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Effects of EBT Customer Service Waivers on Food Stamp Recipients

Final Report

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Abstract

Most State agencies are now using electronic benefits transfer (EBT) systems to issue food stamp benefits. To promote operational efficiency, some States have received waivers of certain rules governing EBT use. An exploratory study was conducted to ascertain the effects of these waivers on food stamp recipients. The results show that two of the waivers—those allowing recipients to select their own personal identification numbers and to receive EBT training by mail rather than in person—cause new food stamp recipients in waiver States to have more difficulties in using the electronic system than recipients in nonwaiver States. Further, the difficulties are more apparent among the elderly or disabled. However, the problems tend to disappear as new users gain EBT experience. A third waiver, extending time for card replacement via mail, showed mixed benefits for recipients, most of whom prefer to pick up the card at a food stamp office. Perhaps the most important conclusion is that the customer service waivers do not affect recipient satisfaction with the EBT system; the high level of satisfaction that they expressed suggests that most problems with the waivers are either transitory or minor.

The Executive Summary of this report is also available as a printed document, *Effects of EBT Customer Service Waivers on Food Stamp Recipients: Executive Summary*, Food Assistance and Nutrition Research Report Number 23.

Keywords: EBT, new recipients, customer service, vulnerable subgroups, recipient satisfaction.

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The Evaluation of EBT Customer Service Waivers was conducted in four States, two which have implemented waivers within their EBT operations and two which have not. Food Stamp Program (FSP) and EBT officials in each State have been most generous in discussing with us their EBT card issuance and training policies and practices, in providing us copies of their FSP eligibility files, and in providing copies of monthly summaries of EBT operating statistics. These officials also assisted the study by reviewing the draft report and providing helpful comments and observations. Although many people helped us in this process, we would like to extend special thanks to Robert Waites and Susan Allen of Alabama, Phyllis Hahn and Karen Halpin of Minnesota, Richard McKnight and Kevin Bourgeois of Louisiana, and Mark Kohr and Andy Masson of Pennsylvania. We would also like to thank Susan Lowe of eFunds Corporation for her helpful information and cooperation in arranging for special EBT data extracts and reports.

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Contents

Executive Summary	ix
Customer Service Waivers.....	ix
Research Approach	xii
Study Results	xiv
Conclusions.....	xxv
Chapter 1: Introduction	1
Context for the Study	1
Study Objectives.....	3
Hypothesized Impacts of the Waivers	4
Waiver #1: PIN Selection.....	4
Waiver #2: Hands-On Training.....	5
Waiver #3: Extended Time for Card Replacement	6
Outcome Measures	7
Organization of the Report	8
Chapter 2: Study Design	9
Research Design.....	9
Selection of Study States.....	9
Vulnerable Food Stamp Recipients.....	11
Data Sources	12
Interviews with State Officials.....	12
Survey of New EBT Users	12
EBT Transaction Data.....	17
EBT Summary Statistics.....	18
Sample Representativeness for the Survey of New EBT Users.....	19
Construction of Sample Weights.....	20
Base Sampling Weight	20
Nonresponse Adjustments	21
Poststratification.....	21
Chapter 3: Training for New EBT System Users	22
Highlights	23
Basic Operating Policies and Procedures for Card Issuance and PIN Designation.....	24
Standard Processes for Card Issuance and PIN Designation.....	25
Authorized Representative Procedures	26
Survey Data on Card Issuance Method.....	27
New Recipient Training Process and Content.....	27
Basic Approach to Training.....	27
Orientation During Certification Process	29
Primary Training	29

Supplementary Training	30
Procedures for Training Authorized Representatives	30
Survey Data on Training Approach	30
Topics Covered in Training	34
Accommodating Recipients with Special Needs	36
Time and Costs to Obtain Cards and Training	36
Trips to Get Training and Conduct Other Business	37
Time Spent for Training	38
Expenses for Training.....	39
Time and Expenses Averaged Over All Recipients.....	40
Chapter 4: Use of Personal Identification Number (PIN)	42
Highlights.....	42
General System Use and Satisfaction	44
Problems Remembering and Using One’s PIN	47
Remembering the PIN	48
Key Entry of Incorrect PIN	50
PIN Problems That Prevent Card Use.....	53
Calls to Customer Service about PINs.....	56
Changing One’s PIN.....	58
PIN Security.....	62
Chapter 5: Use of EBT System.....	66
Highlights.....	66
Problems Using the EBT System	67
Checking Remaining Balances and Insufficient Funds.....	70
Inactive EBT Accounts.....	73
Chapter 6: EBT Card Replacements	76
Highlights.....	77
Prevalence of EBT Card Replacements.....	78
Reasons for Card Replacement	82
Impacts of the Card Replacement Waivers.....	83
When a Replacement Card Is Needed	84
Time To Receive a Replacement Card	86
Cost to Obtain a Replacement EBT Card.....	88
Replacement Card Fees	88
Time Incurred to Obtain a Replacement Card	89
Lost Wages and Out-of-Pocket Expenses	91
Summary of Trip-Related Costs	91
Appendix A: Identification of Disabled Food Stamp Recipients	93
Administrative Measures of Disability.....	93
Survey Identification of Disability.....	95
Correspondence Between State Files and Self-Reported Disability	97
Consideration of Alternative Shoppers.....	99

Appendix B: Survey of New EBT Users.....	100
Appendix C: Sampling and Data Characteristics.....	135
Sample Disposition.....	135
Data Completeness.....	138
Sample Representativeness	143
Minnesota	145
Louisiana	146
Pennsylvania	148
Representativeness Within the Vulnerable Strata	149

Tables

<i>Table</i>	<i>Page</i>
1 Recipients' methods for learning to use the EBT system.....	xv
2 EBT training burden and costs	xvi
3 PIN-related problems.....	xvii
4 Transactions in a 2-month period with invalid PINs.....	xviii
5 Problems with the system use.....	xx
6 EBT transactions rejected for insufficient funds.....	xxi
7 Card replacements	xxii
8 Monthly probability of needing a replacement card.....	xxii
9 When card holders (all cases) reported EBT card as lost, stolen, or damaged	xxiii
10 Card replacement burden and cost.....	xxiv
11 Recipient satisfaction with EBT card.....	xxv
12 Hypothesized impacts of waivers	7
13 Combinations of customer service waivers	9
14 Characteristics of participating States.....	10
15 Distribution of available sample, by stratum	15
16 Reasons for interviews attempted but not completed, by stratum.....	15
17 Standard processes for initial card issue and PIN designation: Waiver and nonwaiver States.....	25
18 New entrants by card issuance method.....	27
19 New recipient training process: Waiver and nonwaiver States	28
20 New entrants who learned to use the EBT system through video or in-person instruction.....	31
21 New entrants who learned to use the EBT system through video or in-person instruction, by card issuance method	32
22 New entrants who learned to use the EBT system through print materials	32
23 New entrants who learned to use the EBT system through print materials or in-person training.....	33
24 New entrants who learned to use the EBT system through non-FSP sources	34
25 New recipient training content and media used: Waiver and nonwaiver States	35
26 New entrants trained in person, with and without other business	37
27 Average time for training	38
28 Average cost for training.....	40
29 Summary of time and expenses for all new recipients	41
30 New entrants' frequency of card use	44
31 Mean number of approved food stamp purchases per month	44
32 All new entrants' satisfaction with their EBT cards	45
33 Vulnerable new entrants' satisfaction with their EBT cards	46
34 Nonvulnerable new entrants' satisfaction with their EBT cards.....	46
35 New entrants who had a problem remembering their PINs just after receiving their EBT cards	48
36 New entrants who had ever entered a wrong PIN.....	50

37	Cases with at least one invalid PIN transaction over a 2-month period.....	51
38	Transactions in a 2-month period with invalid PINs.....	52
39	New entrants reporting that a PIN problem had prevented card use.....	53
40	New entrants who had called customer service about their PINs.....	56
41	New entrants reporting they had requested a new PIN	58
42	New entrants aware that they could request a new PIN	60
43	New entrants reporting that they know how to request a new PIN	61
44	New entrants who wrote their PIN down to help them remember it.....	62
45	New entrants who told somebody their PIN to help them remember it.....	63
46	New entrants who either told their PIN to somebody or wrote it down	64
47	New entrants reporting an unauthorized transaction.....	65
48	New entrants reporting they needed help using an EBT card	67
49	New entrants who ever found it difficult to use an EBT card, excluding system-related causes.....	69
50	Whom respondents call with an EBT problem.....	69
51	New entrants who know how to check their EBT balance	70
52	EBT transactions rejected for insufficient funds.....	71
53	New entrants (sample frame) with no EBT transactions	75
54	New entrants using a replacement card.....	80
55	Number of card replacements.....	81
56	Monthly probability of needing a replacement card.....	81
57	Reasons for card replacement, based on summary EBT statistics.....	82
58	Reasons for card replacement, based on survey data.....	82
59	When card holders (new entrants) realized they needed a replacement card	84
60	When card holders (all cases) reported EBT card as lost, stolen, or damaged	85
61	Steps in card replacement process and data availability.....	86
62	Average number of days between selected events.....	87
63	Recipients going to local food stamp office to pick up replacement card.....	89
64	Average time spent picking up replacement EBT card.....	90
65	Average cost incurred when picking up replacement EBT card	91
66	Summary of time and expenses for all recipients picking up replacement cards	92
67	Summary of time and expenses for all recipients with replacement cards.....	92

Appendix A Tables

A-1	Food stamp cases disabled, based on State administrative files	94
A-2	Disability codes based on self-reported disability	96
A-3	Disabled recipients: Survey vs. State counts	98
A-4	New food stamp cases measured as disabled	98
A-5	New food stamp cases measures as vulnerable	99
A-6	EBT card users measured as disabled or vulnerable.....	99

Appendix C Tables

C-1	Disposition of population universe, by stratum (number of recipients)	135
C-2	Group B recipients found ineligible for the Survey of New EBT Users.....	137
C-3	Disposition of cases within group B1—other reasons.....	138
C-4	Missing data in mailed materials, C3a series (percent who could not recall receiving it)	141
C-5	Sample representativeness for Alabama strata	144
C-6	Sample representativeness for Minnesota strata.....	146
C-7	Sample representativeness for Louisiana strata.....	147
C-8	Sample representativeness for Pennsylvania strata.....	148
C-9	Sample representativeness of vulnerable respondents	149

Figures

<i>Figure</i>	<i>Page</i>
1. POS transactions rejected because of invalid PINs	47
2. Ratio of denials for excessive PIN tries to food stamp cases.....	54
3. Ratio of PIN-related calls to total number of cases.....	57
4. Ratio of PIN changes to total cases.....	59
5. Ratio of NSF transactions to total cases.....	72
6. Percentage of stale EBT accounts (inactive for 90 days or more)	74
7. Ratio of card replacements to active cases	79

Appendix A Figures

A-1 Distribution of self-reported disabilities	97
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Executive Summary

The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA), together with designated State agencies, administers the Food Stamp Program (FSP) and other nutrition assistance programs. The goal of the FSP is to improve the nutritional status of low-income households. The program seeks to achieve this goal by providing eligible households with benefits earmarked for the purchase of eligible food items at program-authorized food retail outlets.

Most State agencies are now using electronic benefits transfer (EBT) systems to issue and redeem food stamp benefits. An EBT system operates very much like a bank debit card. Food stamp recipients in most EBT States receive a plastic EBT card with a magnetic stripe on the back, which they present to food stores at checkout. Either the checkout clerk or the recipient swipes the card through a card reader attached to an EBT terminal, and the recipient enters his or her personal identification number (PIN) using the terminal's keypad. An encrypted version of the PIN, information from the card's magnetic stripe (such as recipient name and card number), and the amount of the food stamp purchase are transmitted to the EBT system's central computer for processing. If the recipient's EBT account contains sufficient food stamp benefits to cover the purchase, the request is authorized. If an invalid PIN has been entered or there are insufficient benefits in the account to cover the purchase amount, the transaction request is rejected.¹

Regulations governing the use of EBT systems have been in place since 1992. The regulations include numerous measures intended to protect recipients' rights and to make EBT systems easy to use. Some of these measures may now be outdated and unnecessary; numerous evaluations of EBT systems have documented food stamp recipients' satisfaction with EBT and their preference for EBT over the use of food stamp coupons.²

In an effort to promote operational efficiency, FNS has waived some EBT regulations in response to requests from State agencies. The impacts of these EBT customer service waivers on recipients are not known, but there has been some concern that food stamp recipients in States with waivers may have more trouble using their EBT systems than recipients in States in which waivers have not been granted. Another concern is that subgroups of the food stamp population, especially the elderly and disabled, may have difficulties with EBT customer service waivers. FNS, recognizing the need to balance concerns about potential impacts of waivers on recipients with concerns that some of the regulations are unnecessary and outdated, requested that the Economic Research Service (ERS) of USDA sponsor a study to ascertain the impacts of certain EBT customer service waivers on food stamp recipients. This report presents the results from that study.

Customer Service Waivers

The study examines the impacts of three waivers to the food stamp EBT regulations:

- PIN assignment rather than PIN selection
- Elimination of the requirement that recipients receive hands-on EBT training

- Extension of time allowed, from 2 business days to up to 5 business days, to replace a lost, stolen, or damaged EBT card.

Waiver #1: PIN Selection

Under EBT regulations, recipients are allowed to select their own PIN, usually at the local food stamp office when they pick up their EBT card. An encrypted version of the selected PIN is encoded within the EBT card's magnetic stripe. Recipients are told during training to keep their PIN number secret to prevent unauthorized access to their benefits in the event their EBT card is lost or stolen.

The PIN selection waiver allows State agencies, or their EBT vendors, to assign a PIN to food stamp recipients. In turn, this enables the vendor to mail new EBT cards to recipients, with the assigned PIN already encoded, instead of issuing cards in the food stamp office. The assigned PIN is also sent to the recipient, in a separate mailing for security purposes. This approach mirrors that used in the banking industry for debit cards. In addition, as in the banking industry, food stamp recipients with assigned PINs are given the option of selecting their own PIN, but this requires follow-up action on their part.

The major concern with the PIN assignment waiver is that recipients, especially the elderly and disabled, may have greater difficulties remembering their PINs than if they had selected an easily remembered number. If they forget their PINs, they cannot access their food stamp benefits until they remember the number or contact the EBT vendor or local food stamp office to select a new PIN. Thus, if the waiver causes food stamp recipients difficulty in remembering their PINs, one would expect to see the following consequences, relative to States without the PIN selection waiver:

- Recipients would make more errors with PIN entry at checkout.
- More errors with PIN entry would lead to more instances of PIN locks, which occur when an invalid PIN is entered consecutively a specified number of times (three or four in most EBT systems). After a PIN is locked, the recipient has to return to the food stamp office or contact the EBT vendor to receive a new PIN before benefits can be accessed.
- More recipients would request a change in PIN to select a more easily remembered code.
- More recipients would write their assigned PINs on a slip of paper instead of trying to remember the unfamiliar number. If the written PIN is kept near the EBT card, card security would be reduced and the number of unauthorized EBT transactions might increase.
- The extra burden of dealing with problems (remembering an assigned PIN, changing a PIN, needing to go to the food stamp office to have a PIN unlocked, or experiencing a benefit loss from an unauthorized transaction) might cause some

recipients to stop using their EBT cards. This impact could show up either through an increase in dormant EBT accounts or in the number of recipients leaving the FSP for non-eligibility-related reasons.

- Any increase in problems might reduce recipients' satisfaction with the EBT system.

One would expect the above effects to appear shortly after a State converts to EBT or after a new food stamp recipient receives his or her EBT card. After a recipient uses an assigned PIN repeatedly (or has the PIN changed), problems with PIN usage should diminish dramatically.

Waiver #2: Hands-on Training

When the regulation for hands-on training is waived, State agencies are allowed to mail training materials to recipients. The written materials must include information on recipient rights and responsibilities under EBT. Hands-on training must be made available to recipients who request it.

If written training materials are less effective than hands-on training in teaching recipients how to use an EBT system, then recipients in States with the hands-on training waiver may have more trouble using the system. Some of these problems will be manifested in ways indistinguishable from the hypothesized impacts of PIN assignment. That is, without hands-on training, one might expect to see more invalid PIN entries, PIN locks, unauthorized transactions, and dormant EBT accounts. Other outcomes might include more denied transactions, instances of recipients leaving their EBT cards at the store, or calls to the EBT vendor's help desk to ask when benefits are available, how to determine available balance, or how to use the card generally. These are topics normally covered during hands-on training sessions.

As with the waiver for PIN selection, one would expect to see the impacts of the waiver for hands-on training shortly after caseload conversion to EBT or the recipients' entry into the FSP. After a recipient learns how to use the system, the above problems should diminish.

By eliminating the requirement for hands-on training, this waiver will reduce the amount of time (and possibly out-of-pocket costs) that most recipients spend on EBT. Only those recipients who request hands-on training will have to travel to the food stamp office and sit through a training session. For some recipients, of course, hands-on training may be necessary. For the rest, the waiver for hands-on training may remove a burdensome—and unnecessary—trip to the food stamp office.

Waiver #3: Extended Time for Card Replacement

This waiver will affect only recipients who need to have their EBT card replaced because the card was damaged, lost, or stolen. These recipients have no means to access their program benefits until they receive a new card. The hypothesized impacts of this waiver then arise from inaccessibility of benefits for up to 5 days or more instead of 2 days.³

The most direct consequence of having no benefits for several days is increased risk for food insecurity. One would expect that, on average, recipients in those States with the extended-time waiver would be more likely to experience food insecurity than recipients in nonwaiver States.

As with the waiver for hands-on training, the waiver extending time for card replacement may reduce the time burden for participants in the FSP. Although some waiver States still require the recipient to come to the office to pick up a replacement card, most do not. Thus, for many recipients, the impact of the waiver is a tradeoff between waiting for mail delivery of the card and traveling to the food stamp office to pick it up.

Research Approach

FNS has sponsored a number of evaluations of EBT systems over the years to learn how these systems operate, their impacts on recipients, program-authorized retailers, and program staff, and their administrative costs. These evaluations, however, predated the granting of customer service waivers, so very little is known about the consequences of these waivers. Further, the evaluations examined EBT systems as they were being introduced in various States, when State and local officials may have been making particular efforts to ensure a smooth transition to the new benefit issuance and redemption system.

This exploratory study differs from the previous EBT evaluations in that it examines four mature EBT systems in the States of Alabama, Louisiana, Minnesota, and Pennsylvania. Neither Louisiana nor Pennsylvania have implemented any of the three customer service waivers being studied, so these two States represent a “nonwaiver” comparison group for the study. In contrast, both Alabama and Minnesota have implemented all three customer service waivers, so they represent the “waiver” treatment group for the study. Alabama and Minnesota, however, differ in how they have implemented their waivers. The biggest difference is that in Minnesota nearly 46 percent of recipients picked up their initial EBT cards at a local food stamp office and received hands-on training at that time. In addition, recipients in Minnesota needing replacement cards are given the option to go to the office to pick them up rather than waiting for mail delivery, and most (86 percent) do so. In Alabama, all replacement cards are mailed, and only 1.8 percent of recipients said they went to the food stamp office to pick up their initial EBT card.

Research Objectives

This study has three main objectives. The first research objective is to better understand the types of problems recipients may have with the three customer service waivers. The second is to quantify the impacts of the customer service waivers on food stamp recipients. Impacts can be either positive or negative. For instance, waiving the requirement for hands-on training may cause some recipients more difficulties in using the EBT system, but it also may eliminate an unnecessary trip to the food stamp office. The third objective is to determine whether the customer service waivers have a disproportionate effect on certain subgroups of the food stamp population, most notably the elderly and the disabled. There has been concern that these vulnerable subgroups may have more difficulties coping with the customer service waivers than other food stamp recipients. For example, memory problems may make it harder for some elderly recipients to remember an assigned PIN.

Although a major reason for implementing customer service waivers has been to reduce EBT operating costs while maintaining service levels, it is important to note that this study is not designed to evaluate the impact of the waivers on costs. With the knowledge gained about the impacts of the customer service waivers on clients, however, it will be possible for FNS and State agencies to weigh the estimated impacts of the waivers against the efficiencies expected from waiver implementation.

Data Sources

In addition to interviews with State officials to learn how they issue cards and provide EBT training, the study's examination of possible waiver impacts is based on an analysis of information in three databases:

- The transaction logs generated by EBT systems as recipients use their EBT cards for food stamp purchases (for November and December 2000);
- System-generated monthly reports summarizing EBT system activity (March 1999 through March 2000); and
- A survey of over 1,600 new food stamp recipients across the four States (January-May 2000).

The survey includes only new food stamp recipients because; as noted earlier, any impacts from the PIN selection and hands-on training waivers are expected to dissipate over time as recipients learn through experience to use their EBT cards.

To determine the impact of the waivers on vulnerable recipients, the survey of new EBT users oversampled recipients who were either elderly (age 60 or greater) or disabled, based on disability codes on State administrative files. The survey also asked respondents about any disabilities that made it difficult to get about town, go shopping, or use the EBT card. There was not a great deal of correlation between the State code and subjective measures of disability ($r=0.335$), so the study adopted respondents' own assessment of disability when identifying vulnerable recipients. In some analyses in the report, however, EBT data are used to investigate differences between vulnerable and nonvulnerable recipients. When based on EBT data merged with State administrative data, the analyses necessarily rely on the State disability codes (and age) to identify vulnerable recipients.

Study Results

EBT Training

Among the four study States, instructing new food stamp recipients on how to use the EBT system includes three types of training: orientation during the certification process, primary training by mail or in person, and supplementary training for recipients who want or need it. In all four States, EBT orientation during certification includes either a one-on-one explanation of EBT or a training video.

In the two nonwaiver States of Louisiana and Pennsylvania, primary training is done through a video at the local food stamp office, with live instruction included as needed. The “hands-on” portion of the in-person training occurs when recipients select their PIN at an EBT terminal and use the terminal (and newly issued EBT card) to check their balance. In Pennsylvania, some local offices have a practice terminal for additional hands-on training.

In the waiver States of Alabama and Minnesota, recipients receive a handbook and a brief insert or fact card about EBT in the mail when they receive their EBT card. This is the exclusive primary training approach in Alabama and the “default” approach in Minnesota. Minnesota, however, uses a hands-on training approach for recipients who receive their initial EBT cards at the local office. This includes recipients in areas with high mail-loss rates and applicants who qualify for expedited service. The survey of new EBT users excluded new food stamp recipients living in high-mail-loss areas. Even with this restriction, 45.8 percent of Minnesota respondents to the survey said they received their initial EBT card at the food stamp office, and thus they received hands-on training as well. For this reason, Minnesota must be viewed as a “mixed State” with respect to use of the hands-on training waiver.

Table 1 presents information from the survey of new EBT recipients concerning how they learned to use the EBT system. Despite the availability of a training video or in-person instruction during orientation, only 53.9 percent of recipients in the waiver States said they learned to use the EBT system through these training approaches.⁴ In the nonwaiver States, an average of 87.4 percent of new food stamp recipients said they learned through video or in-person instruction, either during orientation or primary training. The same pattern is found within both the vulnerable and nonvulnerable groups. Also, when the information for vulnerable recipients is compared to that for nonvulnerable recipients, table 1 shows that vulnerable new recipients were less likely to say they learned through video or in-person instruction than new recipients who were neither elderly nor disabled.

Recipients in the waiver States, whether vulnerable or not, were more likely to learn about using the EBT system through printed materials than were new food stamp recipients in the nonwaiver States. Eighty-six percent of new recipients in the waiver States learned about EBT through printed material, compared with 63 percent of new recipients in the nonwaiver States. Again, the same relationship holds for both vulnerable and nonvulnerable recipients.

Table 1—Recipients’ methods for learning to use the EBT system

Method	All new recipients		Vulnerable new recipients		Nonvulnerable new recipients	
	Waiver	Non-waiver	Waiver	Non-waiver	Waiver	Non-waiver
				<i>Percent¹</i>		
Through video or in-person instruction	53.9	87.4**	50.3	76.4**	54.8	89.5**
Through printed materials	86.0	63.0**	77.9	58.7**	88.0	64.0**
From friends, relatives, or other	60.1	44.7**	71.5	51.4**	57.5	43.1**

†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.

¹Columns sum to more than 100 percent because survey respondents could indicate more than one method by which they learned to use the EBT system.

Note: Differences were tested at the three levels of significance described in the footnotes of each table in the report. When no symbol appears in the table, the difference was not significant at the .10 level.

New food stamp recipients in the waiver States, especially in the vulnerable group, were more likely to rely on friends, relatives, and store clerks to learn how to use the EBT system than new recipients in the nonwaiver States.

Table 2 presents information about the time and out-of-pocket expenses recipients incurred for making a trip to the local food stamp office (or other training facility) to learn about the EBT system. Instead of breaking out the results by whether or not recipients were elderly or disabled as table 1 does, table 2 provides additional detail for the individual States.

When trips for supplementary EBT training are included, an average of 54.1 percent of waiver-State recipients made a trip for EBT training, compared with an average of 87.4 percent of recipients in Louisiana and Pennsylvania. New food stamp recipients in the nonwaiver States who made a trip spent an average of 0.85 hours at the training site (including possible time waiting for training to start) and 0.76 hours traveling back and forth, for an average total trip time of 1.62 hours. These recipients spent an average of \$3.93 per trip, including wages lost while making the trip and out-of-pocket expenses (e.g., bus fare, and babysitting costs) associated with the trip. In the waiver States, the average trip time was higher in the waiver States than in the nonwaiver States, because training trips in the nonwaiver States included hands-on training during the card issuance process. This result is largely due to the high average trip time in Alabama. Time traveling to and from the office was not unusually long in Alabama, so the explanation lies in time spent at the office. Unfortunately, the survey data are not sufficiently detailed to explain why the average time at the office is higher in Alabama than elsewhere.

Table 2—EBT training burden and costs

Training variables	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Recipients trained in person (percent)	4.1	87.4**	65.5	42.6**	94.1	80.6**
Average training time per trip (hours)	1.74	1.62	2.19	1.29**	1.74	1.51**
Average training cost per trip (dollars)	4.84	3.93	6.56	3.12*	4.66	3.20
Recipients conducting other business during training trip (percent)	36.8	17.9**	28.0	45.6**	8.5	27.2**
Average training time per recipient (hours)	79	1.30	1.17	41**	1.55	1.04
Average training cost per recipient (dollars)	2.36	3.26	3.78	94**	.28	2.24*

†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 time and cost estimates above pertain only to those recipients in each State who made a trip to receive in-person EBT training. In addition, the estimates do not discount the time or cost of trips in which the recipient also took care of other business. When a 50-percent discount is applied and the time and cost estimates are averaged over all survey respondents, including those who did not travel to the office for training, the estimated time and cost burdens decline. As shown in table 2, average time for recipients in the waiver States drops from 1.74 hours per trip to 0.79 hours per new recipient. Average costs drop from \$4.84 per trip to \$2.36 per new recipient. The declines are not so dramatic in the nonwaiver States, because nearly all new recipients in Louisiana and Pennsylvania made a training trip. Average time in the nonwaiver States drops from 1.62 hours per trip to 1.30 hours per new recipient, and average cost drops from \$3.93 per trip to \$3.26 per new recipient.

PIN Problems

Table 3 presents study results pertaining to recipients' use of their PIN number. It gives waiver and nonwaiver State averages for outcome measures for three groups of recipients: all new recipients, vulnerable new recipients (those who are either elderly or disabled), and nonvulnerable recipients. The data are primarily based on the participant survey.

Table 3—PIN-related problems

Problem	All new Recipients		Vulnerable New recipients		Nonvulnerable new recipients	
	Waiver	Nonwaiver	Waiver	Nonwaiver	Waiver	Nonwaiver
Difficulty remembering PIN just after card issuance	11.6	3.9**	21.5	8.9**	9.2	2.7**
Entered an invalid PIN	28.3	19.9**	29.9	15.8**	27.7	20.5*
PIN problem prevented card use	7.1	2.9**	9.0	3.3**	6.2	2.7**
Requested a new PIN	13.1	4.4**	10.7	1.7**	13.7	4.9**
EBT transactions with invalid PIN ¹	6.7	4.0	12.4	5.7	6.0	3.8
Wrote down or told PIN to somebody	36.4	28.2**	47.3	39.1	33.9	26.2*
Experienced an unauthorized transaction	0.7	0.0	1.7	0.0	0.5	0.1

†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.

¹No significance tests were performed on results based on EBT transaction data because the transactions are not a sample. Rather, the EBT data represent all transactions initiated in a 2-month period. In this sense, any observed differences are “statistically significant,” though they may not be large enough to have policy implications.

The survey data show consistent evidence that new food stamp recipients in the waiver States experience more PIN-related problems than in the nonwaiver States. Those in the waiver States were more likely than their counterparts in the nonwaiver States to have had a problem remembering their PIN just after card issuance (11.6 vs. 3.9 percent), to have ever entered an invalid PIN when buying groceries with their EBT card (28.3 vs. 19.9 percent), and to have had a PIN problem preventing use of their card (7.1 vs. 2.9 percent). Waiver-State recipients were also more likely to have requested a new, presumably easier-to-remember, PIN (13.1 vs. 4.4 percent).

The same set of relationships exists within both the vulnerable and nonvulnerable groups of new food stamp recipients. In all instances, waiver-State recipients were more likely to experience a problem or request a new PIN than their nonwaiver-State counterparts. All of the differences between the waiver and nonwaiver groups in table 3 are statistically significant.

Table 3 also shows that vulnerable new recipients have more PIN-related problems than nonvulnerable ones, whether or not the PIN selection regulation is waived. For instance, in the first row of the table, an average of 21.5 percent of vulnerable recipients in the waiver States said they had a problem remembering their PIN just after card issuance, compared with 9.2 percent of nonvulnerable recipients in the same States. Similarly, in the nonwaiver States, the corresponding percentages are 8.9 and 2.7. Many of the differences between vulnerable and nonvulnerable outcomes in table 3 are statistically significant.⁵

These findings of more PIN problems in the waiver States are corroborated by EBT transaction data. For the 2-month period beginning in November 1999, an average of 6.7 percent of all EBT transactions in the waiver States were denied because the recipient had entered an invalid PIN.

For the nonwaiver States, the average was 4.0 percent. Similarly, within both the vulnerable and nonvulnerable groups of recipients, those in the waiver States had a higher percentage of transactions with an invalid PIN than those in the nonwaiver States. The percentage of invalid PIN transactions for vulnerable new recipients in the waiver States was particularly high (12.4 percent), suggesting that the PIN selection waiver may have a disproportionate effect on the elderly and disabled.

The EBT transaction data enable an examination of whether there is a “learning effect” with respect to the frequency of invalid PIN entries. In general, the percentages that were reported in table 3 for new recipients are higher than the corresponding percentages for existing cases. For example, whereas table 3 shows that an average of 6.7 percent of all EBT transactions initiated by new food stamp recipients in the waiver States had an invalid PIN, 5.5 percent of transactions initiated by existing cases had an invalid PIN (table 4). This pattern suggests two things. First, even among existing cases, the percentage of EBT transactions with an invalid PIN is fairly high. We believe this indicates that most invalid PINs occur when the recipient makes a key entry error. Second, there is a learning effect. In addition to key entry errors, new recipients sometimes enter invalid PINs because they cannot remember their PIN. This is especially apparent in the waiver States, where the percentage of transactions with invalid PINs falls from 12.4 percent for new recipients who are elderly or disabled to 7.9 percent for existing cases with a vulnerable recipient.

Table 4—Transactions in a 2-month period with invalid PINs

Type of case	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
All new entrants	6.7	4.0	6.2	7.1	4.9	3.1
Vulnerable new entrants	12.4	5.7	9.3	15.5	7.4	4.0
Nonvulnerable new entrants	6.0	3.8	5.6	6.5	4.7	2.9
Existing cases	5.5	3.7	5.4	5.7	5.1	2.3
Vulnerable existing	7.9	5.0	7.8	8.0	7.0	3.0
Nonvulnerable existing cases	4.7	3.2	4.4	5.0	4.5	1.9
<i>Thousands</i>						
Total transactions	3,480	9,239	2,391	1,089	3,786	5,453

Notes: Table entries are based on EBT transaction data from November and December 1999. "Vulnerable" cases are here defined as elderly recipients or those listed on State eligibility files as having a disability.

