estimates of average time and expenses are the same in both tables 63 and 64.