Because of an artifact of the EBT transaction data available for analysis, the number of invalid PIN transactions in Alabama, Minnesota, and Louisiana is overstated relative to the number in Pennsylvania. The Pennsylvania data should not be directly compared with data from the other States. See text for further explanation.

No significance tests were performed because the data do not represent a sample.

If somebody steals or finds an EBT card and knows the associated PIN, that person can access the recipient's EBT benefits. For this reason, new recipients are told during EBT training not to write their PIN down where somebody can find it. Over one-third (36.4 percent) of new recipients in the waiver States, however, said that they had either written the assigned PIN down or told it to somebody in an effort to help themselves remember it. In the nonwaiver States, an average of 28.2 percent of new recipients did the same thing. The 8.2 percentage point difference is statistically significant, but both percentages appear high from a security perspective. Nevertheless, relatively few respondents to the survey said that an unauthorized person had accessed their food stamp benefits. Of the small number who said this had happened, nearly all said they had either written their PIN down or told it to somebody to help them remember the code.

Use of EBT System

Many of the PIN-related problems described in the previous section are related to the waiver allowing PIN assignment instead of having recipients select their own PINs. Some problems (such as writing down the PIN) may also be due to differences among States in the EBT training provided to new recipients. Because both of the waiver States in the study implemented both the PIN selection and hands-on training waivers, it is not possible to estimate the separate effects of the two waivers.

Differences between States in the outcome measures listed in table 5 are more likely to be related to training approach than to how a PIN is chosen. Survey respondents were asked whether they ever needed help from someone at the store to use their EBT card. As the table shows, an average of over 30 percent of respondents from the waiver States said they did compared with 18.3 percent of recipients from the nonwaiver States. Similarly, among both the vulnerable and nonvulnerable groups of recipients, those in the waiver States were more likely to report needing help than those from the nonwaiver States. All of the differences are statistically significant, as shown in the first row of the table. In addition, within the waiver States, vulnerable new recipients were significantly more likely to have needed help at the store than nonvulnerable new recipients, 41.3 vs. 28 percent.

When difficulties associated with PIN use or "system-caused" problems were set aside, only a small percentage of recipients said they found the EBT card difficult to use.⁶ Still, as shown in table 5, recipients in the waiver States (and particularly vulnerable recipients) were significantly more likely than those in the nonwaiver States to say that they ever found it difficult to use the EBT card.

Recipients have several ways in which they can keep track of the benefits left in their EBT account. They may obtain current balance information by calling the system's help desk or a special telephone number. In addition, each EBT receipt prints the balance remaining in the account after the current transaction has been tabulated. Finally, recipients can use an EBT terminal to check their balance. Regardless of training approach, over 90 percent of recipients in each group said they knew how to check their remaining benefits.

Despite this knowledge, a relatively large percentage of EBT transactions are denied because the account does not have sufficient funds. These “insufficient funds” transactions do not necessarily imply difficulties using the EBT system; some recipients appear to prefer letting the system notify them—with a rejected transaction—when their balance is low rather than tracking the balance on their own. Nevertheless, one might expect that recipients having difficulties learning to use an EBT system would be more likely to experience insufficient funds transactions. In table 6, we see that the percentage of EBT transactions rejected due to an insufficient balance is somewhat higher in the waiver States (5.0 percent) than the nonwaiver States (4.1 percent). Similar differences exist within both the vulnerable and nonvulnerable groups, with vulnerable recipients more likely to have a transaction rejected.

Table 5—Problems with system use

Card-use variables	All new recipients		Vulnerable New recipients		Nonvulnerable new recipients	
	Waiver	Nonwaiver	Waiver	Nonwaiver	Waiver	Nonwaiver
	<i>Percent</i>					
Needed help at store using card	30.6	18.3**	41.3	21.1**	28.0	17.4**
Find EBT card is difficult to use	1.5	.4*	4.1	.6*	.9	.3
Know how to check remaining balance	93.6	94.1	91.1	91.3	94.3	94.7
Had EBT transactions rejected due to insufficient balance ¹	5.0	4.1	6.9	6.1	4.7	3.9
New recipients with no card experience ¹	4.5	5.0	16.0	9.1	2.6	4.4

†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.

¹No significance tests were performed on results based on EBT transaction data because the transactions are not a sample. Rather, the EBT data represent all transactions initiated during a 2-month period. In this sense, any observed differences are “statistically significant,” although they may not be large enough to have policy implications.

When transactions rejected for insufficient funds are added to those rejected due to an invalid PIN, an average of 11.7 percent of all EBT transactions initiated by new recipients in the waiver States are rejected, compared with 8.1 percent of all EBT transactions initiated by new recipients in the nonwaiver States. The 3.6 percentage point difference is substantial, given the total volume of transactions processed by EBT systems. Together, the EBT systems in Alabama and Minnesota process about 1.7 million EBT transactions per month. At this level, the 3.6 percentage point difference equals about 61,000 rejected transactions per month.

A final measure that potentially indicates difficulties using the EBT card is the percentage of new recipients who fail to use their cards in the months immediately after card issuance. Table 5 shows that an average of 4.5 percent of new entrants in the waiver States had not used their EBT cards, compared with an average of 5.0 percent in the nonwaiver States. The analysis reveals that 16.0

percent of vulnerable new recipients in the waiver States had not used their EBT cards in the 2 months following issuance, compared with 9.1 percent in the nonwaiver States. Thus, there is supportive evidence that vulnerable new recipients in the waiver States may be experiencing greater difficulties using the EBT card because of the waivers.

Finally, is there a learning effect for insufficient funds transactions? The data in table 6 may suggest that there is a small such effect for nonvulnerable recipients; the percentages for nonvulnerable new entrants are always greater than those for nonvulnerable existing cases. This is also true for vulnerable recipients in Pennsylvania, but not in the other three States. None of the differences between new and existing cases is very large, however, so the support for a learning effect is not very persuasive.⁷ Experience with the EBT system, therefore, does not lead to a large decrease in insufficient funds transactions. Perhaps experiencing such rejections is less of a bother to some recipients than keeping track of their balances.

Table 6—EBT transactions rejected for insufficient funds

Cases	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
			<i>Percent</i>			
All new entrants	5.0	4.1	4.3	5.6	3.1	5.2
Vulnerable new entrants	6.9	6.1	6.2	7.5	4.6	7.6
Nonvulnerable new entrants	4.7	3.9	3.9	5.5	3.0	4.9
Existing cases	4.9	3.7	4.7	5.1	3.4	4.1
Vulnerable existing cases	7.7	5.5	7.4	8.0	5.4	5.5
Nonvulnerable existing cases	3.9	3.1	3.6	4.2	2.7	3.4
			<i>Thousands</i>			
Total transactions	3,480	9,239	2,391	1,089	3,786	5,453

Notes: Table entries are based on EBT transaction data from November and December 1999. “Vulnerable” cases are here defined as elderly recipients or those listed on State eligibility files as having a disability. No significance tests were performed because the data do not represent a sample.

Card Replacements

Food stamp recipients need a replacement EBT card when their existing card is lost, stolen, or damaged. In the nonwaiver States of Louisiana and Pennsylvania, recipients needing a replacement card go to the local food stamp office to pick it up. In Alabama, all replacement cards are mailed to recipients, who then have to call EBT customer service to have the cards activated. Recipients in Minnesota have a choice: they may wait for the replacement card to be mailed to them, or they may go to the local food stamp office to pick it up.

New food stamp recipients who were interviewed for this study were asked whether they were using a replacement card. Of the 1,632 respondents to the survey, 146 said that they were. These 146 recipients represented an average of 11.7 percent of the respondents from the waiver States and 8.5 percent of the respondents from the nonwaiver States (table 7).

Table 7—Card replacements

Replacement variables	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
Survey respondents using a Replacement card	11.7	8.5 [†]	9.9	13.6	8.5	8.5
Monthly probability of needing a replacement card	3.6	3.7	2.4	4.9	3.9	3.6
Average time between last benefit issuance and report of lost, stolen, or damaged card ¹	14.6	13.8	14.1	15.0	13.8	NA
Average time between report of lost, stolen, or damaged card and activation of replacement card ¹	4.2	1.3	7.2	1.2	1.3	NA

[†]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.

¹No significance tests were performed because data do not represent a sample.

NA = Not available.

A number of the survey respondents with replacement cards said they had already received multiple replacements. When these multiple cards are counted and compared to the number of months between initial card issuance and interview, the average monthly probability of needing a replacement card is 3.6 percent and 3.7 percent in the waiver and nonwaiver States, respectively. Based on additional analysis (presented in table 8), there is no consistent evidence that new recipients are more or less likely than existing cases to need a replacement card.

Table 8—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).

Based on EBT summary statistics, the leading cause for a replacement EBT card is loss of the previous card, followed by damage to the card. Less than 10 percent of replacement cards are issued because the previous card has been stolen from the recipient.

The impact of the waiver extending time for card replacement will vary, depending on how much time is needed to deliver the card and when during the monthly benefit issuance cycle the new card is needed. This timing is important because prior research has shown that most food stamp benefits are redeemed within the first week after they are issued. If a card is lost, stolen, or damaged within a week of benefit issue, there is high likelihood that the recipient has benefits

remaining in the account that cannot be accessed until a new card is in hand. In contrast, if an EBT card is lost, stolen, or damaged later in the cycle when few benefits are left (but not just before the next benefits are issued), waiting a few extra days for mail delivery of the replacement card may not impose a burden.

The third row of table 7 shows that, on average, EBT cards are reported as lost, stolen, or damaged about 2 weeks after benefit issue. Indeed, reports are close to being evenly distributed throughout the benefit month, with only a slightly greater likelihood of occurring in the first 2 weeks (table 9). This means that over a quarter of all reports of lost, stolen, or damaged cards occurs within a week after benefit issuance, when most food stamp recipients have the greatest need for their benefits.

Table 9—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.

The last line of table 7 shows the average number of days that elapse between the reporting of a lost, stolen, or damaged card and activation of the replacement card. In Louisiana, where all recipients must go to the office to pick up the replacement, new cards are activated, on average, within 1.3 days of the reported loss.⁸ The average duration in Minnesota is 1.2 days, reflecting the fact that, based on the survey data, 86 percent of Minnesota recipients needing a replacement card choose to go to the office to pick it up, avoiding the wait for mail delivery. In contrast, an average of 7.2 days elapses in Alabama before a replacement card arrives in the mail and is activated through a phone call to customer service.

Table 10 shows the data underlying estimation of the time and out-of-pocket expenses incurred to obtain a replacement EBT card in each State. Nearly all recipients in Louisiana and Pennsylvania went to the office to pick up replacement cards, whereas all Alabama respondents to the survey said they received their cards in the mail. As noted before, 86.0 percent of Minnesota respondents went to the office to pick up their cards. The last row of table 10 shows that Alabama recipients spent no time and incurred no costs in waiting for mail delivery of their cards, whereas recipients

in the nonwaiver States spent an average of 1.43 hours and \$8.49 in lost wages and out-of-pocket expenses to obtain their cards.⁹ The figures for Minnesota fall between the Alabama and nonwaiver State estimates, reflecting the choice Minnesota recipients had between mail delivery and traveling to the office to pick up their cards.

Table 10—Card replacement burden and cost

Burden/cost	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Survey respondents going to local office to pick up replacement card (percent)	43.0	99.4	0.0	86.0	98.9	100.0
Average time per trip (hours)	1.09	1.52*	—	1.09	1.45	1.60
Average cost per trip (dollars)	6.04	17.59	—	6.04	13.22	21.95
Respondents conducting other Business during trip (percent)	7.3	13.0	—	7.3	9.8	16.2
Average time per recipient (hours)	.44	1.43**	0.00	.88	.37	1.48
Average cost per recipient (dollars)	1.02	8.49	0.00	2.04	3.23	13.76

† 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.

— = Undefined.

Satisfaction with EBT Card

Difficulties with PIN use and the EBT system do not appear to affect recipients' satisfaction with their EBT cards. When asked how satisfied they were with their card, an average of 79.7 percent of new food stamp recipients in the waiver States said they were "very satisfied," compared to an average of 83.5 percent of new recipients in the nonwaiver States (table 11). An additional 15.9 percent of recipients in the waiver States, and 12.4 percent of recipients in the nonwaiver States, said they were "somewhat satisfied." The distribution of respondents satisfied with the EBT card is similar within the groups of vulnerable and nonvulnerable recipients.

Table 11—Recipient satisfaction with EBT card

Degree of satisfaction	All new recipients		Vulnerable New recipients		Nonvulnerable new recipients	
	Waiver	Non-waiver	Waiver	Non-waiver	Waiver	Non-waiver
			Percent			
Very satisfied	79.7	83.5	73.3	88.1	81.2	82.7
Somewhat satisfied	15.9	12.4	21.6	7.9	14.6	13.2
Neither satisfied nor dissatisfied	1.6	1.5	2.4	.2	1.4	1.8
Somewhat dissatisfied	1.6	1.2	.8	.4	1.8	1.4
Very dissatisfied	1.2	1.4	2.0	3.4	1.0	.9

Note: For all new recipients, chi-squared tests show no significant difference between waiver State and nonwaiver State distribution of recipients' satisfaction with their EBT cards. Similarly, there is no significant difference between the waiver State and nonwaiver State distribution of nonvulnerable recipients' satisfaction. The distributions for the vulnerable recipients are significantly different at the 0.05 level.

These responses are all the more informative because the survey question about card satisfaction was asked near the end of each interview, after respondents had answered questions about problems with their PIN or with system use. Even after having their attention directed toward possible recent problems using their EBT cards, recipients in both the waiver and nonwaiver States expressed a great deal of satisfaction with their EBT cards.

Conclusions

After examining a variety of data sources and outcome measures, this study of EBT customer service waivers reports the following main findings:

- First and foremost, the implementation of customer service waivers does not affect recipient satisfaction with EBT cards. The high level of satisfaction with the cards voiced in all four States suggests that most problems associated with the waivers are either transitory or perceived by most recipients to be relatively minor.
- Notwithstanding recipients' overall satisfaction with EBT, the PIN selection waiver does appear to cause some new food stamp recipients to have more difficulties using the EBT system than new food stamp recipients in nonwaiver States. Furthermore, the difficulties are more prevalent among elderly or disabled recipients. Over time, however, the prevalence of PIN-related problems in the waiver States declines, presumably because recipients memorize their assigned PIN or request a more easily remembered PIN.
- The hands-on training waiver changes how States conduct EBT training, but perhaps not to the degree originally thought. Alabama and Minnesota still provide some in-person training. With the waiver, however, some recipients do not have to go to the food stamp office for training, and this leads to a reduction in overall average time and out-of-pocket costs for training.

- Offsetting the savings in time and money costs associated with the hands-on training waiver, system-use problems are more prevalent in the waiver States than in the nonwaiver States.
- The waiver extending card replacement time allows States to mail replacement cards rather than having recipients come to the local food stamp office to pick them up. This reduces the overall average time and out-of-pocket costs recipients incur to obtain replacement cards. It also, however, extends the period in which recipients do not have an EBT card and cannot access their benefits. Data from Minnesota suggest that, when given the choice, most recipients would prefer to get their replacement card immediately, even if that means a separate trip to the office.

Of all the conclusions of the study, perhaps the most important is that implementation of the customer service waivers does not affect recipients' satisfaction with their EBT cards. FNS may therefore want to reexamine the usefulness of the customer service protections in the current regulations. As documented in this study, however, the customer service waivers can cause problems for some food stamp recipients. Any new EBT regulations, therefore, should seek to incorporate measures to minimize or alleviate such problems. One example would be to make it very easy for recipients to change their assigned PIN and for training materials to be quite explicit about how this can be done. Another example would be, where feasible, to give recipients the choice of receiving a replacement card in the mail or going immediately to the food stamp office to pick it up.

Finally, we note that it was beyond the scope of this study to examine the potential impacts of the EBT customer service waivers on other food store customers (food stamp and non-food stamp customers alike). If the waivers cause confusion at checkout for food stamp recipients, then other customers will be affected by having to wait in line longer for their groceries to be rung up. The study's results suggest that, although the customer service waivers cause problems in some instances, the impacts on other customers are likely to be small. The main reason for this conclusion is that the waivers will affect only a small percentage of food stamp clients at any given time. The impacts are expected to be confined mostly to new food stamp recipients, and the evidence indicates that only a subset of all new recipients, those who are elderly or disabled, are most likely to be affected by the waivers. As new food stamp recipients get accustomed to using the EBT system, their problems at the checkout counter should diminish.

Notes

¹A few States use EBT systems based on a different technology. In Ohio and Wyoming, the EBT card contains an embedded computer chip rather than a magnetic stripe on its back. From the recipient's perspective, however, EBT systems based on these different technologies operate very similarly.

²See, for example, John Kirlin, *The Evaluation of the Expanded EBT Demonstration in Maryland: Summary of Findings*, Cambridge, MA: Abt Associates Inc., May 1994.

³The longest waiver period is 5 business days. The actual number of days before a replacement card can be used may be greater, however, because of weekends and possible delays in activating the mailed card.

⁴When averages are presented for the "waiver" States or "nonwaiver" States, the study States are given equal weighting when calculating the average.

⁵The notes on statistical significance in table 2 and subsequent tables pertain to differences between outcomes in waiver vs. nonwaiver States. In the text, statistically significant outcomes between vulnerable vs. nonvulnerable groups of recipients are noted.

⁶Examples of "system-caused" problems include trouble swiping the EBT card through the card reader (usually caused by a problem with the magnetic stripe on the back of the card), problems with the EBT terminal not working, and the store clerk not knowing how to process an EBT transaction.

⁷Recall that the EBT transaction data do not represent a sample, so no tests of significance are presented. If tests were conducted, nearly all differences would be statistically significant because of the large "sample" sizes involved. The more relevant question is whether any differences are "large" from a policy perspective.

⁸Comparable data are not available for Pennsylvania, the other nonwaiver State.

⁹As with earlier estimates for costs associated with training trips, these burden and cost estimates factor in those recipients who did not travel to the office to pick up their card, and the estimates discount the costs of multipurpose trips by 50 percent.

Chapter 1

Introduction

The Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA), together with designated State agencies, administers the Food Stamp Program (FSP) and other nutrition assistance programs. The goal of the FSP is to improve the nutritional status of low-income households. The program seeks to achieve this goal by providing to eligible households benefits that are earmarked for the purchase of approved food items at program-authorized food retail outlets.

Most State agencies are now using electronic benefits transfer (EBT) systems to issue and redeem food stamp benefits. Regulations governing the use of these systems have been in place since 1992. In an effort to promote operating efficiency, FNS has waived some EBT regulations in response to requests from State agencies. This report presents findings from an exploratory study of the impacts of customer service waivers affecting recipients' selection of their personal identification number (PIN), how recipients are trained to use the EBT system, and within what period of time State agencies must issue replacement EBT cards. The study is sponsored by the Economic Research Service (ERS) of USDA.

Context for the Study

Throughout most of the FSP's history, program benefits have been issued in the form of paper food stamp coupons. Food stamp recipients used these coupons at FSP-authorized food stores to purchase program-eligible food items. In 1984, FNS began a series of demonstrations to test the technical feasibility, cost, and acceptability of a new method of issuing and redeeming benefits. Called electronic benefits transfer, it operates very much like a bank debit card. Food stamp recipients in most States receive a plastic EBT card with a magnetic stripe affixed to the back. They use the card at food stores by presenting it at checkout. Either the checkout clerk or the recipient swipes the card through a card reader attached to an EBT terminal, and the recipient enters his or her PIN using the terminal's keypad. An encrypted version of the PIN, information from the card's magnetic stripe (for example, recipient name and card number), and the amount of the requested food stamp purchase are transmitted to the EBT system's central computer for processing. If the recipient's EBT account contains sufficient food stamp benefits to cover the purchase, the request is authorized. If an invalid PIN has been entered or there are insufficient benefits in the account to cover the purchase, the transaction request is rejected.¹

In most States using EBT, food stamp recipients receiving cash benefits from the Temporary Assistance for Needy Families program (TANF) or other programs can use their cards to access those cash benefits, either at store checkout counters or at automated teller machines (ATMs).

¹A few States use EBT systems based on a different technology. In Ohio and Wyoming, the EBT card contains an embedded computer chip rather than a magnetic stripe on its back. From the recipient's perspective, however, EBT systems based on these different technologies operate very similarly.

In April 1992, FNS issued regulations governing the design, implementation, and use of EBT systems. Because experience with EBT systems was somewhat limited at the time, the regulations included numerous measures intended to protect recipients' rights and to make EBT systems easy to use. Experience has shown that food stamp recipients have adapted well to EBT and that they prefer EBT to food stamp coupons²

Since 1992 the growth of EBT systems has been dramatic: fully implemented systems are operating in 38 States and the District of Columbia, and another three States have EBT systems that are functioning but not yet implemented statewide. As part of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, the U.S. Congress has mandated the use of EBT systems in all States by October 1, 2002.³

The 1992 EBT regulations place a cap on FNS reimbursement of EBT administrative costs, so State agencies are under pressure to reduce EBT costs while maintaining service levels. Because EBT systems are similar to bank debit card systems, States and their EBT vendors have turned to the commercial sector for a model of how to operate the systems efficiently. Based on commercial practices, many State agencies have requested and received waivers to certain EBT regulations so they could try new and, it is hoped, more efficient approaches to system implementation and operation. Several of these requested waivers change the level of service provided to recipients. For instance, one waiver assigns PINs at initial card issuance rather than letting recipients select their own. Another eliminates the requirement for hands-on training. A third waiver increases the amount of time State agencies have to replace lost, stolen, or damaged EBT cards.⁴

FNS has granted customer service waivers to a number of States, usually with provisions to ensure adequate service levels to recipients who may have problems with the waivers. For instance, after an initial PIN has been assigned, recipients may change their PIN by calling an EBT customer service representative. If recipients have trouble using the EBT system, they may request additional assistance, including hands-on practice with EBT equipment. If recipients would endure hardship by waiting for a replacement EBT card in the mail, they may go to the local food stamp office for the card.

No evidence exists as to the impacts of customer service waivers on recipient burden and satisfaction with EBT. The goal of the current study, therefore, is to provide information on the effects of customer service waivers on recipients, so that FNS can balance concerns about the impacts with concerns that some regulations are costly and unnecessary.

²The impacts of EBT have been well documented in a series of evaluations. Compared to the paper coupon system being replaced, EBT reduces recipients' average burden associated with benefit issuance (as measured by time commitment and out-of-pocket expenses), improves the security of their benefits, and reduces embarrassment and stigma associated with benefit use. For these and other reasons, large majorities of food stamp recipients say they prefer EBT to paper food stamp coupons. (See, for example, John Kirlin, *The Evaluation of the Expanded EBT Demonstration in Maryland: Summary of Findings*, Cambridge, MA: Abt Associates Inc., May 1994.)

³P.L. 104-193, Section 825.

⁴FNS as recently published proposed rules changes for these waivers. "Food Stamp Program Regulatory Review: Standards for Approval and Operation of Food Stamp Electronic Benefit Transfer (EBT) Systems," Federal Register, vol. 66, no. 134, July 21, 2001, 36495-36502.

Study Objectives

FNS has identified three EBT customer service waivers whose impacts on food stamp recipients are not known. These waivers, described in the next section, are:

- PIN assignment rather than PIN selection
- Mailing of training materials to recipients rather than hands-on training
- Extending time for card replacement from 2 days to up to 5 days.

Given the information needs of program officials, this research has three main objectives. The first is to understand the types of problems recipients may have with these three customer service waivers. The second objective is to quantify the impacts of the waivers on food stamp recipients. Impacts can be either positive or negative. For instance, waiving the requirement for hands-on training may cause some recipients more difficulty in using the EBT system, but for many it also may eliminate an unnecessary trip to the food stamp office. The third objective is to determine whether the waivers have a disproportionate effect on certain subgroups of the food stamp population, most notably the elderly and disabled. There has been concern that these vulnerable subgroups may have more difficulty coping with the waivers than other food stamp recipients. For example, memory problems may make it harder for some elderly recipients to remember an assigned PIN.

By the end of 1998, FNS had granted at least one the above customer service waivers to 21 State agencies; 10 State agencies had received all three waivers. Given the uncertainty about whether the waivers were having any measurable effect, the Economic Research Service (ERS) of USDA decided to fund an exploratory study of waiver impacts. Two States with all three waivers (Alabama and Minnesota) and two States with none of the waivers (Louisiana and Pennsylvania) were selected for the study. Examination of possible waiver impacts is based on a comparison between the waiver and nonwaiver States, using information in three databases:

- The transaction logs generated by EBT systems as recipients use their EBT cards for food stamp purchases;
- System-generated monthly reports summarizing EBT system activity; and
- A survey of over 1,600 new food stamp recipients across the four States.

In addition, interviews were conducted with program officials in Alabama and Minnesota to learn how their waivers were implemented. Similar interviews were conducted with officials in Louisiana and Pennsylvania to learn about EBT training, PIN selection, and card replacement practices in those States.

Prior EBT evaluations focused on States that had recently converted to EBT, when special attention may have been paid to ensuring a smooth transition to the new system. An important characteristic of the current study is that it focuses on States with mature EBT systems to assess

the impacts of customer service waivers on food stamp recipients. Results from the study can be used to evaluate the appropriateness of certain EBT regulations, after over a decade of experience with EBT systems, balancing the effects on customers and the need for operational efficiency.

Hypothesized Impacts of the Waivers

To determine whether a particular waiver has an impact on recipients, we must first generate one or more hypotheses about its likely effects. In turn, the hypotheses will identify the outcome measures of interest for the study. This section presents hypotheses concerning the impacts of each waiver.

Waiver #1: PIN Selection

The EBT regulation that the waiver addresses is 274.12(g)(5)(i):

The State agency shall permit food stamp households to select their Personal Identification Number (PIN). PIN assignment procedures shall not be permitted.

From the time of the first EBT demonstration in Reading, Pennsylvania, concern has been voiced about recipients not being able to remember their PINs. In all the early EBT demonstrations, recipients were able to choose their own PINs, the expectation being they would find it easier to remember one they had selected for themselves. Although we know of no test of this premise, the requirement for PIN selection became a part of the EBT regulations issued in April 1992.

PIN selection in the early EBT demonstrations was not a problem for State agencies and their EBT vendors because all clients were coming to the food stamp office (or an offsite training facility) to be trained and to receive their EBT cards. While the recipients were onsite, PIN selection could be incorporated into card issuance procedures. In an effort to reduce EBT implementation and operating costs, however, a number of States have requested and received a waiver to the requirement for hands-on training. If clients no longer need to come to the food stamp office for training, then the requirement for PIN selection becomes costly—now recipients have to come to the office just to select their PIN. It is cheaper simply to mail the recipient a notice with the PIN they are to use with their EBT card (which is mailed separately for security purposes). This approach mirrors that used in the banking industry for debit cards. In addition, as in the banking industry, clients with assigned PINs are given the option of selecting their own PIN, but this requires action on their part.

If PIN assignment causes food stamp recipients difficulty in remembering their PINs, then one would expect to see the following consequences, relative to States without the PIN selection waiver:

- Recipients would make more errors with PIN entry at checkout (or at ATMs, for recipients also receiving cash benefits). Such errors are recorded on the EBT system's transaction log as a request rejected because of "invalid PIN entry."

- More errors with PIN entry would lead to more instances of PIN locks. PIN locks occur when an invalid PIN is entered consecutively a specified number of times (three or four in most EBT systems). After a PIN is locked, the recipient has to return to the food stamp office or call customer service (depending on State policy) to receive a new PIN before benefits can be accessed.
- More recipients would request a PIN change and select a more easily remembered code.
- More recipients would write their assigned PIN on the card or a slip of paper instead of trying to remember the unfamiliar number. If the written PIN were kept near the EBT card, card security would be reduced in the event of card loss or theft, and the number of unauthorized EBT transactions might increase.
- A similar effect might result if the recipient told the PIN to a family member, expecting that person to remind him or her of the number when necessary.
- The extra burden of dealing with problems (for instance, of remembering an assigned PIN, changing a PIN, needing to go to the food stamp office to have a PIN unlocked, or experiencing a benefit loss from an unauthorized transaction) might cause some recipients to give up on their EBT card. This impact could show up either through an increase in the number of inactive EBT accounts or as an increase in the number of recipients leaving the FSP for noneligibility-related reasons.
- Any increase in problems might reduce recipients' level of satisfaction with the EBT system.

One would expect to see the above effects appear shortly after a State converts to EBT or after a new food stamp recipient receives an EBT card and tries to use it. After a recipient uses an assigned PIN repeatedly (or has the PIN changed), problems with PIN usage should diminish dramatically. The one exception might be the impact on card security. When the PIN is written down, the potential for card loss or theft, followed by an unauthorized transaction, will remain until the recipient takes action to remove the threat (by throwing away the piece of paper on which the PIN is written, for example).

Waiver #2: Hands-On Training

The EBT regulation this waiver addresses is 274.12(g)(10)(ii):

[There should be] hands-on experience for each household in the use of the EBT equipment necessary to access benefits and obtain balance information.

When the regulation for hands-on training is waived, State agencies are allowed to mail training materials to recipients. The written materials must include information on recipient rights and

responsibilities under EBT. Hands-on training must be made available to recipients who request such training.

One hypothesis to be examined is that written training materials are less effective than hands-on training in teaching recipients how to use the EBT system. If so, recipients will have more trouble using the system. Some of these problems will be manifested in ways indistinguishable from the hypothesized impacts of PIN assignment. That is, without hands-on training, one might expect to see more invalid PIN entries, PIN locks, unauthorized transactions, and inactive EBT accounts and more recipients giving up and leaving the program. Other outcomes might include denied transactions, instances of recipients leaving their EBT cards at the store, or calls to the EBT vendor's help desk asking when benefits are available, how to determine available balance, or how to use the card generally. These are topics normally covered during hands-on training sessions.

As with the waiver for PIN selection, one would expect to see the impacts of the waiver for hands-on training shortly after caseload conversion to EBT or a recipient's entry into the FSP. After a recipient learns through experience how to use the system, the problems should diminish.

By eliminating the requirement for hands-on training, this waiver will reduce the amount of time (and, possibly, out-of-pocket costs) that most recipients spend on EBT. Only those recipients who request hands-on training will have to travel to the food stamp office and sit through a training session. For some recipients, of course, hands-on training may be necessary. For the rest, however, this waiver may remove a burdensome—and unnecessary—trip to the food stamp office.

Waiver #3: Extended Time for Card Replacement

The pertinent EBT regulation is 274.12(g)(5)(ii):

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.

By granting a longer replacement time for lost, stolen, or damaged cards, this waiver allows State agencies and their EBT vendors to centralize card issuance functions in one location and to mail replacement cards to recipients. Such centralization both reduces card issuance costs and increases card security by limiting access to blank card stock and totally separating card issuance from benefit authorization functions. Without the waiver extending time for card replacement, all recipients need to go to their local food stamp office to pick up a replacement EBT card.

The hypothesized impacts of the card replacement waiver are more straightforward than for the previous two waivers. First, this waiver will affect only those recipients who need to have their EBT cards replaced. Card replacement occurs only when a recipient's card is damaged or reported as lost or stolen. Thus, recipients who need replacement cards have no means to access

their program benefits until they receive new cards. The hypothesized impacts of this waiver, then, must relate to undergoing benefit inaccessibility for up to 5 days rather than 2 days.⁵

The most direct consequence of having no benefits for several days is a greater risk of food insecurity. One would expect that, on average, recipients in those States with the extended-time waiver would be more likely to experience food insecurity than recipients in nonwaiver States.

As with the waiver for hands-on training, the one extending the card replacement period may reduce the time burden of participating in the FSP. Although some waiver States still require the recipient to come to the office to pick up a replacement card, most do not. Thus, for many recipients, the impact of the waiver is a tradeoff between waiting for mail delivery of the card and traveling to the food stamp office to pick it up.

Outcome Measures

Based on the hypothesized impacts of the three waivers, table 12 maps various outcome measures to the specific waivers. Each line of the table indicates how the outcome measure is expected to change relative to States in which the waiver is not implemented. It is important to note that the hypothesized direction of an expected impact is not always uniform for the entire caseload. For example, time and out-of-pocket expenses are generally expected to decrease under the hands-on training waiver, even though they may increase for recipients requesting training or having problems with the system. In these situations we have listed the expected average **net** impact over the entire caseload. The direction for outcomes of whose likely net impact we are unsure is listed as “uncertain” in the table.

Table 12—Hypothesized impacts of waivers

Outcome measure	PIN assignment vs. PIN selection	Mailout training materials vs. hands-on training	Extended time for card replacement
Invalid PIN attempt, PIN lock	Increase	Increase	No change
Request for PIN change	Increase	Uncertain	No change
Unauthorized card usage	Probably increase, possibly decrease	Increase	No change
Inactive accounts	Increase	Increase	No change
Time and out-of-pocket expenses associated with EBT	Increase	Decrease	Decrease
Leave program for reasons related to EBT	Increase	Increase	Increase

⁵The longest waiver period is 5 days.

Organization of the Report

This report is organized into six chapters. Following this introduction, chapter 2 describes the design of the study and the data sources used to examine the impacts of the customer service waivers. Chapter 3 describes waiver implementation and the EBT training that new food stamp recipients receive in the four study States. Chapter 4 addresses waiver impacts on PIN use, and chapter 5 describes waiver impacts on other aspects of EBT system use. Finally, chapter 6 describes card replacement experiences across the four States.

Chapter 2 Study Design

This chapter addresses the study design for the evaluation of EBT customer service waivers on recipients. First, it describes the design and relevant characteristics of the four States participating in the study. A key element of the study design is the identification of vulnerable food stamp recipients. Next, the chapter describes the three main data sources used for the evaluation, including a telephone survey of 1,632 new food stamp recipients across the four States. It then examines the representativeness of the survey sample and, finally, describes the construction of the sample weights.

Research Design

The research mode for the study of EBT customer service waivers is a treatment-comparison design, relying primarily on cross-sectional data. Study results are based on findings from four States: two that have implemented customer service waivers and two that have not.

Selection of Study States

FNS has granted EBT customer service waivers to 36 States and the District of Columbia. As shown in table 13, these States have requested and received various combinations of the three waivers being examined in this study. Five combinations of waivers exist. FNS has granted all three waivers to 22 States, and 5 States were granted different combinations of two waivers each. The final 10 States have been granted only one waiver each.

Table 13—Combinations of customer service waivers

1. PIN selection, hands-on training, and extended time for card replacement

Alaska	Alabama	Arizona	Arkansas	Colorado
Delaware	Florida	Georgia	Hawaii	Idaho
Kentucky	Michigan	Minnesota	Mississippi	Missouri
New Hampshire	North Carolina	Tennessee	Texas	Vermont
Washington	Wisconsin			

2. PIN selection and hands-on training

Massachusetts	New York	Oregon	Rhode Island
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3. Hands-on training and extended time for card replacement

California

4. Hands-on training only

Connecticut	Iowa	Maine	Virginia
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5. Extended time for card replacement only

District of Columbia	Indiana	North Dakota	South Dakota	South Carolina
Wyoming				

With limited research funds for the study, FNS and ERS decided that the study would not try to disentangle the effects of individual waivers by including States with different combinations of waivers. Furthermore, it was decided that the study needed to include one or more States that had not implemented any of the three EBT customer service waivers. In this way, the combined impacts of the three waivers would be measured by comparing outcomes in States with waivers to outcomes in those without waivers.

The study recruited two States, Alabama and Minnesota, from among those that had implemented all three waivers. Louisiana and Pennsylvania were recruited as comparison States, representing States that have not implemented any of the waivers. Alabama participates in EBT as a member of the Southern Alliance of States (SAS), formed to jointly design and implement an EBT system for member States. The successful EBT bidder for the SAS EBT system was Citibank EBT Services (Citibank), but another major EBT vendor, Deluxe Data Systems (now eFunds Corporation), was a subcontractor to Citibank. Indeed, eFunds Corporation serves as the EBT processor for Alabama. eFunds is also the EBT vendor in Louisiana and Minnesota. Citibank processes all EBT transactions in Pennsylvania.

Table 14 displays information about the four participating States. In terms of food stamp caseload, Pennsylvania was the largest, with over 350,000 cases in November 1999; Minnesota was the smallest, with about 83,000 cases. Minnesota is also the most recent State of the four to achieve statewide implementation of its EBT system. The Minnesota system was fully implemented by October 1998—about 1 year prior to the selection of food stamp recipients into the study’s sample frame. Pennsylvania completed its statewide implementation 1 month earlier, in September 1998.

Table 14—Characteristics of participating States

Characteristics	Waiver States		Nonwaiver States	
	Alabama	Minnesota	Louisiana	Pennsylvania
Food stamp caseload, Nov. 1999 (number)	157,958	83,174	194,910	356,534
Average monthly FSP benefit (dollars)	185	165	195	159
Date EBT system fully implemented	Nov. 1997	Oct. 1998	Dec. 1997	Sept. 1998
EBT processor	eFunds ¹	eFunds	eFunds	Citibank
	<i>Percent of total caseload</i>			
Subject to waivers	100.0	71.3 ²	0	0
Enrolling that month (Nov. 1999)	2.6	1.8	3.6	2.8
Elderly	18.6	9.1	17.1	17.8
Disabled	28.5	11.4	32.6	32.2
Vulnerable	42.8	18.0	37.1	41.3

¹Formerly Deluxe Data Systems.

²EBT customer service waivers are not implemented in areas that had high mail loss prior to the implementation of EBT. See text for further details.

Minnesota is somewhat unusual among waiver States in that a portion of its food stamp caseload is not subject to the customer service waivers examined in this study. Table 14 shows that only 71.3 percent of the Minnesota caseload is subject to the waivers. Prior to the implementation of

its EBT system, Minnesota used mail delivery for most of its food stamp coupons. In areas with historically high levels of mail loss of coupons, however, recipients were required to go to their local food stamp office each month to pick up their coupons. When the State implemented EBT, it decided not to implement customer service waivers in these high-mail-loss areas. At least 28.7 percent of the total Minnesota food stamp caseload lives in such areas; we estimate, however, that only 23.4 percent of new entrants are from these areas.⁶

Minnesota also allows food stamp applicants needing immediate assistance (“expedited service”) to pick up their EBT cards at the local office on the day of application, at which time they select their own PIN rather than having one assigned. The information on the State’s administrative files did not indicate which recipients received expedited service; based on survey results, however, we estimate that 45.8 percent of recipients not living in high-mail-loss areas picked up their EBT cards at the local office. Thus, Minnesota can be considered a “mixed” State with regard to implementation of customer service waivers: a substantial portion of its caseload is not necessarily subject to the waivers.

Vulnerable Food Stamp Recipients

A major goal of the study was to determine whether the impacts of the EBT customer service waivers are different for “vulnerable” food stamp recipients than for the remainder of the food stamp caseload. Vulnerable recipients are defined as those who are either elderly (age 60 or greater) or disabled. From table 14, we see that, in three of the four study States, about 17 to 19 percent of the food stamp caseload is elderly. The food stamp caseload in Minnesota is younger—only about 9 percent is elderly.

Food stamp eligibility files include a variable indicating whether the food stamp recipient is disabled. The Minnesota State files identify a smaller percentage of recipients as disabled than the other three States, about 11 percent compared with 28 to 33 percent. Consequently, only 18 percent of the Minnesota cases are classified as vulnerable (elderly or disabled), whereas from 37 to about 43 percent of food stamp recipients in Alabama, Louisiana, and Pennsylvania are vulnerable.

As described in the next section, the study used data from State food stamp eligibility files to identify and oversample vulnerable food stamp recipients. During the survey, respondents were asked whether they had a disability that made it hard for them to “get around town, go shopping, or use the EBT card.” The correlation between the survey and State measures of disability was rather low ($r = 0.335$), and the study decided to use respondents’ own assessment of disability when looking at outcome measures among vulnerable food stamp recipients. Appendix A provides a detailed discussion of the identification of disabled food stamp recipients.

⁶The actual figure for the total caseload is probably higher than 28.7 percent. Some high-loss areas are defined at the nine-digit ZIP code level. The administrative files provided by Minnesota included only five-digit ZIP codes, so we could not determine the precise percentage of food stamp recipients not subject to the waivers. In developing the sample frame for the Survey of New EBT Users, however, we used street address information from the administrative files to determine in which nine-digit ZIP codes recipients lived, and we then used this information to exclude recipients living in high-mail-loss areas from the sample frame. From this exercise we calculated that, in November 1999, 23.4 percent of new food stamp recipients lived in high-mail-loss areas.

Data Sources

This section describes the four sources of data used to examine the impacts of the EBT customer service waivers: interviews with State officials, the Survey of New EBT Users, EBT transaction data, and EBT summary statistics.

Interviews with State Officials

Project staff conducted telephone interviews with the EBT coordinators in all four States and with program officials in the regional offices to learn about State policies regarding card issuance, EBT training, and other EBT operating issues. These interviews occurred at the end of 1998 and the beginning of 1999. In addition to the interviews, we collected copies of EBT training materials and other documents describing EBT operations.

The interviews covered the following main topics:

- FSP and EBT characteristics of the State (for example, number of FSP recipients, EBT processor, and programs served by the EBT system)
- Policies and procedures for initial card issuance and PIN designation
- Procedures for EBT training and information covered during training
- Policies and procedures for card replacement
- Policies and procedures for PIN changes

Survey of New EBT Users

The primary data source for this exploratory study is "The Survey of New EBT users," that is, of new food stamp recipients who began using their EBT cards in November 1999. The survey focused on new EBT card users because, as discussed in chapter 1, we hypothesized that any impacts of the PIN selection and hands-on training waivers would be most evident among recipients just learning to use an EBT system. Impacts of the third waiver, regarding card replacement, would be restricted to a second group of recipients, those who had reported an EBT card as lost, stolen, or damaged. The study decided to focus its resources on a survey of new food stamp recipients rather than trying to survey two distinct groups.

Description of Survey Instrument

A copy of the survey instrument is included as Appendix B to this report. The instrument contains seven modules:

- A. Introduction
- B. Replacement cards

- C. Training
- D. PIN use
- E. Other system use
- F. Respondent characteristics
- G. Recipient characteristics

Module A (Introduction) checked sampled recipients' eligibility for the survey by confirming that they received their first EBT card no earlier than October 1999 and that they were not part of a group-living arrangement where the EBT card was used to pay for meals. The module also ascertained whether sampled recipients did their own shopping with the EBT card. If not, information about the "alternative shopper" was collected so that most remaining modules of the survey instrument could be addressed to that person.

For those survey respondents (either recipients or their alternative shoppers) who said they were using a replacement EBT card at the time of interview, module B (Replacement Cards) of the survey asked them how many replacement cards they had received since they first started using the EBT system, how and when they received their current replacement cards, and how much time and out-of-pocket expenses were incurred in obtaining their current cards.

Module C (Training) focused on how respondents learned to use the EBT system. Survey questions addressed which modes of training (written materials, videos, training equipment) were used, what information was covered during training, and whether respondents had any remaining questions about use of the EBT card after training. The module also asked about respondents' time and out-of-pocket expenses associated with EBT training.

Module D (PIN Use) asked respondents about possible problems with their personal identification numbers (PINs) when they were using or trying to use the EBT system. The module included a series of questions about steps the respondents might have taken to help remember their PINs. Respondents were also asked a series of questions about their knowledge and use of procedures for requesting new PINs.

Module E (Other System Use) addressed other features of EBT use that might be affected by the PIN selection or hands-on training waivers, especially the latter. Respondents were asked how often they used the EBT cards at food stores; whether they had ever needed help in using their cards; what procedure(s) they used, if any, to check EBT balances; whom they would contact to get help with an EBT problem; and whether their EBT cards had ever been used without their permission. Most important, this module also asked about satisfaction with the EBT card, after collecting information about possible problems with PIN or system use. Asking this question just after questions identifying problems with system use provides a strong test of respondents' satisfaction with their State's EBT system.

Finally, modules F and G collected demographic and other information about, respectively, the respondent (if an alternate shopper was interviewed) and the food stamp recipient. The main survey question about disability was included in these sections, although module A also collected information about disability if that was the reason a recipient used an alternative shopper.

Sample Frame

The sample frame for the Survey of New EBT Users was designed to include all food stamp recipients in the four study States who were new to the program in November 1999. Initially, the study sought to identify new recipients by comparing October and November extracts of the States' food stamp eligibility files; individuals present as active food stamp recipients on the November file but not the October file would represent "new" recipients in each State. Unfortunately, this strategy did not work. Each State file included a variable indicating the "start date" of food stamp receipt, and the October files included recipients with November start dates. The study therefore uses the start-date variable as an indicator of recipients entering the FSP in November 1999.

The start-date variable, however, has its own problems for identifying new entrants. Prior recipients who left the FSP and then returned in November 1999 appear on the files as having a November 1999 start date. That is, the date of reentry overwrites the previous start date. The study compensated for this problem in two ways. First, as described in the next section, the survey instrument contained several screener questions designed to ensure that only recipients with no prior EBT experience were interviewed. This was done, by necessity, only after the sample frame had been developed. Second, in developing the sample frame, the file of "new entrants" was merged against a test file of the State eligibility file obtained in the summer of 1999. Any recipient who was on the summer file was removed from the file of new entrants. This procedure was carried out for Alabama, Louisiana, and Pennsylvania, but it could not be done for Minnesota because the State was unable to provide a test file prior to the November extract.

One objective of the study has been to determine whether the waivers have greater impacts on vulnerable than nonvulnerable food stamp recipients. To help ensure that a sufficient number of vulnerable recipients would be interviewed, each State's sample frame of new entrants was divided into vulnerable and nonvulnerable strata, with vulnerable recipients identified as individuals who were either elderly (age 60 or greater) or disabled, according to information contained on the State eligibility files. The sample frame for the Survey of New EBT Users thus has eight strata: vulnerable and nonvulnerable food stamp recipients in each of the four study States.

Sample Disposition

The Survey of New EBT Users was a telephone survey with a target of 175 completed interviews per stratum, or 1,400 completed interviews across all eight strata defined by State and vulnerability status. For each stratum, the total number of cases in the identified sample universe can be divided into the following five groups:

- A. Completed interviews
- B. Interview attempted, but not completed
- C. Telephone number available, but sample never released to phone center
- D. Case sampled, but no phone number available
- E. Case never sampled from universe

Table 15 shows the size of the group for each stratum. The exhibit uses “V” and “N-V” to indicate vulnerable and nonvulnerable strata, respectively.

Table 15—Distribution of available sample, by stratum

Group	Alabama (n=4,176)		Minnesota (n=1,528)		Louisiana (n=7,082)		Pennsylvania (n=10,004)		Total (n=22,790)
	V	N-V	V	N-V	V	N-V	V	N-V	
	Number								
A	260	285	45	292	197	190	184	179	1,632
B	461	794	119	808	391	511	313	381	3,778
C	0	0	0	0	223	0	852	530	1,605
D	306	513	24	125	133	132	116	77	1,426
E	0	1,557	0	115	0	5,305	0	7,372	14,349
Total	1,027	3,149	188	1,340	944	6,138	1,465	8,539	22,790

V = Strata of vulnerable recipients.

N-V = Strata of nonvulnerable recipients.

As shown in the “group A” row of table 15, the survey exceeded its target of 175 completed interviews per stratum in all strata except that of vulnerable recipients in Minnesota. The available sample in that stratum was exhausted with only 45 completed interviews. To achieve enough completed interviews with vulnerable recipients in a waiver State, we interviewed a larger number of them in Alabama, the other State to implement EBT customer service waivers. Across the two States, we interviewed 305 vulnerable recipients, or 87.1 percent of the target of 350 completed interviews across the two strata. In each of the remaining strata, we exceeded our target of 175 completed interviews. Overall, 1,632 new food stamp recipients were interviewed.

Table 16 shows the disposition of the group B sample—that is, cases that were sampled and had a telephone number, but for which an interview could not be completed. Overall, 14.4 percent of these recipients were found to be ineligible for the survey. When contacted by telephone, most of them said either that they had used an EBT card prior to October 1999 or that they been in a group living arrangement and therefore did not use the EBT card for shopping.⁷

Table 16—Reasons for interviews attempted but not completed, by stratum

Group	Alabama (n=1,255)		Minnesota (n=927)		Louisiana (n=902)		Pennsylvania (n=694)		Total (n=3,778)
	V	N-V	V	N-V	V	N-V	V	N-V	
	Percent								
Ineligible	17.1	13.4	19.3	10.4	18.7	13.5	17.3	14.4	14.4
No valid phone	52.7	59.9	47.1	61.0	49.4	56.4	46.0	54.9	55.6
Refusal	5.0	1.3	5.9	2.6	7.4	3.5	7.3	6.3	4.1
Other	25.2	25.4	27.7	26.0	24.5	26.6	29.4	24.4	25.9
Response rate	40.5	29.3	31.9	28.7	38.3	30.1	41.5	35.4	33.5

V = Strata of vulnerable recipients.

N-V = Strata of nonvulnerable recipients.

⁷Table C-2 in Appendix C provides greater detail on reasons for survey ineligibility.

Instances of outright refusal to be interviewed were relatively rare. Refusals represented 4.1 percent of all attempted but uncompleted interviews, with vulnerable recipients more likely to refuse (6.4 percent) than nonvulnerable (2.9 percent). As a percentage of all attempted interviews (including completed interviews), the overall refusal rate was 2.9 percent (4.2 percent for vulnerable and 2.1 percent for nonvulnerable recipients).

By far the largest group of recipients without a completed interview were those whose telephone numbers turned out to be invalid. Phone numbers were listed in the State eligibility files, and the study also used recipient name and address information to try to find phone numbers from commercial look-up services. Despite these efforts, 55.6 percent of the group B sample (or 38.8 percent of all attempted interviews) could not be interviewed because telephone numbers were not valid. Nearly all of these instances involved either a wrong number or a nonresidential number; in either case, the individual who was called did not know the sampled person. Nonvulnerable recipients were somewhat more likely in each State to have a nonvalid phone number than vulnerable recipients.

With high rates of invalid phone numbers, response rates for the Survey of New EBT Users were low, as is evident in the last row of table 16. Response rates are defined as the number of completed interviews (group A) divided by the number of all attempted interviews (groups A plus B), with ineligible survey respondents subtracted from the denominator. Response rates varied from a low of 28.7 percent among nonvulnerable recipients in Minnesota to a high of 41.5 percent among vulnerable recipients in Pennsylvania. The overall response rate was 33.5 percent.

Designation of Survey Respondent

The sample of 1,632 new EBT users includes 29 recipients who either did not shop with their EBT cards or said that they used the cards less than once a month for shopping.⁸ In these 29 instances the people who usually went shopping with the EBT cards (the “alternative shoppers”) answered questions in modules B through F of the survey instrument. Twenty-seven of the 29 alternative shoppers were the recipients’ designated food stamp-authorized representatives.

Timing of Interviews

A systematic pattern exists with regard to when interviews in each State were conducted. On average, and relative to when survey respondents received their initial EBT card, interviews in the two waiver States were completed later than those in the two nonwaiver States. An average of 4.5 months elapsed between card issuance date and interview date in the waiver States, versus an average of 3.1 months in the nonwaiver States.

⁸The survey first asked whether the respondent was the person in the household who usually did the grocery shopping with the EBT card. Those respondents who said “yes” were not screened for how often they used the card each month, because they were in the best position to answer questions about card use. As discussed in chapter 5, from 8.1 to 9.7 percent of respondents (depending on State) said they shopped with the EBT card less than once per month.

This systematic variation, which occurred due to delays in receiving and processing sample frame information, raises an initial concern about the validity of many comparisons made later in the report of outcomes between the waiver and nonwaiver States. For instance, the survey asked new entrants whether problems remembering their PINs ever prevented them from using their EBT cards. As will be discussed in chapter 4, the survey data show that new entrants in the waiver States were significantly more likely to report such problems than new entrants in the nonwaiver States. Does this difference reflect greater problems with PINs in the waiver States or simply more time and opportunity to experience a problem?

A detailed analysis indicates that the difference between waiver and nonwaiver States in the elapsed time between EBT card issuance and survey interviews does not affect the study's outcome measures. We regressed all of the outcome measures against a set of covariates that included elapsed time. The estimated coefficient on the elapsed time variable was never close to being statistically significant.⁹ Thus, we conclude that the differences in elapsed time do not affect the study's findings.

EBT Transaction Data

The third data source for the evaluation of EBT customer service waivers is data from EBT system transaction logs. All EBT systems maintain a log of all transactions processed by the system. These logs contain information about the card user (such as card number and account number), on where the card is being used (merchant or ATM identification number, terminal number, cashier identification number), which program is being accessed (food stamps, TANF, Social Security), the type of transaction (issuance, purchase, withdrawal, refund, balance inquiry), the transaction amount, and the disposition of the transaction (rejected or approved). If rejected, the log includes a code indicating the reason. The logs also include information about the account's balance.

As part of its oversight of the FSP, FNS has implemented a procedure whereby all EBT vendors submit copies of their system EBT logs to FNS each month. The submitted files, which contain only FSP-related transactions, are State-specific. The monthly files are added to the FNS "ALERT" database,¹⁰ which supports the agency's efforts to identify suspicious food stamp activity.

On EBT transaction logs, reasons for rejection include "invalid PIN entry" and "insufficient funds." Both of these occurrences may indicate recipient difficulty in learning to use the EBT system. The study therefore requested and received from FNS copies of the ALERT data files for the four study States for the months of November and December 1999.¹¹ These **transaction-based** files were sorted by account number, date, and time to generate, for each account showing any FSP activity during the 2 months, a chronological history of the food stamp activity.

⁹In addition to the elapsed-time variable, the covariates in the regression models included variables indicating whether the recipient was elderly, was disabled, or was a male; whether the recipient shopped less frequently than once a month; whether the recipient received cash assistance benefits as well as food stamps; whether the recipient had ever used a bank card to get cash, whether the recipient said he or she had received in-person EBT training; and whether he or she had learned about EBT through written materials.

¹⁰"ALERT" stands for the FNS Anti-Fraud Locator of EBT Retailer Transactions subsystem.

¹¹The study originally requested EBT transaction data from the four participating States. These data, however, include only approved transactions, allowing no analysis of transactions with invalid PINs or insufficient funds.

Information from the individual transaction records was then summarized in an **account-based** file. For the analyses discussed later in this report, the most important information in the file is:

- The total number of FSP transaction records for the account
- The total number of approved purchase transactions
- The total number of transactions rejected for invalid PIN entry
- The fraction of transactions rejected for invalid PIN entry
- The total number of transactions rejected for insufficient funds
- The fraction of transactions rejected for insufficient funds
- The highest number of transactions rejected for invalid PIN entry on any single day

Although FNS has specified to EBT vendors the information to be included in the State ALERT files, several differences were noted when the EBT transaction logs were reviewed. The Pennsylvania files, supplied by Citibank, included records rejected for invalid PIN entry and for insufficient funds. In contrast, the files for the remaining three States, supplied by eFunds, did not include any records for transactions rejected for an invalid PIN. For each of these three States, however, the eFunds EBT system generates monthly summary reports of the number of rejected transactions, by reason, for each account. Copies of these reports were obtained from eFunds, and information on rejected transactions was added to the account-based summary EBT analysis file. Because the supplemental data received from eFunds do not indicate on what day a transaction was rejected, the last variable listed above (highest number of invalid PIN entries on any single day) could not be defined for Alabama, Louisiana, and Minnesota. In addition, the supplemental data do not distinguish between food stamp transactions rejected for invalid PINs and cash program transactions rejected for the same reason, so the summary file contains data that are somewhat inconsistent among States. That is, the counts of invalid PIN entries in Alabama, Louisiana, and Minnesota include rejected cash program transactions, whereas the counts of invalid PIN entries in Pennsylvania pertain only to FSP transactions.

EBT Summary Statistics

Each EBT system in the country generates a number of monthly reports summarizing system activity. These reports are available to State officials and EBT vendor staff who wish to monitor particular aspects of system operations. Some of the reports provide only aggregate data, such as total number of active accounts, total number of transactions (often broken out by type or by program), and total program benefits issued and redeemed by EBT card users. Other reports provide more detail, such as the report mentioned above that provides account-by-account information on the number of rejected transactions, by reason.

There is considerable similarity among States in the types of EBT system activity that are summarized in monthly reports, but there are differences as well. For instance, the monthly reports for the three States using eFunds as an EBT vendor provide information on the number of denied transactions by reason. The Pennsylvania summary reports provide counts of the total number of denied transactions, but the information is not broken out by reason for denial. In addition, what appears to be similar information in reports from different States may in fact be different. This is frequently so with respect to the “base” for a given number in the reports. Sometimes the base is all food stamp cases or transactions, whereas in other instances it is all

EBT users or transactions (including individuals receiving cash benefits but not food stamp benefits). For these reasons, one has to be cautious about comparing summary statistics from two States. For the most part, however, statistics from one month in a given State can be validly compared to statistics from other months in the same State. For this reason the study requested copies of monthly EBT system reports from each of the four study States. The primary purpose for collecting these data was to determine whether the period from which the sample frame of new EBT users was drawn and immediately thereafter (November 1999 through March 2000) was representative of system operations.¹² As will be shown in later chapters, operations in the four study States were relatively stable during the sampling and survey periods; we have no reason to suspect that survey responses were affected by any major problems with the EBT systems.

Sample Representativeness for the Survey of New EBT Users

With an overall survey response rate of 33.5 percent and a large number of sampled cases with no phone numbers available (group D), a natural question is whether the sample of recipients for whom interviews were completed is representative of all new food stamp recipients in the four study States. Because information about all recipients in the sample frame is available from the State administrative files, the question of sample representativeness can be looked at closely. Appendix C presents stratum-level detail on the representativeness of the sample of 1,632 food stamp recipients. That detailed analysis reveals the following patterns:

- In all eight strata, women are overrepresented when comparing “completes” to the population universe.¹³ The differences between the percentage of females in completes and the population universe are statistically different from zero in four of the strata.
- White recipients are overrepresented (and minorities underrepresented) in the samples of completes in Pennsylvania and Minnesota, but not in Louisiana or Alabama.
- In the two States in which TANF receipt was indicated on the State administrative files (Louisiana and Pennsylvania), there were no statistical differences between completes and the population universe in the percentage of food stamp recipients also receiving TANF.
- Recipients with completed interviews usually were a little older than the average age within the population universe. The differences were statistically different from zero in four of the eight strata.
- In the two States in which the number of dependents was indicated on the State administrative files (Louisiana and Alabama), only one of the four strata showed a statistically significant difference (at the 0.10 level) between completes and the population universe in the average number of dependents.

¹²For instance, if the monthly data showed a large increase in invalid PIN entries at the end of 1999 or in early 2000, the increase might indicate a temporary but systematic problem with the EBT system’s software. The study would then not want to attribute cross-State differences in problems with invalid PINs solely to whether the States had waivers for PIN assignment.

¹³“Completes” refers to all cases in group A (completed interviews); the population universe of new entrants is the union of groups A through E.

- Information on the recipient’s marital status was available from three States: Pennsylvania, Minnesota, and Louisiana. In Minnesota and Pennsylvania, married recipients were somewhat overrepresented in the samples of completes.
- In four of eight strata (nonvulnerable recipients in Minnesota, Pennsylvania, Alabama, and vulnerable recipients in Minnesota), recipients with completed interviews had higher average income than the population universe.
- Among vulnerable recipients in all four States, elderly recipients are overrepresented and disabled recipients are underrepresented, compared to the population universe. The differences are statistically significant in Alabama.

The most pervasive patterns observed are the overrepresentation of females and elderly recipients and the underrepresentation of disabled recipients. As described below, we adjusted the sample weights to account for these differences.

Construction of Sample Weights

In the Survey of New EBT Users, each person who completed an interview has a (final) sample weight. These weights combine the following factors: the probability that the person was selected into the sample for the survey (within one of the eight strata, which separated vulnerable and nonvulnerable recipients in the four participating States); an adjustment for nonresponse (interviews that were attempted but not completed); and a further adjustment (poststratification) that took into account gender, age, and disability status and that brought totals of sample weights into agreement with the corresponding total numbers of cases in the identified sample universe.

Base Sampling Weight

Each case in the initial sample released to the phone center received a base sampling weight, equal to the reciprocal of the case’s probability of selection. For simple random sampling (within each stratum), the probability of selection is the ratio of the sample size to the size of the universe. Thus, the base sampling weight equals

$$\frac{\text{size of universe}}{\text{size of sample}}$$

In each of the four vulnerable strata the sample consisted of the entire universe, so the base sampling weight is 1.0. For the nonvulnerable strata the size of the universe varied considerably among the four States (see table 15). The resulting base weights are (to two decimal places) 1.98 in Alabama, 1.09 in Minnesota, 7.37 in Louisiana, and 7.32 in Pennsylvania.

Nonresponse Adjustments

The customary adjustment for nonresponse classifies the sample (within each stratum) into a set of cells. Then, within each cell, it redistributes the base sampling weight of the nonrespondents among the respondents, so that the total of the adjusted weight for the respondents equals the total of the base weight (for respondents and nonrespondents) in the cell. For this survey it was possible to simplify the calculation of the weights by combining the nonresponse adjustment with the poststratification to universe totals (which we describe next).

Poststratification

Because the number of persons in the universe is known for a set of cells that together make up each of the eight strata, it is straightforward to adjust the sampling weight of each person who completed an interview so that, within each cell, the total of the adjusted weights equals the number of persons in the universe. For the variables that define those cells, this strategy removes the differences between the weighted sample and the universe. In the process it also compensates for nonresponse.

As mentioned above (and discussed in detail in appendix C), women are overrepresented among the “completes” in all eight strata. Thus, it was important for the adjustment to take gender into account. In addition, it was useful to classify vulnerable recipients in more detail as elderly (but not disabled), disabled (but not elderly), or elderly and disabled. We refer to these three substrata of a vulnerable stratum as E, D, and ED, respectively. Combining these three categories and the nonvulnerable stratum with gender yields a total of $4 \times 2 = 8$ cells in each State. In principle, within each cell we would multiply the base sampling weight of each “complete” by the appropriate adjustment factor, so that the total adjusted weight of the “completes” equals the number of persons in the universe.

In practice, some cells may have only a few “completes,” or none at all. For example, in Minnesota the ED substratum contained only three “completes” (of both genders), so we combined ED with E in Minnesota. Requiring that each cell contain at least 10 “completes” (a reasonable minimum, used in other surveys) led to some further combining, which reduced the total number of cells from 32 to 25: 6 in Alabama, 5 in Minnesota, 7 in Louisiana, and 7 in Pennsylvania. The adjusted weights range from 2.35 to 74.70.

When combining aggregate survey responses of two or more States, we do not rely on the adjusted sample weights, because doing so would give greater weight to the States with larger food stamp caseloads. Instead, each State receives equal weight when multiple-State averages are presented.

Chapter 3

Training for New EBT System Users

The training in EBT system use for new entrants to the FSP may have an important influence on their program participation, including the incidence of problems. This chapter describes the ways in which training is provided in the waiver and nonwaiver States. The chapter highlights the similarities and differences in training among the four States in the study. In addition, it compares the time, lost wages, and out-of-pocket costs for obtaining training in the waiver and nonwaiver States.

The chapter draws on two principal data sources. First, the descriptions of training policies, materials, and procedures are based on interviews with EBT staff in the four study States and on review of materials they provided. Second, the chapter draws on responses to Section C of the Survey of New EBT Users, presented in appendix B. For each topic in this chapter, we first present the descriptive information from the State interviews and documentation and then present the relevant survey results and their implications.

When FNS created the EBT regulations, the agency viewed hands-on training for new EBT users as necessary. The technology was new to many low-income recipients. Those who could not use their cards or keep track of their benefits might overburden customer service resources or, at worst, be unable to buy food. Therefore, the regulations required hands-on training for all new EBT users, including recipients converted from paper coupons and new recipients added after EBT implementation. Key components of the training were expected to include (CFR 274.12(g)(5)(i):

- EBT operating procedures affecting household participation
- Hands-on practice with EBT equipment
- Procedures for online and manual transactions
- PIN use and security
- Reporting of lost, stolen, or damaged EBT cards
- Participant rights and responsibilities
- Locating stores and lanes where EBT cards are accepted
- Adjustment procedures

As States began planning to implement EBT, they realized that issuing cards and providing training to all current recipients would entail significant costs and might strain their resources. In response, FNS developed the policy that permits States to obtain waivers to the regulations that forced them to issue EBT cards in person, including the hands-on training and PIN selection requirement. The waiver to the hands-on requirement allows States to provide training materials by mail, along with the cards. The PIN selection waiver allows them to assign the PIN by mail as well. These waivers, together with the waiver extending the time limit for card replacement, enabled States to eliminate not only the time and space requirements for training, but also deployment of card issuance devices and practice terminals into each local office. States that implemented the waivers were required to provide optional hands-on training on demand, and to provide a mechanism for selecting a new PIN to replace the one assigned.

Highlights

The nonwaiver States of Louisiana and Pennsylvania generally require new food stamp recipients to go to their local food stamp office to receive their EBT cards, select their PINs, and be trained in how to use the card and PIN. As part of the card issuance and PIN selection process, recipients have the opportunity for “hands-on training” with the EBT equipment. About 94 percent of survey respondents in Louisiana and 92 percent in Pennsylvania said they went to their local office to pick up their cards; the rest reported receiving their cards in the mail or by some other card issuance method. In contrast, 98 percent of Alabama recipients and about 54 percent of Minnesota recipients received their cards in the mail. About 46 percent of Minnesota recipients received their EBT card at the local office, apparently because they qualified for expedited issue of food stamp benefits.

Even among recipients who received their EBT cards in the mail, substantial proportions reported that they also participated in some form of in-person training (such as watching a video about EBT or getting instruction at certification). Thus, although the waiver to the hands-on training regulation allows States to mail EBT materials to recipients (which both Alabama and Minnesota do), it is clear that the States are not limiting training to mailed materials. This suggests that some of the hypothesized impacts discussed in chapter 1 may not appear in the data. The distinction in training methods between the waiver and nonwaiver States is not as great as originally expected.

The proportion of new entrants using some type of Food Stamp Program resource—either in-person training, print materials, or both—varied from about 91 percent in Pennsylvania to 97 percent in Louisiana. Vulnerable recipients (those who are elderly or disabled) were somewhat less likely to have learned about EBT through program resources than were nonvulnerable recipients, being more likely to rely on friends, family members, or store clerks to help them with EBT system use. Very few recipients requested extra help on how to use the EBT system.

Recipients who received in-person training had to spend time, and in many cases cash, to travel to the food stamp office or training facility. The survey collected information on travel time, time spent at the office, wages lost while attending training, and out-of-pocket expenses for baby-sitting, bus or taxi fares, parking fees, and tolls. When a trip to the office or training facility included other business as well, we considered one-half of the reported time and expense as being related to training. About 37 percent of recipients receiving in-person training in the waiver States said that they conducted other business during the same trip, compared with about 18 percent in the nonwaiver States.

The average time spent at the training location was greater in the waiver States, at 1.10 hours, than in the nonwaiver States, at 0.85 hours. Average round trip travel time was 0.64 hours for recipients in the waiver States, compared with 0.76 hours in the nonwaiver States. When travel time and training time are combined, waiver-State recipients spent an average of 1.74 hours on training, while nonwaiver-State recipients averaged 1.62 hours. When total time is averaged over the entire sample of new entrants and only one-half of time spent on multipurpose trips is treated as training time, the average total time per new entrant falls to 0.79 hours in the waiver States and 1.30 hours in the nonwaiver States. The waiver-State average changes more for two reasons: compared with recipients in the nonwaiver States, a smaller percentage of waiver-State recipients

made trips for in-person training, and more of their trips included other business, reducing the costs related to training.

Total expenses, including both lost wages and trip-related costs, averaged \$4.91 per trip in the waiver States vs. \$3.97 in the nonwaiver States. When costs are averaged over the entire sample of new entrants and adjusted for multipurpose trips, the averages fall to \$2.36 for the waiver States and \$3.26 for the nonwaiver States.

Thus, by implementing the hands-on training and PIN selection waivers, Alabama and Minnesota reduced the amount of time and out-of-pocket expenses their new food stamp entrants incurred, relative to new entrants in Louisiana and Pennsylvania. The difference in average total time was 0.51 hours (30.6 minutes), and the difference in foregone wages and out-of-pocket expenses was \$0.90.

Basic Operating Policies and Procedures for Card Issuance and PIN Designation

Table 17 summarizes the principal features of the card issuance and PIN designation process in the four States, as of the time of the new entrant survey.¹⁴ (We use the term “PIN designation” to refer to the process of assigning or selecting the PIN.) The table shows which organization issues the initial card, how and when the card is issued, how it is activated, how the initial PIN is designated, whether an additional card may be issued to a second adult in the FSP household, and how authorized representatives receive cards and PINs so that they can shop in place of recipients who have difficulty with this activity.¹⁵

¹⁴The interviews on training policies were conducted in December 1998 to February 1999, up to a year before the new entrant survey, but subsequent communications with the States did not indicate any substantial changes in procedures.

¹⁵The PIN change process is discussed in chapter 4; the card replacement process is described in chapter 6.

Table 17—Standard processes for initial card issuance and PIN designation: Waiver and nonwaiver States

Process feature	Waiver States		Nonwaiver States	
	Alabama	Minnesota	Louisiana	Pennsylvania
Organization issuing initial card	Vendor	Vendor or local FSP office	Local FSP office	Local FSP office
How and when initial card is issued	Mailed to FSP payee on day after approval (same day if approved before 11 a.m.)	In-person on day of approval for high-loss areas or emergency issuances; mailed next day elsewhere	In-person after notification of approval (same day if expedited, otherwise one or more days later)	In-person on day of approval
How initial card is activated	Payee calls customer service	Active when issued in office; else payee calls customer service	Active when issued	Activated overnight after issued
How initial PIN is designated	PIN assigned and mailed next day after card mailed	PIN assigned and mailed if card mailed; selected if card issued in office	Recipient selects PIN when card issued	Recipient selects PIN when card issued
Additional card for second FSP adult	No	Yes	No	Yes
Authorized representative (AR) procedure ¹	Additional card and PIN issued to AR via mail to recipient	Additional card and PIN issued directly to AR via mail or in-person	AR goes to office to get card and PIN in place of recipient	Card and PIN issued in person to AR; usually issues card to recipient too

¹All States require written authorization from the recipient before issuing a card to an authorized representative, and all States place the representative's name on the EBT card.

Source: Interviews with State EBT coordinators, December 1998 to February 1999.

Standard Processes for Card Issuance and PIN Designation

In general, there are two basic processes for initial card issuance and PIN designation: the mail-out process used exclusively in Alabama, and the in-person process used exclusively in the nonwaiver States of Louisiana and Pennsylvania. Minnesota, the second waiver State, uses a combination of these two processes.

In the mail-out process used by the waiver States, the vendor produces the initial EBT card and mails it to the payee after receiving instructions to set up a new case (one that does not already exist on the EBT database). The card is usually produced and mailed on the day after the application for benefits has been approved. In Alabama, the card can be mailed on the day of approval, if this is necessary to meet expedited service requirements. Following FNS policy, the vendor assigns and mails the PIN the day after the card is mailed. As an added security measure, the card is inactive until the recipient calls the vendor's customer service center and provides identifying information to verify that the card has been delivered to the authorized user. The entire

process can take up to 9 days from the time that the application for food stamps is approved until the recipient has both the card and the PIN.

The in-person process takes place in the local FSP office. After the application for benefits has been approved and the case has been added to the EBT system, an FSP worker issues an EBT card directly to the recipient and operates the terminal where the recipient selects a PIN. (For security reasons, this worker is not an eligibility worker.) The card is active immediately, although the benefits may not be available until the next day. In Minnesota and Pennsylvania, the in-person card-issuing process usually takes place as soon as the application has been approved, while the recipient is still at the office. Thus, recipients in these States usually do not have to make a separate trip to get the card. In Louisiana, however, the recipient is usually notified of approval by mail (except in expedited cases) and must then go to the office to get the card and select the PIN.

In Minnesota, the mail-out process with PIN assignment is standard procedure, unless one of several conditions apply. The in-person process with PIN selection is used in counties or portions of counties where mail losses were high when food stamp coupons were issued. The in-person process is also used for cases that qualify for “rapid emergency issuances,” including expedited food stamp applicants and other households with emergency needs for food or cash assistance. Finally, if a household identifies an emergency situation after the order for an initial card by mail has been placed, the local office can deactivate the mail-issued card and issue a replacement card in person.

Authorized Representative Procedures

In all four States, a recipient can choose an authorized representative (AR) to shop in his or her place. The procedure for issuing a card and PIN to an AR begins in the certification process, when the applicant chooses an AR. This application may be taken at home if the applicant is homebound. The FSP worker records the AR’s name and, in some States, other information that identifies the AR, and then the worker authorizes a card to be issued to the AR. The card issuance and PIN designation process then follows the State’s usual process. In Alabama, the card and assigned PIN for the AR are mailed to the recipient, who thus has final control over how and when the AR gets the card and PIN. In Louisiana and Pennsylvania the AR must go to the FSP office to get the card and select the PIN. Pennsylvania usually issues a card to the recipient as well as to the AR, who can pick up and deliver the recipient’s card. If the AR picks up the recipient’s card, the card has no PIN and can be used only for balance inquiries or as identification for contacts with the customer service center. In Minnesota, the AR’s card and PIN are mailed directly to the AR, unless the AR is in a high-mail-loss area or the household qualifies for in-person issuance.

In Minnesota and Pennsylvania, a household with two adults can obtain cards for both. The procedures for issuing the second person’s card and PIN are the same as for the first person’s card. Alabama permits only one card per household, except when the recipient has an AR. Louisiana permits only one card per case in all circumstances, so the recipient does not get a card when there is an AR.

Survey Data on Card Issuance Method

The new entrant survey data largely confirm the description of card issuance procedures provided by the States, as indicated by the data in table 18. Among the waiver States, 98.0 percent of new recipients in Alabama received their EBT cards by mail,¹⁶ but only 53.6 percent did so in Minnesota. This difference is presumably due to Minnesota’s practice of issuing cards and PINs at the office for those receiving expedited benefits, because recipients in high-loss ZIP codes were excluded from the survey. Among the nonwaiver States, 93.9 percent of new food stamp recipients in Louisiana and 92.4 percent in Pennsylvania received their cards at the food stamp office.

Table 18—New entrants by card issuance method

Method	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
			<i>Percent</i>			
Received EBT card by mail	75.8	6.2	98.0	53.6	4.9	7.5
Received EBT card at FSP or other office	23.8	93.2	1.8	5.8	93.9	92.4
Other card issuance method	.4	.7	.2	.6	1.3	.1
			<i>Number</i>			
Sample size	779	689	494	285	360	329

Notes: Table entries are based on response to Question A13 of the Survey of New EBT Users. Recipients using a replacement card at the time of the survey are not included in the table. Chi-squared tests of significance indicate that the distributions of responses in Alabama and Minnesota are significantly different from one another at the 0.01 level; the Louisiana and Pennsylvania distributions are not significantly different from one another. The distribution for the combined waiver States is significantly different from the distribution for the combined nonwaiver States at the 0.01 level.

In the survey data, a small number of recipients in the nonwaiver States indicated that they received their cards by mail: 4.9 percent in Louisiana and 7.5 percent in Pennsylvania. There are two possible explanations for these responses: the recipients may have had difficulty getting to the office to pick up their cards, or they may have planned to have an AR do most, but not all, of the shopping.¹⁷

New Recipient Training Process and Content

Basic Approach to Training

Among the four States, there are three types of training for new recipients on how to use the EBT system: orientation during the certification process, primary training by mail or in person, and supplementary training for recipients who want or need it. Table 19 summarizes the standard procedures for each of these types of training in the four States, including the location and media used. The content of the training is discussed later in this section. As discussed below, it appears that the local offices have some latitude to deviate from the standard procedures.

¹⁶ After review of a draft version of this report, program staff in Alabama reiterated their State’s policy of mailing all EBT cards. For recipients who are homeless, the cards are mailed to the local food stamp office and must be picked up there. We cannot resolve this discrepancy between State policy and survey results, although it is possible that a small number of survey respondents were homeless when their cards were issued. All recipients sampled for the survey, however, had address information listed in the State’s food stamp eligibility file.

¹⁷ In Louisiana, 0.4 percent of the survey respondents did not do their own shopping. The corresponding figure was 1.2 percent in Pennsylvania. Nearly all of the alternative shoppers were the recipients’ designated ARs.

Table 19—New recipient training process: Waiver and nonwaiver States

Features	Waiver States		Nonwaiver States	
	Alabama	Minnesota	Louisiana	Pennsylvania
Orientation during certification	Video and live training (discussion and questions)	One-on-one review of EBT handbook and flip chart ¹	One-on-one explanation of procedures, rights responsibilities ²	One-on-one explanation of procedures, rights, responsibilities ²
Primary training mode and timing	Mail materials with card and PIN	At office in high-loss areas, else mail materials with card and PIN	Video, live, or both at office	Video at office, live follow up at local option
Types of handouts	Handbook (13 pages), fact card, and card mailer	Handbook (22 pages), card mailer, PIN mailer	Handbook (18 pages) given at training	Handbook (10 pages), fact card, given at training
Video (when used)	During group orientation in application process	Waiting areas	Optional for local office to use in training	Usually used in training
Live instruction (when used)	During group orientation; for supplementary training	One-on-one training during card issuance in high-loss areas; supplementary training ¹	Mandatory, at local office before card issued	County option during training
Hands-on training (when used)	None	Use PIN pad to select PIN, check balance when card issued in person	Use PIN pad to select PIN, check balance	Use PIN pad to select PIN, check balance; other POS practice (optional)
Supplementary training approach	Live in office with handouts, video, or both	As needed, show video, review flip chart, or go with recipient to store	Call recipient in to office if evidence of abuse or problems	(see note) ³
Authorized representative training	Use handouts in home interview with recipient; AR watches video in office, gets handouts with card	Go through same training as recipients (by mail or in person, depending on how card is issued)	Go through in-person training in place of recipient	Go through same in-person training as recipients; recipient orientation may take place in home

¹One-on-one orientation is done during card issuance in Minnesota offices where all cards are issued in person.

²Rights and responsibilities topics may include liability for unauthorized use of card and PIN, abuse of benefits, nondiscrimination Statement, dormant account policy, and prohibition of fees for FSP transactions.

³Pennsylvania did not indicate its supplemental training policies during the interview.

Source: Interviews with State EBT coordinators, December 1998 to February 1999.

Orientation During Certification Process

The four States vary substantially in their standard approaches to initial orientation during certification; there is as much variation among the waiver States as between the waiver and nonwaiver States. In the past, the certification process was the time when recipients would learn about their rights and responsibilities and the procedures for getting and using their food stamp coupons. This discussion was usually a brief conversation between the FSP worker and the applicant. Louisiana and Pennsylvania follow essentially the same approach to the initial orientation to the EBT system. In Alabama, part of the application process is in a group setting. EBT orientation is provided during this group session, typically with a combination of the standard EBT training video and supplemental live training. This includes a discussion of important points, followed by a question-and-answer period. In Minnesota, the intake worker usually provides one-on-one orientation, using the EBT handbook and a training flip-chart; in counties where all cards are issued at the office, however, this orientation may take place during card issuance. Some local offices in Minnesota show the training video in their waiting rooms. In all four States, the orientation process is subject to local discretion and varies from office to office.

Primary Training

As with initial card issue, the two primary training methods are by mail, as in the waiver States, and in person in the nonwaiver States. Minnesota uses the mail training approach when recipients get their cards by mail and the hands-on approach when they get their cards at the local office.

The hands-on training approach typically consists of two components. We call the first “in-person” training; the second includes the hands-on use of EBT equipment. In-person training may include a video, live instruction, or both; it can be used in conjunction with either the mail approach or hands-on training. In States using the mail approach, in-person training usually occurs before EBT cards are mailed to recipients. In States with hands-on training, the in-person training may take place either before or during card issuance, individually or in a group setting.

With the mail approach, the recipient gets a handbook and a brief insert or fact card in the mail along with the EBT card. Training materials may also be included in the separate mailing for the assigned PIN. These materials are supplemented by the orientation during certification and by supplementary training options, discussed below. As noted above, the mail approach can also be supplemented with in-person training that does not involve hands-on use of EBT equipment.

Hands-on training usually occurs when the recipient selects the PIN in person. The person issuing the card shows the recipient how to swipe it in a point-of-sales (POS) terminal, and the recipient enters the PIN on the keypad attached to the terminal. In addition, the recipient usually checks that the just-issued card works by doing a balance inquiry at a live POS terminal. In Pennsylvania, some local offices have a practice POS terminal for additional hands-on training.

An important point is that the waiver for hands-on training did not eliminate in-person training in the waiver States of Alabama and Minnesota; as the survey shows, recipients in both States received some in-person training during orientation.

Supplementary Training

In all States, supplementary training of some kind is provided, but the waiver States put more emphasis on this than the nonwaiver States, where hands-on EBT training is mandatory. Supplementary training is generally adapted to the needs of the individual recipient. In Alabama, live supplementary training is available in all offices for recipients who encounter difficulties or desire more training. The FSP worker may use the handbook and other printed materials, the video, or both. For Minnesota recipients, supplementary training options include one-on-one discussion, watching the video, or (if necessary) having an FSP worker accompany the recipient to the store. Louisiana FSP offices call in recipients for supplementary training who have excessive rates of card replacement or other signs of possible abuse of the EBT card and account.

Procedures for Training Authorized Representatives

The training process for ARs generally mirrors that for recipients: the waiver States train ARs by mail, and the nonwaiver States train them at the local office. If the AR gets the card and PIN by mail, he or she gets the handbook and other materials the same way. In Alabama, the AR usually goes to the office to watch the video. In both Louisiana and Pennsylvania, the AR goes through the same in-person training as the recipient, as part of the process of getting the card and PIN. Homebound recipients in Alabama and Pennsylvania who use ARs receive a basic orientation to EBT during their certification interviews.

Survey Data on Training Approach

In the new entrant survey, respondents were asked which of a series of potential sources they used for learning how to use the EBT system. In the discussion that follows, we present and interpret the responses to this question. Respondents were allowed to identify more than one resource, and most did. Over 90 percent of new recipients in both waiver and nonwaiver States learned how to use the EBT system through materials or training provided by the FSP. There was much variation, however, in the type of resources used.

In-person training via video or live instruction was not universal in the nonwaiver States, but it was used much more frequently than in the waiver States, as table 20 shows. In the waiver States, 53.9 percent of new entrants utilized in-person training, versus 87.4 percent in the nonwaiver States. The gap in percentages is statistically different from zero at the 0.01 level. Statistically significant differences also exist between the waiver and nonwaiver States within the vulnerable and nonvulnerable groups of recipients.

Table 20—New entrants who learned to use the EBT system through video or in-person instruction

Entrant category	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	53.9	87.4**	65.5	42.3**	94.1	80.6**
Sample size (number)	882	750	545	337	387	363
Vulnerable new entrants (percent)	50.3	76.4**	57.9	42.6*	79.6	73.1
Sample size (number)	255	271	188	67	133	138
Nonvulnerable new entrants (percent)	54.8	89.5**	67.4	42.2**	96.5	82.4**
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on response to Question C1 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.

For both the vulnerable and nonvulnerable groups and the overall group of new entrants in the two waiver States, Alabama had the higher proportion of recipients utilizing in-person training. In the nonwaiver States, In-person training was nearly universal in Louisiana, at least among nonvulnerable recipients, whereas significantly smaller percentages of Pennsylvania entrants learned in this fashion.

In Alabama and Louisiana, vulnerable recipients were significantly less likely (at the 0.10 level) than nonvulnerable recipients to utilize in-person training. For the combined nonwaiver States, the difference in utilization rates for the vulnerable and nonvulnerable groups (76.4 percent and 89.5 percent, respectively) is significant at the 0.05 level.

It is somewhat surprising that the percentages in table 20 are not all close to 100 percent. From table 19, we know that the policy in each State specified some form of in-person training (such as a video or one-on-one instruction) during the food stamp certification process. There are two possible explanations for the discrepancy between policy and survey results. The first is that some local offices did not provide the training indicated in table 19, at least not on a consistent basis. The second possibility is that training was provided but that recipients did not find it very memorable. From table 21, we see that recipients who said they received their EBT card at the food stamp office were more likely to say they received in-person training than recipients who received their cards in the mail. The only exception is Alabama, where the discrepant statistic (56.4 percent) is based on a sample of only 10 recipients.

Table 21—New entrants who learned to use the EBT system through video or in-person instruction, by card issuance method

Method	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Entrants who received their EBT cards by mail (percent)	46.0	73.2*	65.8	26.2**	76.2	70.2
Sample size (number)	634	166	481	153	13	153
Entrants who received their EBT cards at the office (percent)	55.0	88.0**	56.4	53.7	95.8	80.2**
Sample size (number)	140	474	10	130	344	130

Note: Table entries are based on responses to Questions A13 and C1 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.

From these statistics, it appears that Alabama’s training approach, providing EBT orientation in a group setting, is more consistently implemented (or at least provides more memorable training) than Minnesota’s individual orientation during the certification process. It is also possible that the wording of the survey question confused some recipients. The question (C1) asked whether recipients went to the local welfare office for training. If recipients received training during the certification interview, as in Minnesota, they may have answered “no” to this question, thinking that the trip’s main purpose was to apply for food stamps rather than to receive EBT training.

Recipients in the waiver States were more likely to use print materials to learn to use the EBT system—86.0 percent in the waiver vs. 63.0 percent in the nonwaiver States, as shown in table 22. Print materials were most widely used in Minnesota (by 88.5 percent of new entrants) and least used in Pennsylvania (by 62.6 percent of new entrants). In all States, vulnerable recipients were less likely to use print materials than nonvulnerable recipients. This difference, however, is statistically significant only in Alabama (at the 0.01 level). The difference in Alabama is large enough to create a significant difference when the two waiver States are considered together. There, the difference between 77.9 and 88.0 percent is significant at the 0.01 level.

Table 22—New entrants who learned to use the EBT System through print materials

Entrant category	Total Waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	86.0	63.0**	83.6	88.5*	63.5	62.6
Sample size (number)	882	750	545	337	387	363
Vulnerable new entrants (percent)	77.9	58.7**	71.7	84.2*	61.7	55.7
Sample size (number)	255	271	188	67	133	138
Nonvulnerable new entrants (percent)	88.0	64.0**	86.5	89.5	63.8	64.2
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on response to Question C1 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.

The proportion of new entrants using some type of FSP resource—either in-person training, print materials or both—was about 94 percent in both groups of States and ranged from 90.7 percent in Pennsylvania to 97.0 percent in Louisiana, as shown in table 23. The Pennsylvania figures were consistently and significantly lower than the percentages in Louisiana. Furthermore, vulnerable recipients in Alabama (and in the waiver States combined) were significantly less likely (at the 0.05 level) to have learned about EBT through program materials than nonvulnerable recipients. Notwithstanding these few differences, table 23 indicates that the vast majority of those who did not receive (or remember) in-person training got help from print materials, and vice versa.

Table 23—New entrants who learned to use the EBT system through print materials or in-person training

Entrant category	Total Waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	94.3	93.9	94.8	93.7	97.0	90.7**
Sample size (number)	882	750	545	337	387	363
Vulnerable new entrants (percent)	89.5	91.7	90.2	88.8	97.2	86.3*
Sample size (number)	255	271	188	67	133	138
Nonvulnerable new entrants (percent)	95.4	94.4	96.0	94.8	97.0	91.8*
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on response to Question C1 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.

The data on the use of FSP training resources confirm the basic outlines of the standard procedures described by the States, but they indicate that local agencies had some autonomy to shape the training approach. The data also suggest that the conventional program resources of in-person training and print materials were less widely used by vulnerable recipients.

Table 24 indicates that substantial percentages of new entrants in each State rely, at least in part, on non-FSP sources to learn how to use the EBT system. These non-FSP sources include their own prior experience with bank cards and friends, relatives, and store clerks who know the system. (The non-FSP category also includes recipients who said they taught themselves.) A majority of new entrants in the waiver States—60.1 percent—relied in part on non-FSP sources to learn how to use the EBT system, whereas 44.7 percent of new entrants in the nonwaiver States indicated that they used non-FSP sources. The difference between these percentages is significant at the 0.01 level, as are the comparable differences for the vulnerable and nonvulnerable new entrants. Recipients in Alabama were also more likely to use nonprogram resources than their Minnesota counterparts.

Table 24—New entrants who learned to use the EBT system through non-FSP sources

Entrant category	Total Waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	60.1	44.7**	68.9	51.3**	44.4	45.0
Sample size (number)	882	750	545	337	387	363
Vulnerable new entrants (percent)	71.5	51.4**	73.9	69.2	45.0	57.7
Sample size (number)	255	271	188	67	133	138
Nonvulnerable new entrants (percent)	57.5	43.1**	67.7	47.2**	44.3	41.8
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on response to Question C1 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.

Vulnerable recipients in all States relied more on non-FSP sources than did nonvulnerable recipients, compensating for lower rates of use of in-person training and print materials. This difference was most dramatic in Minnesota, where 69.2 percent of vulnerable recipients used non-FSP sources but only 47.2 percent of nonvulnerable recipients did so. The difference in Pennsylvania was also substantial: 57.7 percent of vulnerable recipients vs. 41.8 percent of nonvulnerable recipients. These differences in Minnesota and Pennsylvania are statistically significant at the 0.01 and 0.05 levels, respectively. For the two waiver States as a group, the difference between 71.5 and 57.5 percent is statistically significant at the 0.01 level.

The results presented so far pertain to the original training that new food stamp recipients in the four States received. The survey also asked about extra, or supplementary, training. Very few recipients availed themselves of supplementary training; only 24 of the 1,632 survey respondents said that they ever went to the food stamp office or to another location to receive extra help or training on how to use the EBT system. The State-by-State averages were 1.2 percent in Alabama, 1.2 percent in Minnesota, 3.4 percent in Louisiana, and 1.1 percent in Pennsylvania. Across the four States, 0.8 percent of vulnerable recipients went for extra training, compared with 2.0 percent of nonvulnerable recipients. Almost without exception, those who went for extra training had also received some form of in-person training when they were certified for program benefits or when they received their EBT card.

Topics Covered in Training

In general, all of the States cover the topics listed in table 25 in one or more of the training media; most topics are covered in two or more media in each State. The topics given the most emphasis (as indicated by the number of media used) are: how to use the EBT card, check the balance, and replace a lost EBT card; when usage fees apply; and how to change the PIN. In the waiver States, card activation is also explained in all training media. Most States do not emphasize the option to use an authorized representative in standard training materials, but this topic is always discussed when appropriate during the certification interview.

Table 25—New recipient training content and media used: Waiver and nonwaiver States

Subject	Waiver States		Nonwaiver States	
	Alabama ¹	Minnesota	Louisiana	Pennsylvania ²
How to get EBT card	Live, video	Video	Live, video	Live
How to activate the EBT card	Handbook, live, mailer, video	Handbook, mailer, video	Not applicable	Not applicable
How to use the EBT card	Fact card, handbook, live, mailer, video	Handbook, mailer, video	Handbook, live, video	Fact card, handbook, live, video
Where to use the EBT card	Fact card, handbook, mailer, video	Handbook, video	Handbook, live, video	Fact card, handbook, live, video
How to check the EBT balance	Handbook, live, mailer, video	Handbook, mailer, video	Handbook, live, video	Fact card, handbook, live, video
How to take care of the EBT card	Handbook, mailer, video	Handbook, video	Handbook, video	Handbook, video
How to replace a lost EBT card	Fact card, handbook, live, mailer, video	Handbook, mailer, video	Handbook, live, video	Fact card, handbook, live, video
How to get other help	Fact card, handbook, live, mailer, video	Handbook, mailer, video	Handbook, video	Fact card, handbook, live, video
Rights and responsibilities ³	Handbook, mailer, video	Handbook	Handbook, live	Handbook, video
Usage fees	Handbook, live, mailer	Handbook, mailer, video	Live, video	Fact card, handbook, live, video
How to keep the PIN safe	Handbook, live, mailer, video	Handbook, mailer, video	Handbook, video	Handbook, live, video
ATM security	Handbook, live, video	Handbook, video	Handbook, video	Handbook, video
How to change the PIN	Handbook, live, mailer, video	Handbook, mailer, video	Handbook, video	Fact card, handbook, live, video
Authorized representatives	Live	Handbook, video	Video	(not covered)
When benefits are available	Live	Handbook, mailer	Handbook	(not covered)

¹Live script for Alabama is for conversion training; available as a model for ongoing training.

²Video content information for Pennsylvania obtained from video script.

³Rights and responsibilities topics may include liability for unauthorized use of card and PIN, abuse of benefits, nondiscrimination Statement, dormant account policy, and prohibition of fees for FSP transactions.

Source: Interviews with State EBT coordinators, December 1998 to February 1999, and training materials provided by States.

Accommodating Recipients with Special Needs

The States use a variety of means to accommodate recipients with limited English. These recipients may have more difficulty learning to use the EBT system, particularly when the hands-on training requirement has been waived. All States have interpreters available for the application process, either on-staff or through community resources. The interpreters sometimes help train recipients to use the EBT system. Where many recipients have a first language other than English, the States generally provide training materials in these languages. Pennsylvania has a video and handbook in Spanish and a fact card in Korean. These materials were produced specifically for conversion, and the State EBT office no longer distributes additional copies to local offices. Nevertheless, the videos may still be in use, and local offices can presumably duplicate printed materials. Minnesota has printed materials in several languages. Alabama and Louisiana do not have alternate-language training materials, relying instead on interpreters or recipients' own resources (friends or family) to overcome any language barriers.¹⁸

For persons with disabilities who need or want training, the States make a variety of accommodations in training approaches. All States have closed or open captions on their videos for the hearing-impaired. Minnesota and Pennsylvania have Braille materials for the visually impaired, and Pennsylvania has large print and audio versions of its handbook. Supplemental training methods are also used to meet the needs of persons with disabilities, although we have already noted that only 0.8 percent of vulnerable recipients requested extra training.

Time and Costs to Obtain Cards and Training

The waivers entail a tradeoff for participants: they do not automatically get hands-on training as part of card issuance, but they can avoid making a special trip to the food stamp office for their cards and training. To assess the costs, the new entrant survey included the following questions:

- How many new entrants made trips to get cards or training, with or without conducting other business at the food stamp office?
- How many new entrants took someone else along to training to learn how to use the card?
- How much time did the new entrants spend on these trips, including travel time and time at the office?
- What was the cost of this time in foregone wages?
- What was the out-of-pocket cost of these trips for transportation, childcare, or other expenses?

This information was used to estimate both the average cost per trip for card issuance or training and the overall average cost of trips per new participant, taking into account those who did not make trips for cards or training.

¹⁸The Survey of New EBT Users was administered in both English and Spanish; recipients who could not speak either of these languages were not interviewed. Thus, if recipients fluent only in other languages have particular difficulties with the EBT system, this survey would not have captured information about the prevalence or type of difficulties encountered. C-3 in Appendix C provides detail on the percentage of recipients who could not be interviewed because of language barriers. The largest problem occurred among vulnerable recipients in Minnesota, where 9.2 percent were not interviewed because of a language barrier.

Trips to Get Training and Conduct Other Business

When supplementary training was included, 54.1 percent of respondents in the waiver and 87.4 percent in the nonwaiver States said they received some form of in-person training, either at certification, after having benefits approved, or later when they needed help. These figures are shown in table 26, along with the State detail, to provide context for the discussion that follows.

Table 26—New entrants trained in person, with and without other business

Training variables	Total Waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Share trained in person (percent)	54.1	87.4**	65.5	42.6**	94.1	80.6**
Sample size (number)	882	750	545	337	387	363
Of those trained in person, share With other business (percent)	36.8	17.9**	28.0	45.6**	8.5	27.2**
Sample size (number)	479	638	342	137	363	275
Share of all new entrants (percent):						
Trained in person, with no Other business	34.8	72.2**	47.0	22.6**	86.0	58.3**
Trained in person, with Other business	18.6	14.9†	18.2	18.9	8.0	21.8**
Sample size (number)	872	736	542	330	382	354

Note: Table entries are based on response to Question C1 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.

The burden entailed by a trip to get in-person training depends on whether the recipient would have made the trip anyway or whether it was expressly for training. The best measure of this was the survey question that asked whether the recipient conducted other business while visiting the food stamp office for training.¹⁹ (Getting the EBT card during this visit was not considered “other business.”) This question only applied to recipients who received in-person training.

As the third row of table 26 shows, less than half of recipients who received in-person training in each State conducted other business during the trips for training. Recipients in the waiver States were twice as likely as nonwaiver recipients to conduct other business during trips when they received training: 36.8 percent vs. 17.9 percent. Minnesota recipients had the highest proportion of trainees conducting other business (45.6 percent), and Louisiana had the lowest (8.5 percent).

The net result was that 34.8 percent of recipients in waiver States and 72.2 percent in nonwaiver States made trips solely for training; this ranged from 22.6 percent in Minnesota to 86.0 percent in Louisiana. Significant differences in this figure appear between the waiver and nonwaiver States.

These results are rather surprising in light of the standard practices described by the States. As discussed earlier in this chapter, both waiver States said their main in-person training occurs during certification. Pennsylvania indicated that recipients normally get cards and training during visits to complete their applications. Thus, we expected more recipients to say they conducted

¹⁹“Other business” included both other activities at the food stamp office or non-FSP business conducted elsewhere during the same trip. See Question C9 in the survey.

other business (for instance, the application) when they went to the office for training. If recipients misinterpreted the question (C9) about other business during the training trip, then the figures in table 26 overestimate the percentage of trips made solely for training and underestimate the percentage involving other business.²⁰

Time Spent for Training

The time spent to get EBT training has two parts: time at the office and time getting to and from the office. Survey respondents who said they got in-person training were asked about both amounts of time. As table 27 shows, recipients in waiver States who received in-person training spent an average of 1.74 hours on the process and their counterparts in nonwaiver States an average of 1.62 hours.

Table 27—Average time for training

Recipient group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Hours</i>						
All recipients with in-person training:						
Time at location of training	1.10	.85**	1.48	.71**	.94	.76*
Time traveling to training	.64	.76**	.69	.58*	.77	.75
Total time for training	1.74	1.62	2.19	1.29**	1.74	1.51*
Sample size (number)	419	604	291	128	340	264
Recipients with no other business during training visit:						
Time at location of training	1.12	.85**	1.45	.78**	.95	.75*
Time traveling to training	.67	.76†	.68	.65	.75	.76
Total time for training	1.80	1.61*	2.16	1.44**	1.71	1.52†
Sample size (number)	276	490	209	67	298	192
Recipients with other business during training visit:						
Time at location of training	1.09	.86	1.55	.62**	.93	.79
Time traveling to training	.61	.89*	.71	.50**	1.08	.70
Total time for training	1.71	1.82	2.29	1.12**	2.16	1.49†
Sample size (number)	141	106	81	60	38	68

Note: Means for components of total time may not sum to mean for total time because of observations missing one component, which are included in component means but not in the total mean.

†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.

Rather surprisingly, total time to get training was not consistently higher for recipients conducting other business. There was a modest difference in the expected direction in the nonwaiver States (1.82 hours with other business vs. 1.61 without), but there was a small difference the other way in the waiver States (1.71 hours with other business vs. 1.80 without).

²⁰ Responses to another survey question also indicate some possible confusion about when and under what circumstances the in-person training occurred. Recipients in the waiver States were much less likely than expected to indicate that this training occurred when they went for certification. The recipients who indicated that they did receive training at certification did not consistently indicate that they took care of other business during the trip when they received training—a clear contradiction. In light of these problems, we chose to rely on the question about conducting other business, which was asked in the context of other questions about the time and cost to obtain training.

The average time spent at the training location was significantly greater in the waiver States, at 1.10 hours, than in the nonwaiver States, where it was 0.85 hours. This pattern was true for recipients both with and without other business, although the difference (1.12 vs. 0.85 hours) was significant only for recipients with no other business.

The greater training time for the waiver States, compared with the nonwaiver States, was unexpected. One would think that hands-on training would add time to the training sessions in the nonwaiver States. When interpreting this result, however, it is important to recognize that the survey asked for the **total** time spent at the location where training occurred, which would include wait time and time conducting other business. Thus, both the length of the training session and the amount of waiting time contribute to the total, as does the presence of other business. Alabama had the highest average time spent at training (1.48 hours overall), and Louisiana had the second-highest (0.94 hours). The time at training was 0.76 hours in Pennsylvania, and slightly less, 0.71 hours, in Minnesota. The content and process of the training do not appear to drive these differences, because Pennsylvania's approach is more similar to Louisiana's than to Minnesota's. Other factors, such as waiting time or individual variation among trainers, may have contributed to the observed results.²¹

Round trip travel time for training was significantly lower in the waiver States than in the nonwaiver States (0.64 vs. 0.76 hours), somewhat offsetting the difference in time at training. Alabama again had higher averages for travel time than Minnesota, but both nonwaiver States had even higher averages. The differences between those with and without other business during the training trip were not consistent. In Louisiana, recipients with other business spent 1.08 hours traveling, and those without other business spent 0.75 hours. On the other hand, Pennsylvania recipients with other business spent 0.70 hours traveling, and those without other business spent 0.76 hours. This apparently random variation is understandable, because travel time is less likely to be influenced by local office procedures than time spent at the office.

Expenses for Training

The survey measured two costs incurred by participants who obtained in-person training to use the EBT system: lost wages and out-of-pocket costs. The latter include transportation expenses (bus, taxi, parking, gas, and tolls) and childcare costs. As with training time, we analyzed these costs separately for those recipients with and without other business during the trip for training. Only a minority of recipients reported either type of cost. The figures presented in this section represent averages for all recipients with in-person training. Later, we average the costs over the entire sample of new entrants in each State.

As table 28 shows, recipients in waiver States had higher costs for lost wages but lower out-of-pocket costs, with total costs averaging \$4.84, vs. \$3.93 for nonwaiver States. The total costs were not significantly different. Alabama recipients had the highest costs in all categories, with total costs averaging \$6.56. Pennsylvania recipients averaged the lowest lost wages (\$0.28), but Minnesota recipients averaged the lowest out-of-pocket costs (\$2.09) and total expenses (\$3.12).

²¹There was a 5.3 percent rate of nonresponse on the question of time spent at the training facility; the nonresponse rate for travel time was 3.6 percent.

Table 28—Average cost for training

Recipient group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Dollars</i>						
All recipients with in-person training:						
Wages lost while in training	2.38	1.12†	3.72	1.03*	1.95	0.28**
Out-of-pocket costs to attend training	2.46	2.82	2.84	2.09	2.72	2.91
Total training-related expenses	4.84	3.93	6.56	3.12*	4.66	3.20
Sample size (number)	489	652	345	144	368	284
Recipients with no other business during training visit:						
Wages lost while in training	2.06	1.10	3.67	.45**	1.80	.40
Out-of-pocket costs to attend training	2.64	2.85	3.36	1.92	2.97	2.74
Total training-related expenses	4.70	3.96	7.04	2.37**	4.77	3.14
Sample size (number)	322	526	247	75	324	202
Recipients with other business during training visit:						
Wages lost while in training	2.92	1.91	4.01	1.83	3.83	0**
Out-of-pocket costs to attend training	1.83	2.06	1.19	2.47	.40	3.71**
Total training-related expenses	4.75	3.97	5.20	4.30	4.23	3.71
Sample size (number)	157	112	95	62	39	73

†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.

When recipients who conducted other business during the training visit are compared with those who did not, the former group had more lost wages in both waiver and nonwaiver States, but the latter had more out-of-pocket costs. These differences offset each other, so that the total cost averages were essentially identical. Within States, there was no consistent pattern of differences between those with and without other business besides the training.

Time and Expenses Averaged Over All Recipients

As table 26 showed, not everyone made a trip to receive in-person training. Further, of those who did, many conducted other business during the same trip. To determine the overall impact of the training waiver on recipients' time and expenses, we made the following calculations:

- For recipients who said they had no in-person training, we assigned zero time and expenses.
- For those recipients who conducted other business during the training trip, we discounted their reported time and expenses by 50 percent.²²

Table 29 displays the results of these calculations. Average total time for training in the waiver States is 0.79 hours, significantly less than the nonwaiver-State average of 1.30 hours. Average total expenses per recipient are also lower in the waiver than the nonwaiver States (\$2.36 vs. \$3.26), but the two estimates are not significantly different. There were, however, significant State-to-State variations in expenses: the Alabama average of \$3.78 per recipient was 4 times the \$0.94 average in Minnesota and the Louisiana average of \$4.28 was nearly double the average of

²²One might argue that the travel time and costs should be assigned entirely to the primary purpose of the trip, with the rest of the time and costs shared equally (absent information about the relative amounts of time spent at the office on training and other business). The problem is that for some recipients, training may have been the primary purpose of the trip, whereas for others, certification or another activity may have been the primary purpose. Lacking clear information, we chose simply to divide all training-related time and costs equally between training and other business where the latter was present.

\$2.24 per recipient in Pennsylvania. These comparisons reflect the cumulative impact of all of the differences in cost factors relating to training: time and cost incurred by those who received in-person training, the percentage of recipients receiving in-person training, and the percentage of recipients conducting other business during the training trip.

Table 29—Summary of time and expenses for all new recipients

Type of cost	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Average total time for training (hours)	0.79	1.30	1.17	0.41**	1.55	1.04
Sample size (number)	810	694	490	320	355	339
Average total expenses for training (dollars)	2.36	3.26	3.78	.94**	4.28	2.24*
Sample size (number)	872	736	542	330	382	354

†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.

If, as mentioned in the previous section, we have underestimated the percentage of recipients conducting other business during their training trip due to recipients' misinterpretation of the survey question, then the average total time and expense estimates in table 29 are too high. Nevertheless, the pattern of the results indicates that the method of implementing the hands-on training waiver is critical to its impact on recipients' time and expenses. Compared with Minnesota, Alabama's approach provided a larger proportion of recipients with in-person training, but at a higher cost to them in time and expense. It appears the key difference is that Alabama uses a more structured, group-style orientation to EBT, whereas Minnesota uses a less structured, one-on-one process. This finding must be interpreted with caution, because Alabama recipients may be more likely to recall their training and, therefore, to identify related time and expenses. Thus, differences in recall rates may magnify the actual differences between these States in recipients' time and expenses.

Differences in approach also underlie the differences in recipients' time and expenses in Louisiana and Pennsylvania. Louisiana's process assured nearly universal in-person training, but this took more time at the office and required more trips exclusively for training and card issuance. The data do not indicate whether the training and card issuance took longer, or whether wait times contributed to the difference. Nevertheless, although the reason for these differences may not be clear, they highlight the impact that State requirements can have on recipients' time and expense for getting EBT cards and training.

Chapter 4

Use of Personal Identification Number (PIN)

Prior to initiating any EBT transaction, the cardholder must enter the correct personal identification number (PIN) on the EBT terminal's keypad. If an incorrect or invalid PIN is entered, the system will reject the transaction. If an invalid PIN is entered consecutively a specified number of times, the EBT system will "lock out" the EBT card for any further attempts until the food stamp recipient goes to his or her local food stamp office to enter the correct PIN or select a new one.

EBT food stamp regulations specify that:

The State agency shall permit food stamp households to select their Personal Identification Number (PIN). PIN assignment procedures shall not be permitted.²³

Food stamp recipients usually select their PINs at the food stamp office during card issuance procedures. Currently, however, 26 States have received a waiver to the PIN selection regulation. In these States, the EBT vendor assigns a PIN to the recipient; a mailer is normally used to notify the recipient of the PIN.

States and EBT vendors vary in their rules governing the length and format of the PIN. All four States in this study, however, use the same rule. Whether selected by the recipient or assigned by the system, PINs are four digits long. This consistency in PIN length facilitates interpretation of cross-State comparisons of PIN-related problems. The primary difference among the States is whether the PIN is selected by the recipient at card issuance or assigned by the EBT system, with a notice mailed to the recipient.

The primary question for the study is whether the PIN selection waiver affects recipients' use of their EBT cards, especially as they attempt to purchase groceries using their food stamp benefits. Secondary questions include whether any PIN-use problems, if they exist, are temporary or persistent and whether the PIN selection waiver has a greater impact on vulnerable than on nonvulnerable recipients.

Highlights

The results from the Survey of New EBT Users show consistent evidence that new food stamp recipients in the waiver States of Alabama and Minnesota experience more PIN-related problems than new recipients in the nonwaiver States of Louisiana and Pennsylvania. New recipients in the waiver States are more likely to have had problems remembering their PINs, to have entered a wrong PIN at the start of an EBT transaction, and to have had a PIN problem that prevented card use. The waiver State recipients are also more likely to have requested a new PIN.

²³CFR 274.12(g)(5)(i).

Generally, the findings with respect to PIN-related problems hold true for both vulnerable and nonvulnerable food stamp recipients. That is, new food stamp recipients in the two waiver States experience more PIN-related problems than new recipients in the nonwaiver States, regardless of whether they are disabled or elderly or neither. Although vulnerable recipients are more likely to experience some PIN-related problems, the pattern is not consistent across multiple measures of PIN problems. The evidence is much stronger that waivers to the Federal regulation requiring PIN selection have more of a negative impact on remembering one's PIN than do age and disability status.

PIN-related problems are not restricted to new food stamp recipients. Even within the existing caseload, large percentages of recipients enter invalid PINs at least occasionally. Although this suggests that many invalid PIN entries are simple key-entry mistakes rather than indicators of memory lapses, new recipients are more likely than existing recipients to have PIN-related problems. Thus, there is some evidence for a learning effect.

New food stamp recipients in the waiver States are more likely than those in the nonwaiver States to either write their PIN down or tell it to somebody who can help them remember it at a later date. Vulnerable recipients are also more likely than nonvulnerable recipients to do so. This security lapse appears to be correlated with unauthorized use of the EBT card. Of seven new food stamp recipients who said that somebody had used their EBT cards without permission, six were from a waiver State. Of the seven recipients, six responded to the questions about writing down one's PIN or telling it to somebody, and five of the six said they had done one or both. Although the total number of recipients who apparently experienced an unauthorized transaction is very small, it appears that the PIN selection waiver (or the hands-on training waiver) may have contributed to an increased security risk.

Difficulties with PIN use, however, do not appear to affect recipients' satisfaction with their EBT cards. When asked how satisfied they were, from 78.3 to 85.7 percent of new food stamp recipients in each State said they were "very satisfied." Large majorities of both vulnerable and nonvulnerable recipients gave the same reply. Generally, recipients from the waiver States were as satisfied with using their EBT card as recipients from the nonwaiver States. Among vulnerable recipients, however, those from the waiver States were somewhat less likely to be very satisfied (but more likely to be "somewhat satisfied") than vulnerable recipients from the nonwaiver States. These responses are all the more informative because the question about card satisfaction was asked near the end of each interview, after recipients had answered questions about problems with their PIN or EBT system use. Even after having their attention directed toward recent problems, recipients expressed a great deal of satisfaction with their EBT cards.

General System Use and Satisfaction

Before questioning food stamp recipients about possible problems with use of their EBT cards, the survey asked how often, on average, they used their cards at food stores. Table 30 shows their responses. A majority of recipients and alternate shoppers in each State said they use the EBT card more than once a month, but less than once a week. From 36 to 39 percent, depending on the State, said they shop at least weekly, and 8 to 9 percent said they shop less than once a month with the EBT card. The similarity in the distributions is striking; chi-squared tests indicate no significant differences among the States in the frequency of EBT card use.

Table 30—New entrants’ frequency of card use

Frequency	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
At least once a week	37.7	37.5	38.0	37.3	36.3	38.6
More than once a month, but less than once a week	53.2	54.0	53.4	53.0	55.6	52.5
Less than one a month	9.1	8.5	8.6	9.7	8.1	8.9
<i>Number</i>						
Sample size	873	741	538	335	385	356

Notes: Table entries are based on responses to Question E1 of the Survey of New EBT Users. Chi-squared tests show no significant differences between waiver and nonwaiver State distributions of frequency of card use. Similarly, there are no significant differences between the Alabama and Minnesota distributions or the Louisiana and Pennsylvania distributions.

In the average number of approved food stamp purchases per month, however, differences among the four States do emerge. From detailed EBT transaction data, and as shown in table 31, new food stamp recipients in the waiver States averaged 6.1 food stamp purchases per month during November and December 1999, compared with an average of 7.0 purchases in the nonwaiver States. Both new and existing food stamp cases in Louisiana shopped more often with the EBT card than their counterparts in the other three States, perhaps partly because Louisiana—among the four States—has the highest average monthly food stamp benefit level. Minnesota

Table 31—Mean number of approved food stamp purchases per month

Recipient group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Mean number</i>						
All new entrants	6.1	7.0	7.3	4.8	8.9	5.2
Vulnerable new entrants	4.2	4.9	5.3	3.1	5.9	3.9
Nonvulnerable new entrants	6.5	7.4	7.9	5.0	9.3	5.4
Existing cases	6.5	7.7	7.1	5.9	8.4	6.9
Vulnerable existing cases	4.1	5.1	4.7	3.6	5.5	4.7
Nonvulnerable existing cases	8.1	9.4	9.0	7.3	10.2	8.5
<i>Number</i>						
Total EBT accounts	257,462	603,639	169,245	88,217	216,578	387,061

Notes: Table entries are based on EBT transaction data from November and December 1999. “Vulnerable” cases are here defined as elderly recipients or those listed on State eligibility files as having a disability. The total numbers of EBT accounts exceed the food stamp caseloads presented in table 14 (chapter 2) because the EBT data cover 2 months. No significance tests were performed because the data do not represent a sample.

recipients shopped least often during the month. For both new and existing cases, nonvulnerable recipients shopped more often with their EBT card during the month than vulnerable recipients.²⁴

The EBT transaction data in table 31 do not necessarily disagree with the survey results in table 30. For instance, the survey response “at least once a week” can mask a lot of the variation in the actual number of times an EBT card is used during the week.

The survey asked new food stamp recipients from each State how satisfied they were with their EBT cards. Tables 32 through 34 show the responses for all recipients, vulnerable recipients, and nonvulnerable recipients, respectively. Recipients were generally very satisfied with their EBT cards. In the waiver States, 79.7 percent of all new recipients (table 32) said they were “very satisfied” and 15.9 percent said they were “somewhat satisfied,” for a total of 95.6 percent who were satisfied. In the nonwaiver States, 83.5 percent said they were “very satisfied” and 12.4 percent said they were “somewhat satisfied,” for a total of 95.9 percent who expressed satisfaction. A chi-squared test shows no significant difference in the waiver vs. nonwaiver distributions. In addition, there were no significant differences in the State-to-State comparisons.

Table 32—All new entrants’ satisfaction with their EBT cards

Response	Total waiver	Total nonwaiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
Very satisfied	79.7	83.5	81.1	78.3	85.7	81.3
Somewhat satisfied	15.9	12.4	15.5	16.4	11.8	13.0
Neither satisfied nor dissatisfied	1.6	1.5	1.0	2.3	0	3.0
Somewhat dissatisfied	1.6	1.2	.9	2.3	1.5	1.0
Very dissatisfied	1.2	1.4	1.6	.7	1.0	1.7
<i>Number</i>						
Sample size	875	745	540	335	384	361

Notes: Table entries are based on responses to Question E7 of the Survey of New EBT Users. Percentages may not sum to 100.0 due to rounding. Chi-squared tests show no significant differences between the waiver State and nonwaiver State distributions of recipients’ satisfaction with their EBT cards. Similarly, there are no significant differences between the Alabama and Minnesota distributions or the Louisiana and Pennsylvania distributions.

Table 33 presents the satisfaction responses for vulnerable new food stamp recipients. Again, satisfaction with EBT card use is high in all four States. Chi-squared tests show no significant differences between the Alabama and Minnesota distributions or the Louisiana and Pennsylvania distributions.

²⁴No significance tests were performed for table 31 (or later exhibits based on EBT transaction data) because the results are not based on a sample of recipients or transactions. Rather, the EBT data represent all transactions initiated during the 2-month period. In this sense, all differences in table 31 are “statistically significant,” although they may not be large enough to have policy implications.

Table 33—Vulnerable new entrants’ satisfaction with their EBT cards

Response	Total waiver	Total nonwaiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
Very satisfied	73.3	88.1	78.3	68.3	93.1	83.2
Somewhat satisfied	21.6	7.9	17.2	26.0	4.5	11.3
Neither satisfied nor dissatisfied	2.4	.2	2.9	1.8	0	.5
Somewhat dissatisfied	.8	.4	0	1.5	.4	.4
Very dissatisfied	2.0	3.4	1.6	2.3	2.1	4.7
<i>Number</i>						
Sample size	252	268	185	67	131	137

Notes: Table entries are based on responses to Question E7 of the Survey of New EBT Users. Percentages may not sum to 100.0 due to rounding. Chi-squared tests show a significant difference (at the .05 level) between the waiver State and nonwaiver State distributions of recipients’ satisfaction with their EBT cards. There are no significant differences between the Alabama and Minnesota distributions or the Louisiana and Pennsylvania distributions.

When the total waiver State and nonwaiver State distributions are compared, however, a chi-squared test shows the distributions to be different at the 0.05 level. That is, vulnerable recipients in the waiver States are less likely to be “very satisfied,” and more likely to be “somewhat satisfied,” than vulnerable recipients in the nonwaiver States. Even so, nearly 95 percent of vulnerable recipients in the two waiver States said they were satisfied with use of their EBT cards.

When the responses of nonvulnerable recipients are examined (table 34), about 95 percent of recipients in each State indicate satisfaction with the EBT card. There are no significant differences in the distributions between States or between the waiver and nonwaiver groups.

Table 34—Nonvulnerable new entrants’ satisfaction with their EBT cards

Response	Total waiver	Total nonwaiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
Very satisfied	81.2	82.7	81.8	80.7	84.5	80.9
Somewhat satisfied	14.6	13.2	15.1	14.2	13.0	13.4
Neither satisfied nor dissatisfied	1.4	1.8	.5	2.4	0	3.6
Very dissatisfied	1.0	.9	1.6	.4	.8	1.0
<i>Number</i>						
Sample size	623	477	355	268	253	224

Notes: Table entries are based on responses to Question E7 of the Survey of New EBT Users. Percentages may not sum to 100.0 due to rounding. Chi-squared tests show no significant differences between the waiver and nonwaiver State distributions of recipients’ satisfaction with their EBT cards. Similarly, there are no significant differences between the Alabama and Minnesota distributions or the Louisiana and Pennsylvania distributions.

Finally, a comparison of results from tables 33 and 34 suggests that nonvulnerable recipients are somewhat more satisfied with the EBT card than vulnerable recipients in Alabama and Minnesota, but that they are somewhat less satisfied than vulnerable recipients in Louisiana and Pennsylvania.²⁵ This may correlate with evidence presented later in this chapter and the next that

²⁵ A chi-squared test indicates that the Louisiana distributions are significantly different at the 0.05 level.

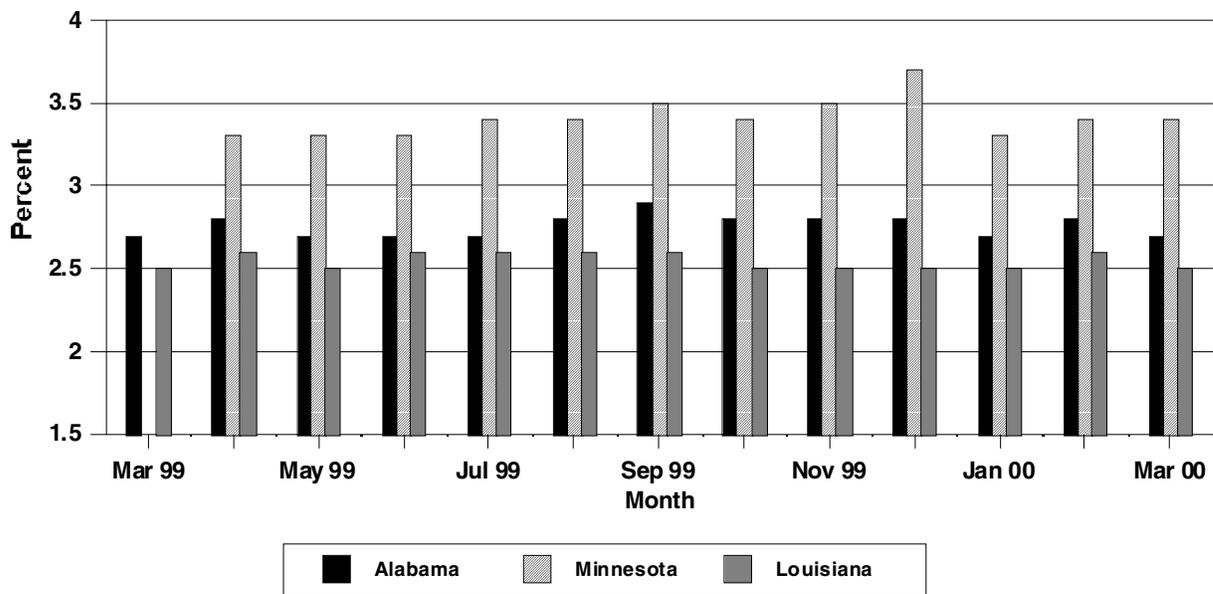
the waivers have a disproportionate effect on vulnerable recipients. Even if true, however, the level of satisfaction with the EBT card is high in all States and within both the vulnerable and nonvulnerable groups of recipients. This high level of satisfaction is all the more striking because recipients were asked about satisfaction near the end of the interview, after their attention had been drawn repeatedly to possible recent problems with using their EBT cards.

Problems Remembering and Using One's PIN

The Survey of New EBT Users asked new food stamp recipients a series of questions about PIN use. This section looks at recipients' problems remembering their PINs or entering the correct PIN, as well as at problems preventing use of the EBT card and calls to customer service about PINs. As background for the survey results, figure 1 presents information from the monthly EBT summary reports on the relative prevalence of PIN problems in Alabama, Minnesota, and Louisiana. In these three States, the EBT systems reject from 2.5 to 3.7 percent of all transactions each month for entry of an invalid PIN. The rates of invalid PINs are highest in Minnesota.

The predominant feature of figure 1, however, is the relative constancy over time of the rate at which invalid PINs are entered for EBT transactions. Data on rejected POS transactions are not available for Pennsylvania, and they are missing for Minnesota in March 1999.

Figure 1
POS transactions rejected because of invalid PINs



Data on rejected POS transactions are not available for Pennsylvania, and they are missing for Minnesota in March

The information in figure 1 has several limitations. First, the EBT summary statistics cannot be broken out by the age or disability status of recipients, so we cannot present separate rates for those who are vulnerable and nonvulnerable. Similarly, separate rates of invalid PIN transactions cannot be presented for new vs. existing cases, so we cannot address the question of whether

there is a learning curve for remembering and entering the correct PIN. Nevertheless, the data in figure 1 provide a context for information presented in the remainder of this chapter.

Remembering the PIN

The survey asked recipients (or, in 29 cases, the alternative shopper) whether they had a problem remembering their PINs just after receiving their EBT cards and PINs. The top row of table 35 shows that an average of 11.6 percent of new recipients in the two waiver States of Alabama and Minnesota said they had problems remembering their PINs, compared with an average of 3.9 percent of new recipients in the nonwaiver States of Louisiana and Pennsylvania. The difference of 7.7 percentage points is relatively large and significantly different from zero at the 0.01 level.²⁶ In contrast, the differences between both the two waiver States and the two nonwaiver States were small and not statistically significant.

Table 35—New entrants who had a problem remembering their PINs just after receiving their EBT cards

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	11.6	3.9**	11.6	11.5	2.7	4.8
Sample size (number)	880	748	544	336	386	362
Vulnerable new entrants (percent)	21.5	8.9*	19.3	23.7	8.0	9.7
Sample size (number)	253	269	187	66	132	137
Nonvulnerable new entrants (percent)	9.2	2.7**	9.7	8.7	1.8	3.6
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on responses to Question D1 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.

Table 35 also breaks out responses separately for vulnerable and nonvulnerable food stamp recipients. The same pattern holds for each group as for the overall sample; new recipients in the waiver States, whether vulnerable or not, had more difficulties remembering their PINs than did new recipients in the nonwaiver States. Differences between each pair of waiver and nonwaiver States were smaller and not statistically significant.

²⁶When two estimates in a table differ significantly, we place the significance marker only on the right-hand member of the pair (i.e., nonwaiver [vs. waiver], Minnesota [vs. Alabama], or Pennsylvania [vs. Louisiana]).

There is also evidence in table 35 that vulnerable recipients in the waiver States had more difficulties remembering their PINs than did nonvulnerable recipients in those same States. Across the two waiver States, 21.5 percent of vulnerable recipients reported problems remembering their PINs, compared with 9.2 percent of nonvulnerable recipients. The difference of 12.3 percentage points is statistically significant at the 0.01 level.²⁷ For Alabama, the 9.6 percentage point difference between vulnerable and nonvulnerable recipients is significant at the 0.05 level, and the 15.0 percentage point difference in Minnesota is significant at the 0.01 level. None of the corresponding differences in the nonwaiver States is significantly different from zero.

Table 35 therefore shows that new recipients in the waiver States had more difficulties remembering their PINs than did new recipients in the nonwaiver States, and that vulnerable new recipients in the waiver States had more difficulties than recipients in the waiver States who were neither elderly nor disabled. For this outcome measure, at least, the evidence points to the PIN selection waiver having a disproportionate impact on vulnerable recipients.

The last chapter noted that 45.8 percent of Minnesota respondents to the survey picked up their EBT cards at the local office. These recipients presumably were able to select their own PINs when they obtained their cards, so they may have been less likely to encounter PIN-related problems than their counterparts whose cards were mailed and PINs assigned. This is indeed the case. Table 35 shows that 11.5 percent of new entrants in Minnesota said they had a problem remembering their PINs just after receiving their EBT cards. Within the group of recipients who picked up their cards at the office, only 6.0 percent said they had difficulty remembering their PINs, compared with 17.9 percent of those recipients whose PIN was assigned. These figures are a reminder that Minnesota should be regarded as a “mixed” State with respect to implementing the customer service waivers.²⁸

Finally, one hypothesis about PIN use was that written training materials would be less effective than hands-on training in teaching recipients to use the EBT system. We expected this to be a distinguishing factor in the training offered by the waiver and nonwaiver States. As discussed in chapter 3, many recipients in the waiver States received some form of in-person training, and many recipients in the nonwaiver States received written instructions. Thus, the comparison of waiver-State to nonwaiver-State results does not address the hypothesis. In a separate analysis, we tested this hypothesis by regressing whether survey respondents had problems remembering their PINs against a number of variables, including two binary variables indicating in-person training and use of written materials (as those terms were defined in chapter 3).²⁹ The results were inconclusive. In two States, Louisiana and Minnesota, the existence of in-person training was correlated with fewer problems remembering the PIN, but the estimated coefficients were not significant in Alabama and Pennsylvania. Furthermore, in Pennsylvania, written materials appeared

²⁷To avoid confusion in the tables, only significance tests of differences between States are shown in the table. Tests of differences between vulnerable and nonvulnerable recipients will be discussed in the text.

²⁸Survey respondents who were using a replacement EBT card were not asked how they obtained their **initial** card. For this reason, approximately 15 percent of Minnesota respondents did not indicate how they received their initial card. The tables therefore provide statistics on the overall Minnesota sample rather than breaking results out by method of card issuance and PIN designation. When an outcome in Minnesota varies substantially by method of card issuance, these results will be noted in footnotes.

²⁹The covariates included in the regression models were described in footnote 4 of chapter 2. They include whether the recipient was elderly, disabled, or male; shopped less than once a month; received cash assistance benefits as well as food stamps; had ever used a bank card to get cash; had received in-person EBT training; or had learned about EBT through written materials.

to be more effective than in-person training, rather than less so, in reducing the incidence of PIN problems.

Similar analyses were conducted on PIN-use problems described later in this chapter and on system-use problems described in chapter 5. The analyses again were inconclusive; there is no consistent evidence that in-person training was either more or less effective than written materials in training new food stamp recipients to use EBT.

Key Entry of Incorrect PIN

More people in the two waiver States (28.3 percent) than the two nonwaiver States (19.9 percent) said that they had ever entered a wrong PIN when using their EBT cards (table 36). The difference of 8.4 percentage points is statistically significant at the 0.01 level and is again large; the prevalence of this particular problem is 42 percent higher in the waiver States than in the nonwaiver States. In contrast, the 1.3 percentage point differences between the two waiver States and two nonwaiver States are small and not statistically significant.³⁰

Table 36—New entrants who had ever entered a wrong PIN

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	28.3	19.9**	28.7	27.4	19.1	20.4
Sample size (number)	872	743	539	333	386	357
Vulnerable new entrants (percent)	29.9	15.8**	24.8	35.0	13.2	18.3
Sample size (number)	249	267	183	66	132	135
Nonvulnerable new entrants (percent)	27.7	20.5*	29.6	25.7	20.1	20.9
Sample size (number)	623	476	356	267	254	222

Note: Table entries are based on responses to Question D4 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.

Vulnerable recipients in the two waiver States were more likely to have entered a wrong PIN than those in the nonwaiver States (29.9 vs. 15.8 percent), and the same pattern holds for nonvulnerable recipients (27.7 vs. 20.5 percent). There are, however, no significant differences between the vulnerable and nonvulnerable subgroups with respect to whether they had ever entered a wrong PIN.

From the detailed EBT transaction data provided by EBT vendors to FNS, we have corroborative data on the percentage of food stamp recipients who entered at least one incorrect PIN during November and December 1999. Table 37 shows that an average of 25.3 percent of all new food stamp entrants in Alabama and Minnesota had at least one invalid PIN transaction during those

³⁰In Minnesota, 27.4 percent of respondents said that they had at some time entered a wrong PIN. Among those who had picked up their EBT card at the office and selected their PIN, the percentage was only 17.4 percent, whereas it was 31.5 percent for those recipients who received their card in the mail.

Table 37—Cases with at least one invalid PIN transaction over a 2-month period

Cases	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
All new entrants	25.3	22.4	27.2	23.4	25.5	19.3
Vulnerable new entrants	29.9	22.2	28.4	31.4	24.3	20.1
Nonvulnerable new entrants	24.7	22.7	26.8	22.5	26.2	19.2
Existing cases	22.1	23.1	22.2	21.9	25.5	20.6
Vulnerable existing cases	20.7	22.1	21.8	19.6	24.3	20.0
Nonvulnerable existing cases	22.8	23.6	22.5	23.2	26.2	21.1
<i>Number</i>						
Total EBT accounts	257,462	603,639	169,245	88,217	216,578	387,061

Notes: Table entries are based on EBT transaction data from November and December 1999. “Vulnerable” cases are here defined as elderly recipients or those listed on State eligibility files as having a disability. Because of an artifact of the EBT transaction data available for analysis, the number of invalid PIN transactions in Alabama, Minnesota, and Louisiana is overstated relative to the number in Pennsylvania. The Pennsylvania data should not be directly compared with data from the other States. See text for further explanation. No significance tests were performed because the data do not represent a sample.

and December 1999. Table 37 shows that an average of 25.3 percent of all new food stamp entrants in Alabama and Minnesota had at least one invalid PIN transaction during those 2 months, compared with 22.4 percent of new entrants in the nonwaiver States of Louisiana and Pennsylvania. The biggest difference between the survey and EBT data, for all new entrants, is in Louisiana, where the survey data indicate much lower percentages of new recipients who had ever entered a wrong PIN than do the EBT data.

The EBT transaction data in table 37 indicate that vulnerable new recipients in the waiver States are more likely to have had an invalid PIN transaction than nonvulnerable new recipients in those States, especially in Minnesota. In the nonwaiver States, however, the percentages are very close or are even, as in Louisiana, reversed. Thus, there is some evidence that the PIN selection waiver may have a disproportionate effect on vulnerable new recipients. We note, however, that the definition of “vulnerable” differs for tables 36 and 37. As discussed in chapter 2, we used sampled recipients’ self-reporting of a disability to define vulnerability. For the EBT transaction data, however, no survey data are available, and we used information on the State food stamp eligibility files to identify disabled recipients.

The EBT transaction data may also be used to investigate whether there is a “learning effect” with respect to PIN problems. In the two waiver States, the percentages of new entrants with at least one invalid PIN transaction are higher than those for existing cases, although the difference in Minnesota is quite small (23.4 vs. 21.9 percent). In addition, vulnerable new recipients in the waiver States are more likely to have had an invalid PIN transaction than vulnerable recipients in the existing caseload. In the nonwaiver States, however, there is no evidence of a learning effect, either overall or for the vulnerable and nonvulnerable subgroups. Indeed, perhaps the most striking result in table 37 is that, even among existing cases, from 21 to 26 percent of the caseload had at least one invalid PIN transaction over a 2-month period. This finding strongly suggests that

a sizable portion of invalid PIN transactions may arise from key-entry rather than memory problems.

There is a limitation to the EBT transaction data in table 37. At least part, if not all, of the difference between the figures presented for Pennsylvania and the figures for the other three States is an artifact of the available data. Information on invalid PIN transactions in Pennsylvania comes directly from the ALERT files provided by Pennsylvania’s EBT vendor, Citibank, to FNS and is limited to POS transactions for accessing a food stamp account. The ALERT files from the other States were supplemented by data provided by their EBT vendor, eFunds Corporation, and the supplemental data on counts of invalid PIN transactions included all invalid PIN transactions, whether at a POS terminal or an ATM. Thus, the figures in table 37 are overstated for Alabama, Minnesota, and Louisiana in considering just the food stamp transactions of recipients. It is still entirely appropriate, however, to compare percentage figures among recipient subgroups within a single State.

Table 38 shows that even though a sizable percentage of food stamp recipients may enter an invalid PIN occasionally, the percentage of all transactions involving an invalid PIN entry is smaller, though still substantial. Bearing in mind the data problem, explained above, that overstates the prevalence of invalid PIN transactions in Alabama, Minnesota, and Louisiana relative to Pennsylvania, in table 38 these transactions generally total from 3 to 9 percent. Indeed, the figures for Pennsylvania are similar to the numbers presented in figure 1 earlier in this chapter, where monthly statistics on invalid PIN transactions were not available for Pennsylvania.

Table 38—Transactions in a 2-month period with invalid PINs

Type of case	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
			<i>Percent</i>			
All new entrants	6.7	4.0	6.2	7.1	4.9	3.1
Vulnerable new entrants	12.4	5.7	9.3	15.5	7.4	4.0
Nonvulnerable new entrants	6.0	3.8	5.6	6.5	4.7	2.9
Existing cases	5.5	3.7	5.4	5.7	5.1	2.3
Vulnerable existing cases	7.9	5.0	7.8	8.0	7.0	3.0
Nonvulnerable existing cases	4.7	3.2	4.4	5.0	4.5	1.9
Total transactions	3,480	9,239	2,391	1,089	3,786	5,453

Notes: Table entries are based on EBT transaction data from November and December 1999. “Vulnerable” cases are here defined as elderly recipients or those listed on State eligibility files as having a disability.

Because of an artifact of the EBT transaction data available for analysis, the number of invalid PIN transactions in Alabama, Minnesota, and Louisiana is overstated relative to the number in Pennsylvania. The Pennsylvania data should not be directly compared with data from the other States. See text for further explanation.

No significance tests were performed because the data do not represent a sample.

The data in table 38 provide additional evidence that vulnerable recipients—both new entrants and existing cases—may have more difficulties with invalid PIN entries than nonvulnerable recipients. Furthermore, because the prevalence of invalid PIN transactions is generally somewhat higher for new entrants than for existing cases, we have some evidence for a small learning effect with regard to PIN entry.

PIN Problems That Prevent Card Use

Some instances of incorrect PIN entry may be due to simple misentry of the PIN digits rather than trouble remembering the PIN, as the results for existing cases in table 38 suggest. In that instance, the recipient could simply reenter the PIN to complete the EBT transaction. If a memory problem causes an invalid PIN to be entered, however, the recipient might try to complete the transaction by trying another possible PIN code or by referring to a written reminder of the PIN. Recipients who cannot remember their PINs may leave the food store without using their EBT benefits to pay for groceries. If they keep entering an incorrect PIN, the system in the nonwaiver States will “lock out” their EBT cards after three consecutive tries; in the waiver States the lock-out occurs after four consecutive wrong entries. Recipients with locked-out cards—depending on State policy—must go to their local food stamp office to have the card “unlocked,” either by selecting a new PIN or by remembering their old one, or must call customer service for a new PIN.

The survey asked specifically whether problems remembering the PIN ever prevented the recipient from using his or her card. We believe that a “Yes” answer to this question can be interpreted as indicating a serious problem for the recipient, because food stamp benefits could not be used to purchase groceries.

As shown in table 39, 7.1 percent of new EBT card users in the waiver States said that a PIN problem had prevented them from using their card at least once, compared with 2.9 percent of new recipients in the nonwaiver States. The 4.2 percentage point difference is statistically significant at the 0.01 level. The second and third rows of the table show that a greater percentage of both vulnerable (9.0 percent) and nonvulnerable (6.2 percent) recipients in the waiver States than in the nonwaiver States (3.3 and 2.7 percent, respectively) were prevented from using their cards by a PIN problem. The respective differences are statistically significant at the 0.05 and 0.01 levels.

Table 39—New entrants reporting that a PIN problem had prevented card use

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	7.1	2.9	7.6	5.9	2.2	3.4
Sample size (number)	880	749	543	337	387	362
Vulnerable new entrants (percent)	9.0	3.3*	6.6	11.5	2.0	4.5
Sample size (number)	254	270	187	67	133	137
Nonvulnerable new entrants (percent)	6.2	2.7**	7.8	4.6	2.2	3.2
Sample size (number)	626	479	356	270	254	225

Note: Table entries are based on responses to Question D5 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.

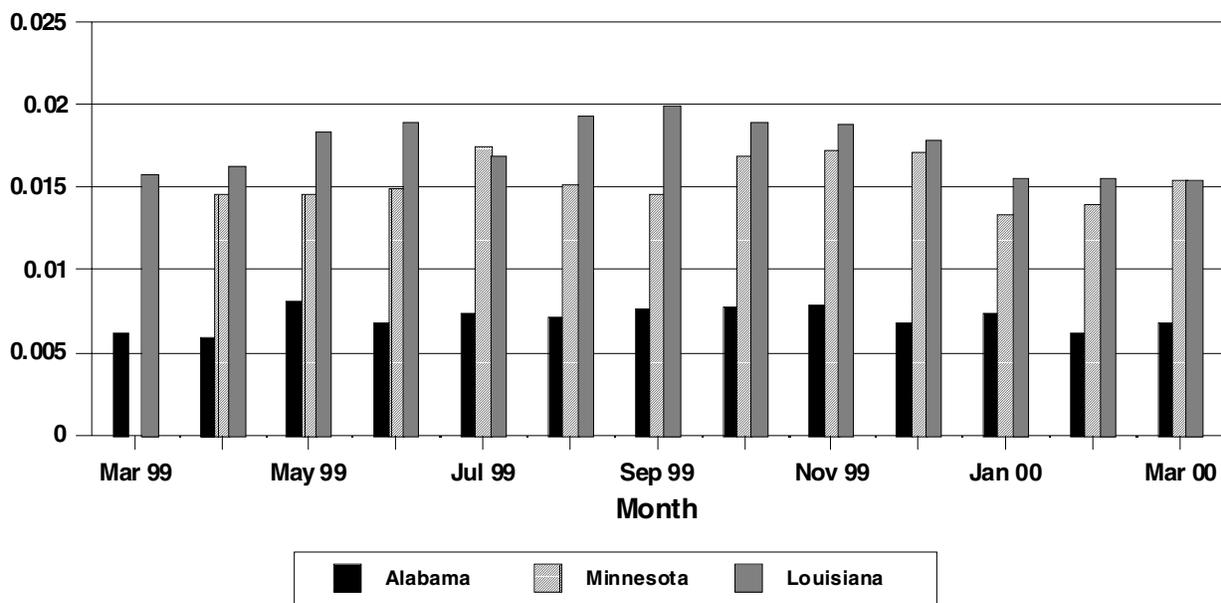
**Difference between this and the entry immediately to the left is significant at the 0.01 level.

In Minnesota, vulnerable recipients appear to have been more likely than nonvulnerable ones to report a PIN problem that prevented card use. None of the vulnerable/nonvulnerable comparisons in table 39, however, show statistical significance.³¹

In one State, Pennsylvania, the study has enough information on invalid PIN entries to identify when three consecutive transactions are rejected for this reason. During November and December 1999, 1.1 percent of all active food stamp cases there experienced three consecutive invalid PIN transactions and presumably had to go to their local offices before using the cards again. Although this percentage is small, it does represent nearly 2,000 instances per month. The rate for new food stamp cases was 1.9 percent, compared with 1.1 percent for users with more EBT experience, so there is some evidence here as well of a learning curve in remembering one's PIN.

More-limited information on card lockouts from consecutive invalid PIN entries is available for Alabama, Minnesota, and Louisiana. Figure 2, based on the monthly EBT summary statistics, shows the average number of transactions denied for card lockout per case. Although the rates for Minnesota and Louisiana are higher than for Alabama, all are fairly low. Minnesota and Louisiana numbers reflect an average of about 14 to 20 recipients per 1,000 cases experiencing a card lockout each month. Again, there are some data limitations; lockout transactions in figure 2 include cash transactions at POS terminals and ATMs, as well as food stamp transactions at POS terminals. Further, for the nonwaiver State of Louisiana (and for Pennsylvania), a transaction is denied by card lockout **after** three consecutive invalid PIN entries, that is, on the fourth attempt). If a recipient gave up after three invalid PIN entries, a denial from card lockout would not be observed. In the waiver States of Alabama and Minnesota, a transaction is denied by reason of card lockout only after four consecutive invalid PIN entries (that is, on the fifth try).

Figure 2
Ratio of denials for excessive PIN tries to food stamp cases



³¹In Minnesota, there were no significant differences in frequency of PIN problems preventing card use between recipients who received their EBT cards in the mail or at the office.

Data on excessive PIN tries are not available for Pennsylvania, and they are missing for Minnesota in March 1999.

The rates in figure 2 and the previously presented statistic for Pennsylvania are all much lower than the survey results in table 39. That is, many more survey respondents said that PIN problems had prevented card use than is suggested by the EBT data. Several factors can narrow this apparent discrepancy. First, the survey involved only new food stamp recipients, whereas the rates in table 39 are for each State's entire EBT caseload. Second, the survey, which was conducted between January and April of 2000, asked new recipients whether PIN problems had **ever** prevented card use. The survey respondents received their first EBT cards in the October-to-December 1999 period, so most survey responses are for a period lasting much longer than one month, which would cause the survey responses to be higher. Finally, some recipients, realizing that they could not remember their PINs, may have given up trying to use their EBT cards before having three or four consecutive invalid PIN entries. To the extent this may have happened, it, too, would lead to higher reported rates of problems in the survey than were observed in the EBT data. The important points seem to be that (1) PIN problems kept more new recipients in the waiver States from using their cards than in the nonwaiver States, and (2) there is no consistent evidence that vulnerable new recipients had more difficulties than nonvulnerable new recipients.

There is one other factor to consider when interpreting rates of PIN problems and lockouts revealed in EBT transaction data: an unknown portion of the problems may be due to unauthorized use of a lost or stolen card, with the cardholder trying to guess the recipient's PIN. That is, the EBT data probably overstate the level of problems that recipients themselves have, because some of the lockouts represent attempted card use by unauthorized persons.³² This issue does not arise in the survey results, because the survey asked respondents directly about possible PIN problems that they encountered.

Both the survey and EBT data examined thus far suggest that food stamp recipients in the waiver States are more likely to experience PIN problems than those in the nonwaiver States. Can this be attributed to differences in attempted unauthorized use of lost or stolen EBT cards? Probably not. Evidence presented later (in chapter 6) indicates that recipients in the waiver States are not more likely to report a card as lost, stolen, or damaged than in nonwaiver States. Furthermore, when replacement cards are needed, the distributions of reasons for card replacement are similar among States. That is, one does not see a higher relative frequency of lost and stolen cards in the waiver States.

To the extent that unauthorized card use does contribute to the levels of PIN problems observed in the EBT data, we note that this exacerbates the difficulty discussed earlier in reconciling results from the survey and EBT data. The survey data indicate more PIN problems preventing card use than do the EBT data. If some of the problems observed in the EBT data arise from attempts at unauthorized card use, then the discrepancy between the survey data and EBT data becomes even greater.

³²We thank program officials in Alabama for bringing this issue to our attention.

Calls to Customer Service about PINs

The survey asked recipients whether they had ever needed to call customer service or the EBT help desk to inquire about their PINs. We do not know what prompted the calls, but new food stamp recipients in the waiver States were about three times more likely (20.9 percent vs. 6.7 percent) to have called customer service about their PINs than new recipients in the nonwaiver States (table 40). Similar results obtain for both vulnerable or nonvulnerable recipients. In contrast to earlier questions about PIN problems, however, the differences between the Alabama and Minnesota results are large and statistically significant. Recipients in Alabama were much more likely to have called customer service about their PINs than recipients in any other State. It is the experience of the Alabama recipients that drives the difference between the waiver and nonwaiver States.³³

Table 40—New entrants who had called customer service about their PINs

Respondent group	Total	Total	Waiver States		Nonwaiver States	
	Waiver	nonwaiver	Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	20.9	6.7**	31.9	9.9**	7.8	5.6
Sample size (number)	877	750	542	335	387	363
Vulnerable new entrants (percent)	18.4	6.8*	24.2	12.6*	9.9	3.7
Sample size (number)	253	271	187	66	133	138
Nonvulnerable new entrants (percent)	21.5	6.7**	33.9	9.2**	7.5	6.0
Sample size (number)	624	479	355	269	254	225

Note: Table entries are based on responses to question C5_3 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.

We will see later in this chapter that food stamp recipients in Alabama were much more proactive about calling customer service and changing their PINs than recipients in the other States, and this may explain why the Alabama percentages in table 40 are so high. It is also possible that recipients in Alabama and Minnesota may have been calling customer service to ask when the mailed PINs were going to arrive. The data are not sufficiently detailed to tell us why these calls were made.

The summary statistics on EBT operations corroborate the survey findings on calls to customer service. Figure 3 shows PIN-related calls to customer service as a percentage of all calls.³⁴ Even though the actual ratios and percentages in figure 3 are not comparable with the survey results (because they are based on the entire EBT caseload in each State rather than just new EBT card users), Alabama stands out as having a much higher incidence of PIN-related calls than any of the other three States. This difference may be due to the policies the four States implemented for

³³ Although the percentage of Minnesota recipients who called customer service was higher among those who received their cards by mail rather than in the office (11.7 and 4.9 percent, respectively), the 11.7 percent figure is much lower than the 31.9 percent of recipients in Alabama who called customer service to inquire about their PINs.

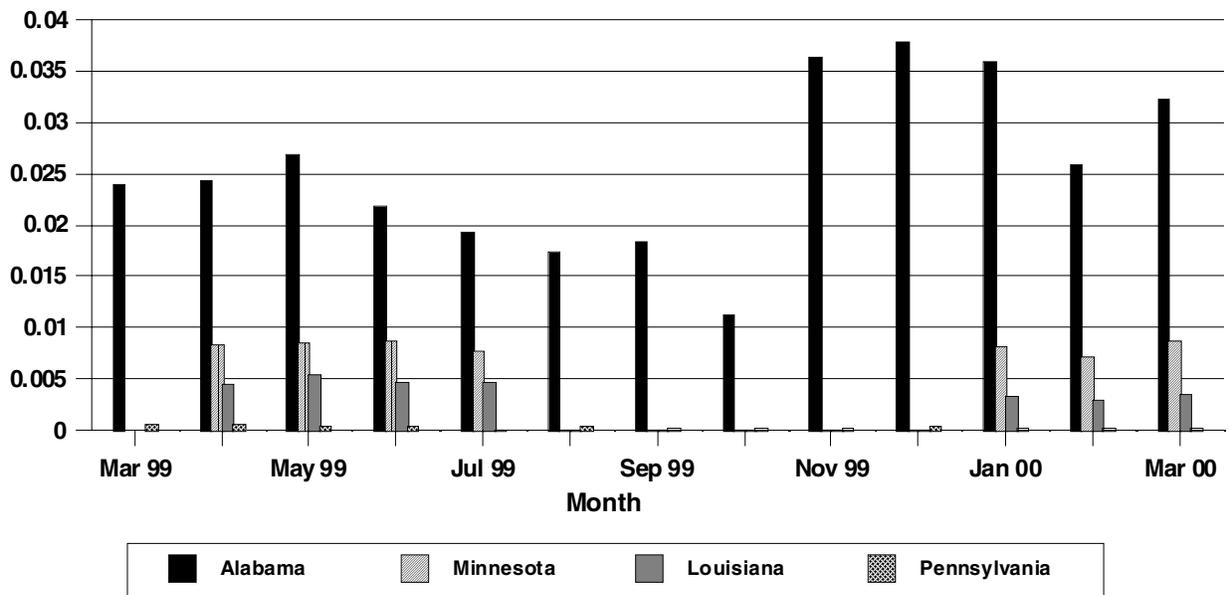
³⁴ The very low rate of PIN-related calls for Minnesota and Louisiana in August through December 1999 is probably a reporting anomaly. Customer service desks sometimes change how they classify incoming calls. Differences in how customer service operations classify calls may explain part of the large difference between the prevalence of PIN-related calls in Pennsylvania (served by Citibank's EBT help desk) and the other three States (served by eFund's EBT help desk), but policy differences also exist (see text).

changing a PIN. In the nonwaiver States of Louisiana and Pennsylvania, recipients are supposed to go to the local welfare office to select a new PIN. In Minnesota, they go to the local welfare office if they live in an area that had high mail loss under the previous food stamp coupon issuance system, and they call customer service to change their PINs if they live elsewhere. In Alabama, all recipients are supposed to call customer service to change their PINs.

Data on PIN-related calls are not available for Louisiana and Minnesota in March 1999. Ratios in some other months were zero, or so low that they do not show on the graph.

Figure 3

Ratio of PIN-related calls to total number of cases



Changing One's PIN

The survey asked new food stamp recipients a series of questions about whether they had ever requested a new PIN and, if not, if they were aware they could and knew how to do it. These questions were designed to address two research questions. First, were recipients whose PINs had been assigned more likely to request a new PIN (which might be easier to remember) than those who had selected their initial PIN? Second, was the training in each State effective in explaining to new EBT card users that they could select a new PIN at any time and how to do so?

Table 41 shows the percentage of new entrants in each State who said they had requested a new PIN: 13.1 percent of recipients in the waiver States vs. 4.4 percent in the nonwaiver States. The 8.7 percentage point difference is statistically significant at the 0.01 level. This waiver/nonwaiver difference arises because of the actions of new recipients in Alabama, where 18.5 percent of them had requested a new PIN, compared with only 7.7 percent in Minnesota.³⁵ Clearly, a sizable percentage of new food stamp recipients in Alabama chose to select a new PIN after the EBT vendor mailed an assigned PIN to them. These relationships hold within the vulnerable and nonvulnerable groups as well.

Table 41—New entrants reporting they had requested a new PIN

Respondents	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	13.1	4.4**	18.5	7.7**	5.8	3.1
Sample size (number)	876	750	543	333	387	363
Vulnerable new entrants (percent)	10.7	1.7**	14.3	7.2	0.6	2.8†
Sample size (number)	253	271	187	66	133	138
Nonvulnerable new entrants (percent)	13.7	4.9**	19.5	7.8**	6.7	3.1
Sample size (number)	623	479	356	267	254	225

Note: Table entries are based on responses to Question D6 of the Survey of New EBT Users.

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

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

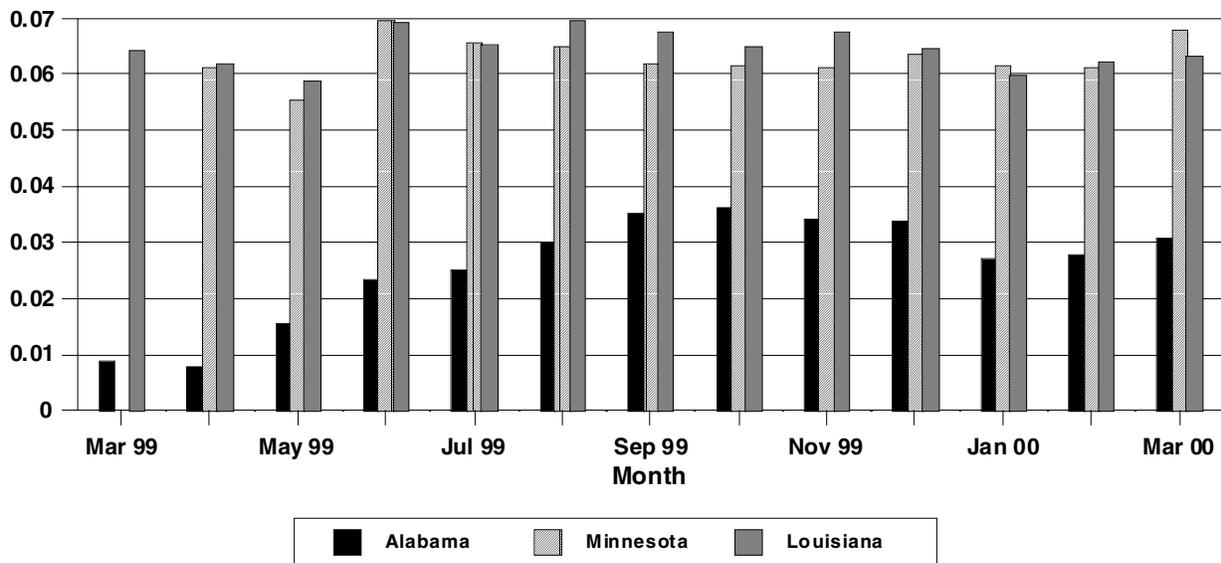
**Difference between this and the entry immediately to the left is significant at the 0.01 percent level.

Somewhat surprisingly, table 41 shows that when vulnerable and nonvulnerable recipients are compared, it is the nonvulnerable ones who are more likely to request a new PIN. In Louisiana, the 6.1 percentage point difference is statistically significant at the 0.01 level. The 3.2 percentage point difference for the nonwaiver States as a group is statistically significant at the 0.05 level. The other differences are not statistically significant but are all in the same direction, with nonvulnerable recipients more likely to request a new PIN. It may be that some of the vulnerable recipients, a group that has greater problems remembering PINs, also find it difficult to request a new PIN.

³⁵ Among Minnesota recipients who received their EBT cards in the mail, 7.1 percent reported that they had ever requested a new PIN, compared with 4.1 percent of Minnesota recipients who received their cards and selected their PINs at the office. Recall that these figures do not include recipients using replacement cards.

Figure 4 displays information about PIN changes available from the monthly EBT summary statistics.³⁶ The Louisiana and Minnesota data in figure 4 are similar to the survey responses in Table 41, despite the fact that the results in the figure pertain to each State’s entire caseload rather than just to new entrants. In contrast, the results for Alabama in the table and the figure appear contradictory. The survey results indicate that, among the four States, Alabama recipients were the most likely to request a new PIN, at least among the three States whose summary statistics provided information on the frequency of PIN changes. The only way to reconcile these disparate findings is if nearly all the requests for a new PIN in Alabama are from new entrants, whereas requests for a new PIN in Minnesota and Louisiana are more evenly distributed between new and existing cases.

Figure 4
Ratio of PIN changes to total cases



Note: Data on PIN changes are not available for Pennsylvania, and they were missing for Minnesota in March 1999.

This situation is certainly possible, especially given card and PIN issuance policies in Alabama. In Alabama, recipients may call customer service to select their own PINs as soon as they receive their EBT cards in the mail, even before they receive the separately mailed PIN. Thus, the relatively high rate of requests for new PINs among new food stamp recipients in Alabama may reflect a desire to shop with their cards as soon as possible rather than a need for a more easily remembered PIN.

The situation in which all requests in Alabama were from new entrants would also be possible if Alabama was more likely to explain PIN-change procedures during training. The survey data indicate, however, that there are no significant differences among the four States in the percentage of new food stamp recipients who were aware that they could request a new PIN (table 42). None of the between-State differences is statistically significant. Table 42 also shows that nonvulnerable

³⁶The EBT transaction data provided to FNS do not include records indicating PIN changes, so we cannot use the detailed EBT data to investigate PIN changes.

recipients were more likely to be aware that they could request a new PIN than vulnerable recipients, which is consistent with the previous finding that nonvulnerable recipients were more likely to have actually requested a new PIN. All of the differences between the vulnerable and nonvulnerable groups in table 42 are statistically significant.

Table 42—New entrants aware that they could request a new PIN

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	69.2	71.5	70.7	67.7	70.5	72.6
Sample size (number)	874	735	542	332	376	359
Vulnerable new entrants (percent)	59.6	56.8	60.6	58.4	57.1	56.6
Sample size (number)	253	261	186	67	126	135
Nonvulnerable new entrants (percent)	71.5	74.5	73.2	69.9	72.5	76.6
Sample size (number)	621	474	356	265	250	224

Note: Table entries are based on responses to Questions D6 and D7 of the Survey of New EBT Users. Those recipients who were aware that they could request a new PIN include those who answered “yes” to Question D7 and those who had already requested a new PIN.

†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.

Unfortunately, the above results present a conundrum. It appears that Alabama’s policy of allowing PIN changes immediately after card receipt could explain the relatively large percentage of new food stamp recipients in Alabama who request a new PIN. If this is happening, however, then one would expect to see fewer PIN problems in Alabama than elsewhere. Findings presented earlier in the chapter do not bear this out, because rates of PIN-related problems in Alabama are relatively high compared with the nonwaiver States. Furthermore, in a separate analysis we broke out the rates of PIN problems (in each State) by whether a new PIN had been requested. This analysis showed that requests for new PINs were more likely among recipients having PIN problems than among those without PIN problems. This leads us to believe that most PIN-change requests are made after a recipient experiences a problem, not immediately after card receipt.³⁷ It is still possible, of course, that Alabama recipients receive the new card and, in a separate mailing, their assigned PIN. They then experience PIN problems and request a new PIN, leaving a low level of residual demand for new PINs among recipients who have been in the program for some time. This scenario would match both the survey data on new recipients and the summary EBT statistics for all food stamp cases.

Table 43 is the last exhibit dealing with PIN changes; it shows the percentage of new entrants who either had already requested a new PIN or said they knew how to request one. There are no significant differences between recipients in the waiver and the nonwaiver States—about half the survey respondents knew how to request a new PIN. The absence of a significant difference is a bit surprising, especially because nonwaiver-State recipients—who were able to select their own PINs—would presumably have less of an incentive to remember how to request a new PIN.

³⁷The survey did not collect information of sufficient detail to determine whether PIN problems preceded or came after the request for a new PIN.

Nevertheless, this lack of a significant difference between the waiver and nonwaiver States is consistent with the results in table 42.³⁸

Table 43—New entrants reporting that they know how to request a new PIN

Respondent group	Total Waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	53.8	51.9	58.2	49.4*	54.1	49.8
Sample size	869	724	540	329	372	352
Vulnerable new entrants (percent)	47.0	43.9	46.2	47.9	48.7	39.0
Sample size	251	257	185	66	125	132
Nonvulnerable new entrants (percent)	55.5	53.6	61.2	49.8**	54.9	52.4
Sample size	618	467	355	263	247	220

Note: Table entries are based on responses to Questions D6 and D7a 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.

Table 43 does show that nonvulnerable new food stamp recipients in Alabama were more likely to know how to request a new PIN than were nonvulnerable recipients in Minnesota, the other State with the PIN selection waiver. Although there is no significant difference between the vulnerable recipients in Alabama and Minnesota, the size of the difference among the nonvulnerable recipients is large enough to create a statistically significant difference between all new food stamp entrants in the two States.

In each State, nonvulnerable food stamp recipients new to the program were more likely to know how to request a new PIN than were vulnerable recipients. The differences between the vulnerable and nonvulnerable groups are significant at the 0.01 level in Alabama and at the 0.10 level in Pennsylvania. They are significant at the 0.10 level in both the combined waiver State group and the combined nonwaiver State group.

³⁸Minnesota recipients who received their initial EBT cards in the mail were somewhat more likely (67 vs. 62.6 percent) to know they could request a new PIN than were Minnesota recipients who picked up their EBT cards at the local office. They were also more likely (49.7 vs. 40.8 percent) to report that they knew how to request a PIN.

PIN Security

Through written training materials and during actual training sessions, new food stamp recipients are told repeatedly to keep their PINs secret for card security purposes. If an EBT card is lost or stolen and the new cardholder knows the PIN, then the food stamp benefits can be used without the recipient's permission. The recipient is liable for unauthorized transactions prior to reporting a card lost or stolen, so the potential for losing benefits is high if the PIN is not safeguarded.

Recipients are told to select a PIN they can easily remember, but not that is not easily guessed by a friend or family member (such as a number based on one's birthdate). In letting recipients pick their own easy-to-remember code, the hope is that they can remember their PIN without having to write it down or tell it to someone. Picking an easily remembered PIN is not an option in the waiver States (unless recipients request a new PIN after the first one is assigned to them). Thus, there is some concern that recipients in those States may be more likely to write their PIN down or tell it to a family member than recipients in nonwaiver States. Similar concern exists for vulnerable recipients in both waiver and nonwaiver States, who may have memory problems.

The Survey of New EBT Users asked respondents two questions related to aids for remembering the PIN: whether they ever wrote their PIN somewhere to help them remember it; the and whether they ever told their PIN to somebody else.

In table 44, we see that new food stamp recipients in the waiver States were nearly twice as likely to write their PINs down as those in the nonwaiver States (26.7 vs. 15.2 percent). The 11.5 percentage point difference is statistically significant at the 0.01 level. Within the vulnerable and nonvulnerable subgroups, only the difference between waiver and nonwaiver States for the nonvulnerable recipients (24.9 vs. 13.1 percent) is statistically significant.³⁹

Table 44—New entrants who wrote their PIN down to help them remember it

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	26.7	15.2**	28.7	24.8	16.5	13.9
Sample size (number)	880	750	545	335	387	363
Vulnerable new entrants (percent)	34.9	26.0	33.8	36.0	30.5	21.5
Sample size (number)	253	271	188	65	133	138
Nonvulnerable new entrants (percent)	24.9	13.1**	27.5	22.3	14.2	12.0
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on responses to Question D2 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.

³⁹ Additional evidence concerning who is likely to write down a PIN comes from examining recipients in Minnesota, where 37.4 percent of those receiving a mailed card and assigned PIN wrote the PIN down. Only 12.4 percent of Minnesota recipients getting their cards at the office and selecting their own PIN indicated that they wrote the PIN down.

Table 44 also shows that vulnerable recipients are more likely to write down their PINs than nonvulnerable recipients. This is true both for the waiver States and the nonwaiver States, where the differences (34.9 vs. 24.9 percent and 26.0 vs. 13.1 percent, respectively) are statistically significant at the 0.05 level. It is also true for Minnesota and Louisiana, where the respective differences (36.0 vs. 22.3 percent and 30.5 vs. 14.2 percent) are significant at the 0.05 and 0.10 levels.

Of those recipients who wrote down their PIN, 64.5 percent across the four States said they kept the written PIN with their EBT card or in their wallet or purse. The percentages in the waiver States of Alabama and Minnesota were lower than in Louisiana and Pennsylvania, but even in the waiver States the percentages exceeded 50 percent. Keeping a written PIN close to one's EBT card clearly risks the security of the EBT benefits; with the PIN a lost or stolen card can easily be used to purchase groceries or, for recipients with cash benefits, to withdraw cash.

Table 45 presents information on the likelihood of recipients telling their PIN to somebody who could help them remember it later. Comparing tables 44 and 45 shows that new food stamp recipients in the waiver States were less likely to do this than to write it down, whereas in the nonwaiver States they were slightly more likely to tell their PIN than to write it. Seeing this pattern and recognizing that the two memory aids could be substitutes for each other, we examined the percentage of recipients who either wrote their PIN down or told it to somebody (table 46). Both overall and for the vulnerable and nonvulnerable groups, new recipients in the waiver States were more likely to use at least one of these memory aids than were new recipients in the nonwaiver States. The differences are statistically significant among nonvulnerable recipients and the overall caseload of new entrants. In looking at the State-specific percentages, we see that Alabama recipients stand out as being most likely to write their PIN down or tell it to somebody.⁴⁰

Table 45—New entrants who told somebody their PIN to help them remember it

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	13.6	17.1	16.1	11.1*	18.9	15.3
Sample size (number)	880	749	544	336	387	362
Vulnerable new entrants (percent)	20.1	26.6	20.9	19.2	39.4	13.8**
Sample size (number)	253	270	187	66	133	137
Nonvulnerable new entrants (percent)	12.0	15.6	14.8	9.2*	15.6	15.7
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on responses to Question D3 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.

⁴⁰ A high percentage (44.7 percent) of Minnesota recipients who received their cards in the mail also said they used at least one of the aids for remembering their PIN. Only 19.8 percent of recipients in Minnesota who picked up their cards said they told somebody their PIN or wrote it down.

Table 46—New entrants who either told their PIN to somebody or wrote it down

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	36.4	28.2**	40.7	32.1*	29.1	27.4
Sample size (number)	881	750	545	336	387	363
Vulnerable new entrants (percent)	47.3	39.1	49.8	44.8	44.9	33.2
Sample size (number)	254	271	188	66	133	138
Nonvulnerable new entrants (percent)	33.9	26.2*	38.5	29.2*	26.5	26.0
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on responses to Questions D2 and D3 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.

In every State except Pennsylvania, and for the grouped waiver and nonwaiver States, vulnerable recipients were significantly more likely to write their PIN down or tell it to somebody than nonvulnerable recipients. Within the combined waiver States, the 13.4 percentage point difference is statistically significant at the 0.01 level; the remaining differences (except for Pennsylvania) are all significant at the 0.05 level.

From the data on decisions to write down a PIN or to tell it to somebody for later help in remembering, it appears that recipients in the waiver States are at greater risk than those in the nonwaiver States of losing food stamp benefits through an unauthorized transaction. Similarly, vulnerable recipients may be at greater risk than nonvulnerable recipients. The survey explored this possibility by asking whether anybody had ever used the recipient's EBT card without permission to buy groceries or withdraw cash benefits. Overall, only 7 of the 1,632 survey respondents (0.5 percent) said that their EBT card had been used without permission, but 6 of the 7 were from the waiver States. Only two of the seven recipients reporting an unauthorized transaction were either elderly or disabled, but five of the six waiver-State recipients had either written their PIN down or told it to somebody to help them remember.⁴¹

Table 47 presents the percentage of new food stamp recipients reporting an unauthorized transaction. As shown in the table, the difference between the waiver and nonwaiver States in the percentage of new entrants reporting an unauthorized transaction is statistically significant at the 0.05 level. No other comparisons show a significant difference. The hypothesis regarding the linkage between poor PIN security and unauthorized transactions is supported by the survey data. Of the seven recipients reporting an unauthorized transaction, two said they had written the PIN down (although only one put the written PIN with the card), three said they had told the PIN to somebody, and three said the person who used the card without permission had used it previously with permission (and thus had access to the PIN). All seven recipients had compromised their PIN in one way or another.

⁴¹The seventh recipient with an unauthorized transaction did not give information regarding whether the PIN was written down or told to somebody.

Table 47—New entrants reporting an unauthorized transaction

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	0.7	0*	0.5	0.9	0	0.1
Sample size (number)	882	749	545	337	386	363
Vulnerable new entrants (percent)	1.7	0	0	3.4	0	0
Sample size (number)	255	271	188	67	133	138
Nonvulnerable new entrants (percent)	0.5	.1	.6	.4	0	0.1
Sample size (number)	627	478	357	270	253	225

Note: Table entries are based on responses to Question E6 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.

Chapter 5

Use of EBT System

As explained in chapter 3, State agencies or their EBT vendors provide training to new users of their EBT systems. The training is designed to acquaint food stamp recipients with their new EBT cards and to instruct them on how to use their cards to access their food stamp and/or cash benefits. Food stamp EBT regulations stipulate that training will include

hands-on experience for each household in the use of the EBT equipment necessary to access benefits and obtain balance information.⁴²

To date, FNS has issued waivers to the hands-on training regulation to 31 State agencies, including Alabama and Minnesota.

This chapter addresses the impacts of the hands-on training waiver on food stamp recipients' use of the EBT system, excluding possible impacts on PIN use, which were examined in the previous chapter. The general hypothesis is that eliminating the hands-on training requirement may cause some recipients in the waiver States greater problems in using the system.

Highlights

New food stamp recipients in the waiver States are considerably more likely to report having needed help using their EBT card than recipients in the nonwaiver States (30.6 vs. 18.3 percent). Furthermore, vulnerable recipients in the waiver States were, at 41.3 percent, the most likely to say that they had ever needed help. The evidence is therefore strong that the hands-on training waiver (coupled with the PIN selection waiver) causes new food stamp recipients to have more problems using their EBT card, at least initially, and that the impact is greater for vulnerable recipients.

When the focus was narrowed to problems other than PIN use—keeping track of the remaining balance, not knowing how to use the system, difficulties due to impairment—only 1.5 percent of waiver-State and 0.4 percent of nonwaiver-State recipients said they had ever found it difficult to use their EBT cards. The difference, although statistically significant, is small. Of perhaps greater importance, vulnerable recipients in the waiver States were much more likely (4.1 percent) than those in the nonwaiver States (0.6 percent) to say they ever found it difficult to use the EBT card. They were also more likely to experience difficulties than nonvulnerable new recipients.

Most new recipients say they know how to check their remaining food stamp balances; the training in the waiver and nonwaiver States appears to be equally effective in this regard. Even so, about 5 percent of all EBT transactions in the waiver States are rejected because the account has insufficient funds. The corresponding figure in the nonwaiver States is 4.1 percent. Vulnerable new recipients have a higher percentage of rejected transactions for insufficient funds than

⁴²CFR 274.12 (g)(10)(ii).

nonvulnerable new recipients. Finally, there is little evidence of a learning effect with regard to the prevalence of insufficient fund transactions; rates of such transactions are not systematically lower for existing cases than for new EBT users.

Problems Using the EBT System

Survey respondents were asked whether they ever needed help from someone at the store to use their EBT card. Table 48 shows that only 14 percent of recipients in Louisiana reported that they needed help, compared with about 23 percent of new food stamp recipients in Pennsylvania, 28 percent in Minnesota, and nearly 33 percent in Alabama. Thus, there is a significant difference between the waiver States and nonwaiver States in the percentages of new recipients reporting they had needed help using EBT card (30.6 vs. 18.3 percent). Significant differences exist within both the vulnerable and nonvulnerable subgroups, as well.

In comparing the responses of vulnerable and nonvulnerable recipients in table 48 we see that, in all States except Louisiana, vulnerable recipients were more likely to say they had ever needed help with the EBT system than nonvulnerable recipients. For the two waiver States combined, the 13.3 percentage point difference (41.3 vs. 28.0 percent) is statistically significant at the 0.01 level, whereas the 3.7 percentage point difference for nonwaiver recipients (21.1 vs. 17.4 percent) is not significant. In Alabama and Minnesota, the differences between the vulnerable and nonvulnerable recipients' responses are statistically significant at the 0.05 level. In Pennsylvania the difference is significant at the 0.10 level, whereas the Louisiana difference is not statistically significant. Whether or not these differences arise from the different training practices in the four States, it is clear that the vulnerable recipients in the waiver States were the most likely group to have needed help using their EBT cards.

Table 48—New entrants reporting they needed help using an EBT Card

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	30.6	18.3**	32.9	28.3	14.0	22.5**
Sample size (number)	882	750	545	337	387	363
Vulnerable new entrants (percent)	41.3	21.1**	41.4	41.3	10.0	32.1**
Sample size (number)	255	271	188	67	133	138
Nonvulnerable new Entrants (percent)	28.0	17.4**	30.8	25.3	14.6	20.2
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on responses to Question E2 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.

One might expect that “infrequent” shoppers would have greater difficulties using the EBT card than those who use their card often. Instead, a large difference exists only in Pennsylvania, where 8.9 percent

of new recipients said they shopped less than once per month.⁴³ There, however, infrequent shoppers were less likely to have ever needed help than more frequent shoppers (9.5 vs. 23.3 percent).

For those respondents in table 48 who said that they had ever needed help using their EBT card, we asked whether the help was needed when they were first learning to use the card or “because of a problem” This question was an effort to distinguish between difficulty learning how to use the system and problems with the system itself. A large majority of recipients needing help in each State (from about 77 percent in Louisiana to about 85 percent in Pennsylvania) said it was when they were first learning to use the card.⁴⁴

It is quite likely that some of the respondents who said they needed help were referring to problems using or remembering their PINs. We therefore asked them whether they ever found it difficult to use their EBT card and, if so, what they found difficult. The questions were worded in the present tense to try to distinguish between past problems and current difficulties. Overall, 6.8 percent of recipients in the waiver States said they found it difficult to use the EBT card, compared with 4.5 percent of those in the nonwaiver States. The 2.3 percentage point difference is statistically significant at the 0.10 level.

In responses to an open-ended, followup question about what recipients found difficult, some of the problems were clearly system or store related. Examples include trouble swiping the EBT card through the card reader (usually caused by a problem with the magnetic stripe on the back of the card), problems with the EBT terminal, and the store clerk’s not knowing how to process an EBT transaction.

If we exclude both the problems that were system or store related and those involving PIN use, we are left with problems other than PIN use that are related to the recipient’s ability to use the EBT system. Reported problems included difficulty keeping track of one’s remaining balance, not knowing how to use the system, being impaired and having related difficulties using the system, and being too embarrassed or nervous to use the system. Table 49 shows the percentages of survey respondents who said they ever found it difficult to use the EBT card because of one of these recipient-related difficulties. The percentages are generally low, indicating that by the time these new food stamp recipients were interviewed, very few were having difficulties using the system (beyond the PIN-related problems discussed in chapter 4). Vulnerable recipients in the waiver States, however, were still considerably more likely to have difficulty (4.1 percent) than vulnerable recipients in the nonwaiver States (0.6 percent). This difference was large enough to produce a statistically significant difference for the combined groups of vulnerable and nonvulnerable recipients (that is, all new entrants) as well.

⁴³ Table 26 in chapter 4 presented information on shopping frequency.

⁴⁴ We recognize that the wording “because of a problem” may not have been entirely successful in distinguishing between problems associated with recipients’ learning how to use the system and problems with the system itself. Past evaluations of EBT systems, however, have found that recipients are not always able to distinguish between true system malfunctions and problems caused by human error (either their own or error by the store clerk in using the EBT terminal). We therefore did not attempt a more rigorous definition of system problems. We note that difficulties in interpreting responses to this question are the same in all four States, so cross-State comparisons of survey responses remain valid. In addition, because most respondents said that they needed help in learning to use the card, difficulties interpreting “because of a problem” become less of a concern.

Table 49—New entrants who ever found it difficult to use an EBT card, excluding system-related causes

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	1.5	0.4*	1.0	2.1	0.1	0.6
Sample size (number)	881	749	545	336	387	362
Vulnerable new entrants (percent)	4.1	.6*	2.9	5.3	.3	1.0
Sample size (number)	255	270	188	67	133	137
Nonvulnerable new Entrants (percent)	.9	.3	.5	1.4	.1	.5
Sample size (number)	626	479	357	269	254	225

Note: Table entries are based on responses to Questions E3 and E3a 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.

In all four States, vulnerable recipients were more likely than nonvulnerable recipients to report that they ever found it difficult to use the EBT card. Only in Alabama and the two waiver States as a group, however, are the respective differences statistically significant (at the 0.05 level).

When food stamp recipients encounter a problem with their EBT card or account, they can contact someone for assistance; both Citibank and eFunds Corporation operate EBT help desks. Generally, recipients are told during training to contact the EBT help desk with card-related problems or problems with an EBT transaction. They are told to contact their local food stamp office for questions about food stamp benefits.

The survey asked recipients where they would seek help for an EBT problem. Table 50 displays their responses. Multiple responses to this question were allowed, and recipients in Alabama and Minnesota were about equally likely to call the help desk or their local food stamp office for assistance. In contrast, recipients in the two nonwaiver States were much more likely to call their caseworker or food stamp office than the EBT help desk. For the two nonwaiver States, 83.0 percent of new recipients said they would call their caseworker or local office for help, compared with only 55.2 percent who indicated they would call the help desk.

Table 50—Whom respondents call with an EBT problem

Help source	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
Help desk/customer service	67.7	55.2**	70.0	65.3	60.0	50.4*
Caseworker/local office	67.1	83.0**	63.9	70.4†	78.7	87.3*
Family member/friend	2.4	2.8	2.2	2.6	2.8	2.8
<i>Number</i>						
Sample size	882	750	545	337	387	363

Note: Table entries are based on responses to Question E5 of the Survey of New EBT Users. Multiple responses were allowed, so column figures do not add to 100 percent.

†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.

Checking Remaining Balances and Insufficient Funds

Food stamp recipients using an EBT system have several ways to check the dollar value of their remaining food stamp benefits. First, they may call the system’s help desk or a special telephone number. After identifying themselves by entering their EBT card number, they receive an updated account balance. Recipients may also use special “balance-only” EBT terminals located at the food stamp office and in some food stores. Another alternative is to use the EBT terminal in the store’s checkout lane to obtain a current balance, although store clerks and program officials generally try to dissuade recipients from doing so because it can create delays in the checkout line. Finally, at the end of each EBT transaction, the balance is printed on the EBT receipt. By holding on to the receipt, a recipient has a record of the balance as of that time. Any benefits posted to the account after that purchase will of course change the balance.

The different methods for obtaining information about balances in one’s EBT account are explained during EBT training. Because recipients in the waiver States did not receive hands-on training, we hypothesized in chapter 1 that they might have more trouble tracking their balances. To check this, the survey asked recipients whether they knew how to check the food stamp benefits remaining in their EBT account. As shown in table 51, the hypothesis is not supported; new food stamp recipients in the waiver States are just as likely to know how to check their EBT balances as their counterparts in the nonwaiver States. (New food stamp recipients in Pennsylvania, however, are less likely to know how to check their EBT balances than new recipients in Louisiana.) Further, only in Alabama are vulnerable new recipients significantly less likely to know how to check their balances than nonvulnerable new recipients (0.05 level).

Table 51—New entrants who know how to check their EBT balance

Respondent group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	93.6	94.1	94.8	92.5	97.3	91.0**
Sample size (number)	879	748	544	335	387	361
Vulnerable new entrants (percent)	91.1	91.3	91.0	91.2	95.9	86.7*
Sample size (number)	252	269	187	65	133	136
Nonvulnerable new entrants (percent)	94.3	94.7	95.7	92.8	97.5	92.0*
Sample size (number)	627	479	357	270	254	225

Note: Table entries are based on responses to Question E4 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.

The most popular methods of checking EBT balances did not vary by State. In all States, about three-quarters of new food stamp recipients said that they had used their EBT or ATM receipts to check their food stamp balance. From 64 to 78 percent of recipients across the four States, however, also said that they had checked their balance by calling a special phone number for a recorded report. The percentages of recipients ever using other methods all fell at or below 25 percent; receipts and the special phone number were clearly the favored means of tracking account balances.

We do not know how often recipients check their balances, only that most of them say they know how. When they do not keep track, they run the risk of trying to buy more groceries with their EBT card than they can pay for with the food stamp benefits remaining in their account. At the store, the EBT terminal sends a purchase request to the EBT host computer for the dollar amount of the intended purchase, say \$50. If the recipient's EBT account holds less than \$50 in food stamp benefits, a reply reading "insufficient funds" (or a similar message) is sent back to the terminal. The message indicates the amount of benefits left in the account, so the recipient can initiate a second purchase request for a sum less than or equal to that amount, either by removing some items from the shopping cart or by paying by (cash or check) for the difference in total purchase amount and the second EBT purchase request.

Insufficient funds transactions, also known as "NSF transactions," create delays in the checkout line because a second EBT transaction needs to be initiated. The second transaction, like the first, requires card swipe and PIN entry. For this reason recipients are often told during EBT training to check their balance before going to the store so that delays are avoided. If less-effective training is offered as a result of the waiver for hands-on training, then one might expect to see more NSF transactions the waiver States than in the nonwaiver States.

The Survey of New EBT Users did not ask respondents about NSF transactions. The EBT transaction data and summary statistics, however, do provide information on the prevalence of insufficient funds transactions. From table 52, we see that 5.0 percent of transactions initiated by new food stamp recipients in the waiver States resulted in a denial (or rejection; both terms are used in EBT systems) for insufficient funds. The corresponding percentage for recipients in the nonwaiver States is 4.1 percent, so the hypothesis is supported. It is also supported among existing cases, 4.9 to 3.7 percent.

Table 52—EBT transactions rejected for insufficient funds

Cases	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
<i>Percent</i>						
All new entrants	5.0	4.1	4.3	5.6	3.1	5.2
Vulnerable new entrants	6.9	6.1	6.2	7.5	4.6	7.6
Nonvulnerable new entrants	4.7	3.9	3.9	5.5	3.0	4.9
Existing cases	4.9	3.7	4.7	5.1	3.4	4.1
Vulnerable existing cases	7.7	5.5	7.4	8.0	5.4	5.5
Nonvulnerable existing cases	3.9	3.1	3.6	4.2	2.7	3.4
<i>Thousands</i>						
Total transactions	3,480	9,239	2,391	1,089	3,786	5,453

Notes: Table entries are based on EBT transaction data from November and December 1999. "Vulnerable" cases are here defined as elderly recipients or those listed on State eligibility files as having a disability. No significance tests were performed because the data do not represent a sample.

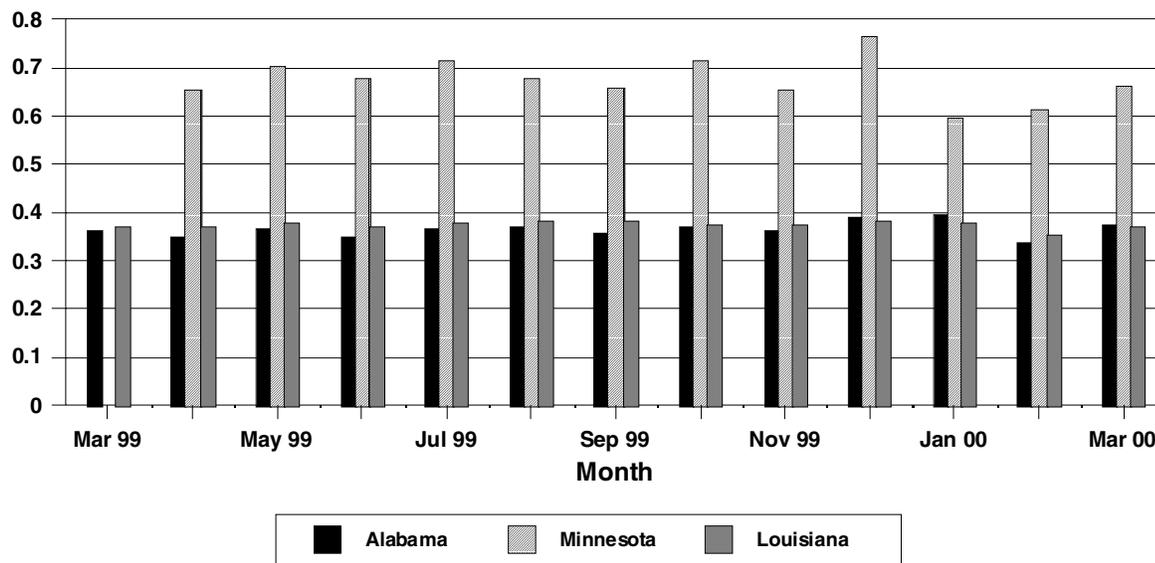
Vulnerable recipients—whether new entrants or existing cases—have a higher percentage of transactions rejected for insufficient funds than do nonvulnerable recipients. The largest difference in percentage is among existing cases in Minnesota, where 8.0 percent of vulnerable recipients'

transactions are rejected for insufficient funds, compared with only 4.2 percent for nonvulnerable existing cases.

Finally, is there a learning effect for NSF transactions? The data in table 52 may suggest that there is a small such effect for nonvulnerable recipients; the percentages for nonvulnerable new entrants are always greater than those for nonvulnerable existing cases. This is also true for vulnerable recipients in Pennsylvania, but not in the other three States. None of the differences between new and existing cases is very large, however, so the support for a learning effect is not very persuasive.⁴⁵ Experience with the EBT system, therefore, does not lead to a large decrease in NSF transactions. Perhaps experiencing an NSF transaction is less of a bother to some recipients than keeping track of remaining balances.

Figure 5 presents information on NSF transactions from the monthly EBT summary statistics. Although the summary statistics provide information on the total number of NSF transactions processed by the system each month, they do not provide separate totals for food stamp and cash transactions. Figure 5 therefore divides total NSF transactions by total EBT cases (both food stamp and cash-only) to yield a ratio of NSF denials to cases. One can interpret the ratio as the average number of NSF transactions per case per month.

Figure 5
Ratio of NSF transactions to total cases



Data on NSF transactions are not available for Pennsylvania, and they are missing for Minnesota in March 1999.

The striking thing about figure 5 is the high ratios in Minnesota compared with those in Louisiana and Alabama, whose ratios of NSF transactions to total cases are nearly equal. Such a disparity was not observed in table 52. We believe the reason for the different results in the two exhibits is

⁴⁵Recall that the EBT transaction data do not represent a sample, so no tests of significance are presented. If tests were conducted, nearly all differences would be statistically significant because of the large “sample” sizes involved. The more relevant question is whether any differences are “large” from a policy perspective.

that table 52 includes only food stamp transactions, whereas figure 5 is based on both food stamp and cash transactions. Previous EBT research has shown that denials for insufficient funds are more common for cash benefits than food stamp benefits,⁴⁶ and the Minnesota caseload has a much higher percentage of cash-benefit cases than the Alabama and Louisiana caseloads. In November 1999, 62 percent of the Minnesota EBT caseload received cash benefits, compared with only 12 percent of the Alabama caseload and 15 percent of the Louisiana caseload.

Inactive EBT Accounts

EBT systems track how many days have elapsed since the card-holder last accessed his or her account. When benefits have gone unused for 90 days or more, the account is considered “stale.” After 90 days, food stamp benefits may be stored in an off line file and the EBT account closed. If the recipient returns to the food stamp office within 1 year after the benefits were issued, a new EBT account is created, and the benefits that had been moved off line are posted to the new account. After one year of not being accessed, benefits are expunged, and the food stamp recipient loses all rights to those benefits.

EBT accounts can become stale for a number of reasons. First, if recipients move to another State, they can first go to the local food stamp office to have their remaining EBT balance converted to food stamp coupons (or, in some States, cash). If only a few dollars are left in the account, however, they may decide it is not worth their time to make a special trip to the office. These remaining benefits would then eventually become stale.⁴⁷ Second, the recipient may become too sick or infirm to use the EBT card for an extended period. Third, recipients with very low monthly benefits may try to “save” their benefits over time and use them for a special occasion.⁴⁸ Finally, some benefits may go unused because the recipients do not know how to use their EBT card or are too embarrassed or nervous to ask for help.

The only direct data we have concerning stale accounts come from the EBT summary statistics. The summary data are imperfect because not all States and EBT vendors handle stale accounts uniformly. For instance, there is uncertainty over how long accounts with unused benefits remain on the system in our four study States. During the period for which we have data, State agencies were working with their EBT vendors to purge inactive accounts. Nevertheless, data on stale accounts are a potentially valuable resource for investigating possible recipient problems with system use. For this reason, we present rates of stale accounts in figure 6. The figure shows that the rates of 90-day stale accounts are very nearly equal in Alabama and Louisiana; in those two States an average of about 3.6 percent of all food stamp EBT accounts are stale in any given month. The rate in Pennsylvania is considerably lower, at about 1.8 percent of accounts, whereas a monthly average of about 8.6 percent of food stamp accounts in Minnesota have been inactive for 90 days. The Minnesota rates are quite high, perhaps because the EBT processor for

⁴⁶The research was done as part of the study *Economics of EBT* (FNS contract 43-3198-7-0402), which included a computer simulation model of the cost and revenue components of EBT systems.

⁴⁷The frequency of this particular cause of stale accounts should decrease in the future as State agencies make their EBT systems interoperable. When this happens, recipients who move to another State with a compatible EBT system will be able to access their old benefits from their new location.

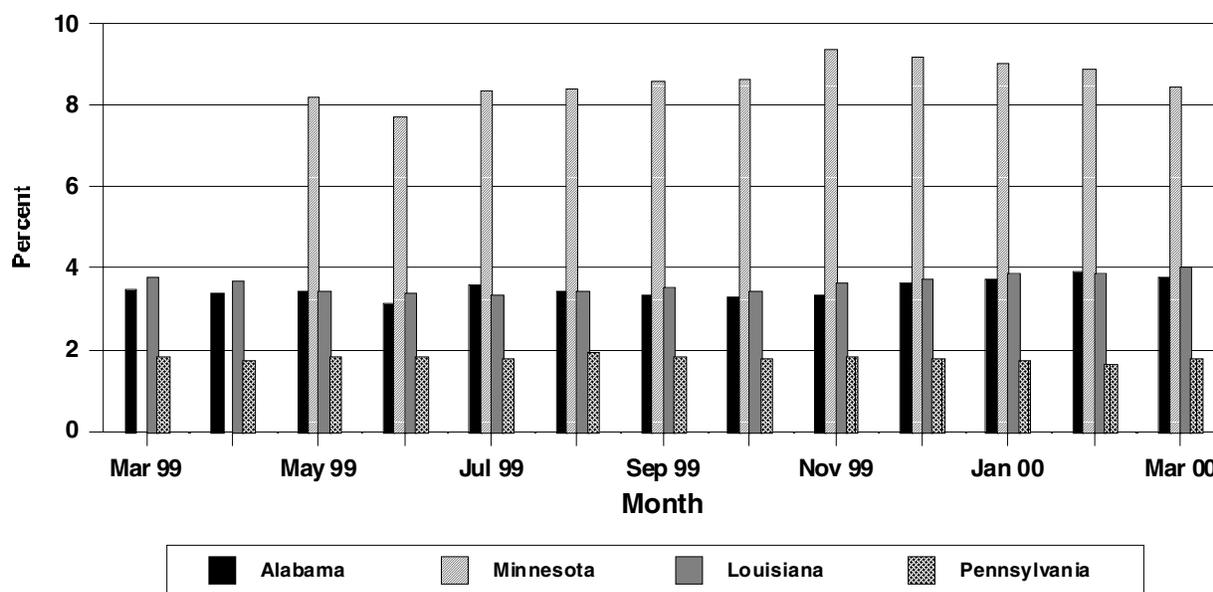
⁴⁸For a previous evaluation, we surveyed food stamp recipients in Maryland whose EBT benefits had been unused for at least 60 days. Several recipients receiving \$10 in benefits per month said they were saving their benefits in order to buy food for a Thanksgiving dinner. These recipients tend to be elderly persons receiving supplemental security income (SSI), and FNS recognizes that this “savings” behavior occurs frequently within this population (personal correspondence with Jane Duffield of the EBT Division at FNS, March 29, 2001).

Minnesota had not been deleting inactive accounts from system files. For this reason, and because the rates in Alabama and Louisiana are so similar, we do not believe that the State-to-State variation in rates is related to the presence or absence of the hands-on training waiver.

Other evidence of possible non-use of the EBT card comes from merging the State administrative data used to create the sample frame for the Survey of New EBT Users with the EBT transaction data obtained from FNS and singling out entrants with no matching transactions. The evidence, presented below, is suggestive at best, because the absence of a successful merge could be due to reasons other than card non-use. Because the merge was based on case identification number and EBT card number, however, we believe that most nonmatches do represent recipients' non-use of their new EBT card.

Figure 6

Percentage of stale EBT accounts (inactive for 90 days or more)



Data in stale EBT accounts are not available for Minnesota in March and April 1999.

The data in table 53 suggest that some new food stamp recipients in each State had enough difficulty with their EBT cards that they made no effort to use the card within a month after receipt.⁴⁹ There is considerable State-to-State variation in the percentage of new entrants with no observed EBT transactions (including no rejected transactions), but the average for the two waiver States (4.5 percent) is not very different from the average for the two nonwaiver States (5.0 percent). What is striking about table 53 is the difference between vulnerable and nonvulnerable new entrants.

Vulnerable entrants were substantially more likely than nonvulnerable entrants to have made no EBT transaction attempts, especially in Minnesota, where 25.0 percent of all vulnerable new entrants (and only 2.9 percent of nonvulnerable new entrants) had no EBT record match.

⁴⁹ All respondents to the survey received their EBT cards in October or November of 1999. The EBT transaction data cover the months of November and December 1999.

Table 53—New entrants (sample frame) with no EBT transactions

Entrant group	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
All new entrants (percent)	4.5	5.0	3.4	5.6	1.8	8.2
Sample size (number)	5,704	17,086	4,176	1,528	7,082	10,004
Vulnerable new entrants (percent)	16.0	9.1	7.0	25.0	3.5	14.6
Sample size (number)	1,215	2,410	1,027	188	944	1,466
Nonvulnerable new entrants (percent)	2.6	4.4	2.2	2.9	1.6	7.1
Sample size (number)	4,489	14,676	3,149	1,340	6,138	8,538

Notes: Table entries are based on an attempted merge of new-entrant records from State food stamp administrative files with EBT transaction data from November and December 1999. “Vulnerable” cases are here defined as elderly recipients or those listed on State eligibility files as having a disability. No significance tests were performed because the data do not represent a sample.

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.

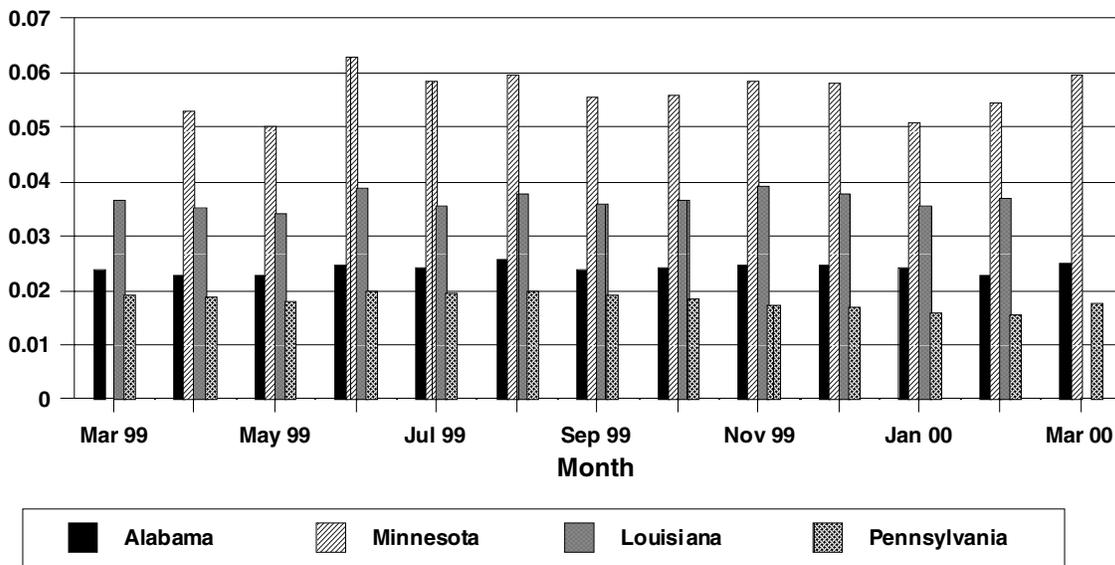
Prevalence of EBT Card Replacements

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

⁵¹It 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.

Appendix A

Identification of Disabled Food Stamp Recipients

One major goal of this study is to determine the impacts of customer service waivers on food stamp recipients. A second goal is to ascertain whether the impacts of the customer service waivers are different for vulnerable compared with nonvulnerable recipients. As explained in the report, we define vulnerable recipients as those individuals who are either elderly (age 60 or older) or disabled.

To ensure that the study would have a sufficient number of vulnerable recipients to assess the impacts of the customer service waivers, the survey oversampled members of this group. This oversampling was accomplished by using State food stamp administrative files to identify older and disabled recipients. Identifying the elderly was straightforward, based on date-of-birth information in the administrative files. Identifying disabled recipients was more difficult because the State files did not have consistent measures of disability.

During the survey, interviewers asked sampled recipients whether they had a disability and, if so, its nature. Analysis of the responses and the administrative data reveals that the two measures of disability often do not correspond with one another. The results presented in the report are based on recipient self-reports of disability because we believe the self-reported information to be a more consistent and accurate measure of disability affecting EBT card use.

This appendix presents a comparison of the two measures of disability.

Administrative Measures of Disability

When the study team requested copies of State food stamp eligibility files, we asked for whatever information was available about the disability status of food stamp recipients. In both Minnesota and Pennsylvania, the files contain a variable indicating food stamp disability or incapacity. The administrative files provided by Alabama and Louisiana contain a work registration code that includes a number of categorical responses related to having a disability.

To be as consistent as possible in defining disability across the four States, the study defined five attributes as indicating a disability. These attributes could be identified using either the work registration information provided by Alabama and Louisiana or the disability information provided by Minnesota and Pennsylvania. They were as follows:

- Recipient is either a disabled veteran, the disabled surviving spouse of a veteran, or the disabled child of a veteran.
- Recipient either receives or is approved for Supplementary Security Income (SSI), and is therefore either aged, blind, or disabled.
- Recipient either receives or is approved for RSDI disability (separately identified only in Minnesota and Pennsylvania).
- Recipient is blind (separately identified only in Minnesota).
- Recipient is otherwise disabled.

The last category includes individuals who are disabled and receiving railroad retirement benefits, those who are unable to prepare or purchase their own meals, those who are disabled but not receiving SSI or veteran’s benefits, and those who are certified as disabled by the State.

Using this definition of disability, table A-1 shows the percentages of disabled food stamp recipients in the four States. The first row shows the percentages of disabled recipients within each State’s **total** food stamp caseload. The two nonwaiver States, Louisiana and Pennsylvania, both had about 32 percent of their caseload classified as disabled in November 1999. Alabama’s percentage of disabled recipients was slightly lower, at 28.5 percent. Only 11.4 percent of Minnesota’s food stamp caseload was disabled according to the State data.

As to the second row in table A-1 shows, new entrants are less likely to be classified as disabled than other food stamp recipients in each of the four States. We do not know why, but a possible explanation is that new food stamp cases are characterized by a recent change in financial circumstances, whereas the existing caseload displays longer-term financial hardship. We cannot test this hypothesis, but if individuals with disabilities are more likely to face long-term financial hardship than able-bodied individuals, this situation would produce the pattern of statistics found in table A-1.

We note that the results in table A-1 do not seem to correlate with whether a work registration variable or a disability variable was provided in the State files. The administrative files from both Minnesota and Pennsylvania contained a work registration variable; yet these two States differ considerably in the percentage of recipients who are disabled and in the difference in disability rates between the total caseload and new entrants.

Table A-1— Food stamp cases disabled, based on State administrative files

Recipients	Total waiver	Total non-waiver	Waiver States		Nonwaiver States		
			Alabama	Minnesota	Louisiana	Pennsylvania	
<i>Percent</i>							
Total caseload	20.0	32.4	28.5	11.4	32.6	32.2	
New entrants	14.0	11.3	19.1	8.9	11.7	10.8	

Survey Identification of Disability

Several questions in the Survey of New EBT Users asked about disabilities. First, in section A of the survey instrument, recipients were asked whether they were the person in their household who usually did grocery shopping with the EBT card. If not, the survey collected information about the shopper and then asked the recipient why that person did the shopping (question A8f). Of the 29 recipients who said somebody else did the shopping, 10 of them (34.5 percent) responded to question A8f by saying said that they had a disability that made it difficult or impossible for them to shop.⁶¹ Another 14 recipients, however, indicated a disability in response to question G8. Thus, 24 of the 29 recipients (82.8 percent) indicated a disability.

Question G8 of the survey asked **all** sampled recipients:

Do you have a disability that makes it hard for you to get around town, go shopping, or use the [STATE NAME] EBT Card?

Of the total sample of 1,632 new entrants, 419 (25.7 percent) said “Yes.”

The same question was asked of the 29 other individuals who usually shopped with the recipient=s EBT card. Four of the 29 (13.8 percent) said they had a disability.

For recipients and shoppers who said they had a disability, questions F8a and G8a asked, AWhat is the disability?@ Verbatim responses to this second question were postcoded into the series of disability codes shown in table A-2. The bulleted items in the table are the verbatim response categories; these responses have been organized into a series of summary disability descriptors, based mostly on functional impairments (for example, mental impairment, loss of mobility, loss of use of arms). Figure A-1 shows the distribution of self-reported disabilities across the summary categories. The most common responses, by far, related to loss of mobility.

Two of the survey respondents said they had a disability in response to question A8f, but they did not say they were disabled in response to question G8. To obtain as complete a measure as possible of the presence of disabled recipients in the sample, a new indicator variable for disability was created. This variable was set equal to A1@ if responses to either question A8f or G8 indicated a disability; otherwise, the variable was set equal to A0.” Across the four States, 405 of 1,632 respondents (or 24.8 percent of the sample) said they were disabled.⁶²

⁶¹The remaining responses were classified into the following categories: shopping is the responsibility of someone else in the household (13); inability to get to the store not related to a disability (5); and missing information (1).

⁶²Of the 419 recipients who said they had a disability, 16 gave information in response to question G8a suggesting that they did not have a true disability (e.g., not having a car, having a sore shoulder). These 16 recipients have been coded as not having a disability, leaving 405 recipients indicating a disability in either question A8f or G8a.

Table A-2—Disability codes based on self-reported Disability

Mental impairment

- Alzheimer’s disease, memory problem, brain damage
- Mental depression, bipolar depression, paranoid schizophrenic, anxiety, bad nerves
- Head injury

Loss of mobility

- Spinal cord injury, spinal fusion, paralysis, quadriplegic
- Stroke, heart attack
- Other heart problems (chest pain, large heart, blood pressure, blood clots, high cholesterol, aneurism)
- Bad/dislocated/herniated disk, back or hip problems, pinched nerve (in back)
- Cerebral palsy, in wheelchair, crippled, leg amputated, cannot walk, paraplegic
- Arthritis, osteoporosis, use a cane, torn cartilage in knee, leg problems
- Chronic pain, severe headaches, migraines
- Chronic fatigue syndrome(cfs), muscle fatigue, fatigue, weakness
- Frailty (old age, bedridden)
- Other (can’t get around, can’t drive, hernia)

Loss of use of arms

- Both arms amputated
- Arm problems, one arm amputated
- Other

Degenerative and chronic conditions

- AIDS, HIV, immune system diseases
- Cancer, tumor
- Renal disease/kidney failure, kidney dialysis
- Parkinson’s disease, multiple sclerosis
- Diabetes
- Epilepsy, seizures
- Stomach problems, thyroid, liver disease, shingles
- Allergies
- Other conditions that clearly affect current functionality
- Other conditions that don’t clearly affect current functionality

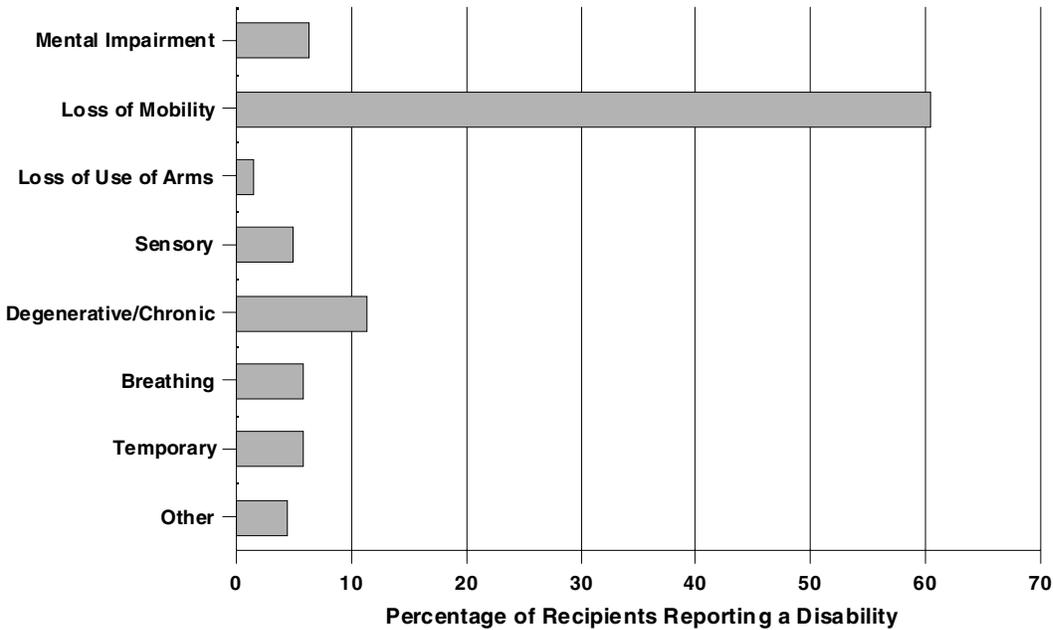
Breathing problems

- Emphysema, hard to breathe, lung disease, chronic lung disease
- Asthma
- Acute asthmatic bronchitis

Temporary disability

- Had operation/surgery, waiting for operation/surgery
 - In accident
 - Pregnant
 - Temporary pain (e.g., before surgery)
 - Other
-

Figure A-1
Distribution of self-reported disabilities



Note: Percentages based on unweighted data.

Correspondence Between State Files and Self-Reported Disability

Table A-3 shows the correspondence between the two sources of information on disability. According to State administrative files, 508 recipients, or 31.1 percent of the sample, were disabled, whereas only 405 recipients, or 24.8 percent of the sample, said they were disabled. Summing along the diagonal in the table, 74.3 percent (15.1 plus 59.2 percent) of sampled recipients gave responses in agreement with information from the State files; the remaining 25.7 percent did not.

The percent in table A-3 represent percentages of the entire sample of 1,632 food stamp recipients. If one considers just those 508 recipients listed as disabled on the State files, 261 of them (51.4 percent) said they were not disabled, at least not to an extent that makes it hard for them to get around town, go shopping, or use their EBT card. Conversely, 158 of the 1,124 recipients (14.1 percent) not listed as disabled on State files said they had a disability.

Table A-3—Disabled recipients: survey vs. State counts

Survey Response	State Administrative Files		Total
	Disabled	Not Disabled	
Disabled	247 (15.1%)	158 (9.7%)	405 (24.8)
Not disabled	261 (16.0%)	966 (59.2%)	1227 (75.2%)
Total	508 (31.1%)	1124 (68.9%)	1632 (100.0%)

Frequencies are unweighted totals. Percentages, shown in parentheses, are also unweighted.

One goal of this study is to determine whether EBT customer service waivers have a different impact on vulnerable than on nonvulnerable recipients. As noted, vulnerable recipients include those who are either elderly or disabled. We are faced with a choice of which measure of disability to use—self-reported, or as indicated on State administrative files. We believe it makes more sense to use recipients' self-reports of disability in the analysis. Self-reporting is more likely to capture disabilities that truly make it more difficult for recipients to use the EBT card. Further, the survey measure of disability is more consistent across the four study States than are the administrative file measures.

We note the sample design for the Survey of New EBT Users oversampled vulnerable recipients, based on age and the State administrative file measure of disability. Does using different measures of disability for sampling and analysis create problems? The answer is it does not. The administrative file measure served as a proxy for identifying disabled recipients in the food stamp population, increasing the number of sampled disabled recipients. The sample weights take the oversampling into account, so the analysis may use any measure of disability that is consistent across the sampling strata.

With the new self-reported measure of disability, we have a smaller sample of disabled recipients (405 rather than 508) to analyze. Paradoxically, our estimate of the prevalence of disability in the population of new food stamp entrants increases. Table A-4 compares the prevalence of disability using both measures. The percentages of disabled recipients based on the survey measure are higher than those based on State data in all States except Alabama. This is because the previously nonvulnerable recipients who now indicate a disability have larger sample weights than the vulnerable sample, due to the original oversampling of vulnerable recipients. In contrast, those previously vulnerable recipients who did not indicate a disability during the survey have relatively small sample weights. The relative sizes of the two groups of recipients and their sample weights lead to the results in table A-4. A similar situation appears in table A-5, which compares two measures of vulnerability based on the different measures of disability.

Table A-4—New food stamp cases measured as disabled (percentages)

Source	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Based on State disability data	14.0	11.3	19.1	8.9	11.7	10.8
Based on survey disability data	16.4	14.9	16.9	16.1	12.6	17.1
Difference	(2.4)	(3.6)	2.2	(7.2)	(0.9)	(6.3)

Consideration of Alternative Shoppers

As noted previously, 29 of the 1,632 food stamp recipients in the survey did not use the EBT card for shopping; rather, another person did their EBT shopping for them. Of the 29 recipients, 24 said they were disabled in response to either question A8f or G8, and the numbers in tables A-4 and A-5 reflect these disabled recipients.

The study seeks to determine how the customer service waivers affect use of the EBT card. Because the 29 recipients do not do their own shopping, the self-reported disability status of the alternative shoppers, rather than of the recipients, should be used to identify disabled or vulnerable card users. Table A-6 presents the final percentages of cases measured as disabled or vulnerable, based on the shoppers= reporting of their own disability status. Of the 29 alternate shoppers, 4 reported that they were disabled.

In table A-6, the final count of the of disabled shoppers is 385, down from 405 disabled recipients. The count of 385 disabled shoppers begins with the 405 disabled recipients, subtracts the 24 disabled recipients among the group of 29 recipients who do not do their own shopping, and then adds in the four alternate shoppers who said they were disabled. The final count of vulnerable shoppers is 526, down from 534. The decrease in the number of vulnerable shoppers is less than the decrease in the number of disabled shoppers because the vulnerable group includes elderly individuals, who remain classified as vulnerable regardless of their disability status.

Table A-5—New food stamp cases measured as vulnerable (percentages)

Source	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Based on State disability data	18.4	14.0	24.6	12.3	13.3	14.6
Based on survey disability data	19.6	17.1	20.2	19.0	14.3	19.9
Difference	(1.2)	(3.1)	4.4	(6.7)	(1.0)	(5.3)

Table A-6—EBT card users measured as disabled or vulnerable (percentages)

Recipients	Total waiver	Total non-waiver	Waiver States		Nonwaiver States	
			Alabama	Minnesota	Louisiana	Pennsylvania
Disabled shoppers	16.0	14.4	16.3	15.8	12.2	16.6
Vulnerable shoppers	19.4	16.9	20.0	18.7	14.0	19.8

Appendix B

Survey of New EBT Users

A. Introduction

Hello, this is _____ calling from Abt Associates of Cambridge, Massachusetts. May I speak with (NAME OF RESPONDENT)?

IF NECESSARY, SAY: I'm calling about a study of the [STATE NAME] EBT system that we are doing for the U.S. Department of Agriculture.

WHEN CONNECTED WITH RESPONDENT:

(Hello, this is _____ calling from Abt Associates of Cambridge, Massachusetts.) We are doing a study for the U.S. Department of Agriculture about using EBT cards for food stamp benefits.

A1. Have you read the letter we sent you that explains the purpose of the study?

YES (SKIP TO A2a) 1
NO 2

A2. (IF "NO" TO A1, READ THE FOLLOWING TO RESPONDENT):

We are asking food stamp recipients about how they use the EBT system and whether they like the EBT card. Your participation in this study is entirely voluntary. If you decide not to participate, this will in no way affect your benefits or eligibility. The interview will take just a few minutes, and the information you provide can help the U.S. Department of Agriculture improve the way EBT systems throughout the country operate.

All information you give us will be kept confidential. Your answers will be combined with those of others, so that no individuals can be identified.

A2a. Before continuing, I need to tell you that, according to the the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0536-0051. The time required to complete this information collection is estimated to average 20 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

A3. Do you have any questions about why we need to interview you or any other questions about the study?

YES 1
NO (SKIP TO A4) 2

A3a. What questions do you have?

A4. Do you currently live in a group living arrangement, such as a shelter or group home, where your EBT card is used to pay for meals?

YES (TERMINATE INTERVIEW) 1
NO 2

A5. According to our information, you received your first EBT card in November 1999. Is that correct?

YES (SKIP TO A6) 1
NO 2
DON'T KNOW (SKIP TO A6)..... 8
REFUSED (SKIP TO A6) 9

A5a. Did you ever have an EBT card?

YES 1
NO (SKIP TO A5d) 2
DON'T KNOW (SKIP TO A5d) 8
REFUSED (SKIP TO A5d)..... 9

A5b. In what month and year did you get your first EBT card from [STATE NAME]?

__ __ MONTH
__ __ __ __ YEAR

(IF RESPONSE IS SEPTEMBER 1999 OR EARLIER, TERMINATE INTERVIEW. IF OCTOBER 1999 OR LATER, GO TO A6.)

DON'T KNOW (ASK TO A5c) 8
REFUSED (ASK A5c) 9

A5c. Was it before October 1999?

YES (TERMINATE INTERVIEW) 1
NO (SKIP TO A6) 2
DON'T KNOW (TERMINATE INTERVIEW)..... 8
REFUSED (TERMINATE INTERVIEW) 9

A5d. Do you have an authorized representative who received your EBT card (that is, a person chosen by you to get your benefits)?

YES 1
NO (TERMINATE INTERVIEW)..... 2
DON'T KNOW (TERMINATE INTERVIEW)..... 8
REFUSED (TERMINATE INTERVIEW) 9

A5e. In what month and year did he or she receive your EBT card?

__ __ MONTH
__ __ __ __ YEAR

(IF RESPONSE IS SEPTEMBER 1999 OR EARLIER, TERMINATE INTERVIEW. IF OCTOBER 1999 OR LATER, GO TO A6.)

DON'T KNOW (ASK A5f) 8
REFUSED (ASKA5f)..... 9

A5f. Was it before October 1999?

YES (TERMINATE INTERVIEW) 1
NO 2
DON'T KNOW 8
REFUSED..... 9

A6. Prior to receipt of your current [STATE NAME] EBT Card, had you ever received or used an EBT card issued by another state?

YES (TERMINATE INTERVIEW) 1
NO 2
DON'T KNOW 8
REFUSED 9

A7. Did you receive food stamp benefits this month, or do you expect to?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED..... 9

A8. Are you the person in your household who usually does the grocery shopping with the EBT card?

- YES (SKIP TO A11) 1
- NO 2

A8a. Do you shop with the card at least once a month?

- YES (SKIP TO A11) 1
- NO 2
- DON'T KNOW 8
- REFUSED..... 9

A8b. Who is the person who usually shops with the EBT card?

_____ / _____
LAST NAME FIRST NAME

(IF UNCLEAR) Is that Mr. or Ms.?

- MR. 1
- MS. 2

A8c. Is this person your food stamp authorized representative?

IF NECESSARY, CLARIFY: A person chosen by you to use the card to shop for your food.

- YES (SKIP TO A8e) 1
- NO 2
- DON'T HAVE AN AUTHORIZED REPRESENTATIVE..... 3
- DON'T KNOW 8
- REFUSED..... 9

A8d. What is this person's relationship to you?

- SPOUSE/SIGNIFICANT OTHER 1
- SON OR DAUGHTER 2
- FATHER OR MOTHER 3
- FRIEND 4
- OTHER (SPECIFY) _____ 5
- DON'T KNOW 8
- REFUSED..... 9

A8e. Does (he/she) live with you?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED..... 9

A8f. Why does _____ do most of the shopping? (RECORD VERBATIM)

A8g. Do you do any of the non-food stamp grocery shopping for the household?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED..... 9

A9. Most of this survey has to do with use of the EBT card, so it would make most sense if I spoke with _____. Before I go, however, I have just a few general questions to ask you.

GO TO SECTION G

A9a. May I speak with _____ now, or may I have (his/her) telephone number, please? (RECORD BELOW)

CONTACT THE SECONDARY RESPONDENT AND READ THE FOLLOWING INTRODUCTION:

Hello, my name is _____ from Abt Associates in Cambridge, Massachusetts. We are doing a study for the U.S. Department of Agriculture about the [STATE NAME] EBT system. (RESPONDENT) gave me your name as the person who is most knowledgeable about (his/her) card and who uses it to shop for (his/her) food.

A10. (FOR PERSON, OTHER THAN RECIPIENT, WHO USUALLY SHOPS WITH EBT CARD): Prior to helping (RECIPIENT) with (his/her) shopping, did you have experience using an EBT card here or in another state?

- YES (TERMINATE INTERVIEW) 1
- NO 2
- DON'T KNOW (TERMINATE INTERVIEW) 8
- REFUSED (TERMINATE INTERVIEW)..... 9

A11. Can you (or RECIPIENT) use (your/his/her) food stamp EBT card to get cash from another government program?

IF NECESSARY, EXPLAIN: Benefit payments for programs such as welfare, TANF, Social Security, SSI and Veterans benefits are sometimes made through an EBT card.

- YES (SKIP TO A12) 1
- NO 2
- DON'T KNOW 8
- REFUSED 9

A11a. (Have you/Has RECIPIENT) used the card in the past to get benefits from any welfare or cash assistance program?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED 9

A12. Is (your/RECIPIENT's) current EBT card the first (you have/he has/she has) received in [STATE NAME], or is it a replacement card?

FIRST CARD	1
REPLACEMENT CARD (GO TO SECTION B)	2
DON'T KNOW	8
REFUSED	9

A13. How did you get (your/RECIPIENT's) current EBT card? Did you . . .

Get it in the mail (SKIP TO SECTION C)	1
Pick it up at the local food stamp office (SKIP TO SECTION C)..	2
Get it from (RECIPIENT), or (SKIP TO SECTION C)	3
Did you get it some other way? (PLEASE SPECIFY BELOW) ..	4

_____ (SKIP TO SECTION C)	
DON'T KNOW (SKIP TO SECTION C)	8
REFUSED (SKIP TO SECTION C).....	9

B. Replacement Cards

B1. How many replacement cards (have you/has RECIPIENT) received since (you/he/she) first started using the EBT system in [STATE NAME]?

— —
DON'T KNOW 98
REFUSED 99

B1a. Did you (or RECIPIENT) have to pay for (it/the most recent replacement card)?

YES 1
NO (SKIP TO B2) 2
DON'T KNOW (SKIP TO B2) 8
REFUSED (SKIP TO B2) 9

B1b. How much did you (or RECIPIENT) pay to get the replacement card?

\$__ __ . __ __

B2. Thinking about the process (you/RECIPIENT) went through to get the card (you/he/she) currently (have/has), was (your/his/her) previous EBT card lost, stolen, damaged, held by a retailer or ATM, or something else?

LOST 1
STOLEN 2
DAMAGED 3
HELD BY RETAILER 4
HELD BY ATM 5
OTHER (PLEASE SPECIFY BELOW) 6

DON'T KNOW 8
REFUSED 9

B3. Do you recall at what point during the month (you/RECIPIENT) realized (you/he/she) would need a new EBT card? Was it . . . (READ LIST AND CODE ONE RESPONSE)

- Within 5 days after (you/RECIPIENT) received (your/his/her) monthly food stamp benefits?..... 1
- Between 6 and 10 days after (you/he/she) had received (your/his/her) benefits?..... 2
- Between 11 and 15 days after (you/he/she) had received (your/his/her) benefits?..... 3
- More than 15 days after (you/he/she) had received (your/his/her) benefits? 4
- DON'T KNOW 8
- REFUSED..... 9

B4. Where was the (lost/stolen/damaged/held) card reported?

- HELP DESK/CUSTOMER SERVICE/"800" NUMBER..... 1
- CITIBANK/DELUXE/EBT VENDOR..... 2
- CASE WORKER/FOOD STAMP WORKER..... 3
- OTHER PERSON AT FOOD STAMP OFFICE..... 4
- OTHER (PLEASE SPECIFY BELOW) 5

- DON'T KNOW 8
- REFUSED..... 9

B5. How much time passed between when (you/RECIPIENT) realized the EBT card was (lost/stolen/damaged/held) and when (you/he/she) reported it as such? (RECORD LESS THAN ONE HOUR AS ONE HOUR)

- REPORTED IMMEDIATELY 1
- ___ ___ HOURS
- ___ ___ DAYS
- DON'T KNOW (ASK B5a)..... 8
- REFUSED (ASK B5a)..... 9

B5a. Was it more or less than 24 hours?

MORE 1
LESS 2
DON'T KNOW 8
REFUSED..... 9

B6. How did you get (your/RECIPIENT's) replacement EBT card? Did you . . .

Get it in the mail (SKIP TO B13)..... 1
Pick it up at the local food stamp office..... 2
Get it from (RECIPIENT), or (SKIP TO B13)..... 3
Did you get it some other way? (PLEASE SPECIFY BELOW) ... 4

(SKIP TO B13)
DON'T KNOW (SKIP TO B13)..... 8
REFUSED (SKIP TO B13) 9

B7. Who went to the local food stamp office to pick up the new EBT card? (CODE ALL THAT APPLY.)

RECIPIENT 1
RESPONDENT (WHO IS NOT RECIPIENT) 2
SOMEBODY ELSE (PLEASE SPECIFY RELATIONSHIP)..... 3

DON'T KNOW 8
REFUSED..... 9

B8. When (you/RECIPIENT) went to get the new EBT card, how much time did (you/he/she) spend at the food stamp office?

__ __ HOURS
__ __ MINUTES
DON'T KNOW 8
REFUSED..... 9

B9. How much time did (you/RECIPIENT) spend traveling to the food stamp office? If you don't remember, how much time do (you/RECIPIENT) normally spend traveling to the food stamp office?

__ __ HOURS
 __ __ MINUTES

(INTERVIEWER: CONFIRM THIS IS ONE-WAY TRAVEL TIME.)

DON'T KNOW 8
 REFUSED 9

B10. When (you/RECIPIENT) went to pick up the card, did (you/he/she) take care of any other business at the food stamp office during the same trip, or was the only purpose of the trip to get the new EBT card?

TOOK CARE OF OTHER BUSINESS 1
 NEW CARD WAS ONLY PURPOSE 2
 OTHER RESPONSE (PLEASE SPECIFY BELOW) 3

DON'T KNOW 8
 REFUSED 9

B11. Did (you/RECIPIENT) have to miss any work to get the new card?

YES 1
 NO (SKIP TO B12) 2
 DON'T KNOW (SKIP TO B12) 8
 REFUSED (SKIP TO B12) 9

B11a. How much in wages did you lose by going to get the new card?

NO LOST WAGES 1
 \$__ __ __ . __ __
 DON'T KNOW 8
 REFUSED 9

B12. Did (you/RECIPIENT) have to pay a babysitter, bus fare, taxi fare, tolls or parking fees, or any other out-of-pocket expenses to go get the new card?

- YES 1
- NO (SKIP TO B13) 2
- DON'T KNOW (SKIP TO B13)..... 8
- REFUSED (SKIP TO B13) 9

B12a. How much did you have to pay, and for what?

- \$__ __ . __ __ BABYSITTER COST
- \$__ __ . __ __ BUS OR TAXI FARE (MAKE SURE COST INCLUDES BOTH GOING TO AND RETURNING FROM FOOD STAMP OFFICE)
- \$__ __ . __ __ TOLLS OR PARKING FEES (MAKE SURE COST INCLUDES BOTH GOING TO AND RETURNING FROM FOOD STAMP OFFICE)
- \$__ __ . __ __ OTHER COST (SPECIFY) _____
- DON'T KNOW 8
- REFUSED..... 9

SKIP TO B14

B13. Once (you/RECIPIENT) received the card in the mail, did (you/he/she) have any problems activating the card or using it the first time?

- YES 1
- NO (SKIP TO B14)..... 2
- DON'T KNOW (SKIP TO B14)..... 8
- REFUSED (SKIP TO B14) 9

B13a. What problems occurred? (RECORD VERBATIM)

B14. How many days passed between when (you/RECIPIENT) reported the EBT card as (lost/stolen/damaged) and when (you/he/she) received a new card?

— —

RECORD NUMBER OF DAYS. ENTER 0 IF REPORTED AS “SAME DAY” OR “IMMEDIATELY.”

DON'T KNOW 98
REFUSED..... 99

FOR RESPONDENTS IN FLORIDA AND MINNESOTA ONLY

B15. Did the replacement card have a new PIN?

YES 1
NO (SKIP TO NEXT SECTION)..... 2
DON'T KNOW (SKIP TO NEXT SECTION)..... 8
REFUSED (SKIP TO NEXT SECTION) 9

B15a. How long after you got the new card did you get the new PIN? (IF LESS THAN ONE DAY, ENTER 1 DAY)

_____ DAYS

C. Training

I would like to ask you a few questions about how you learned to use (your/RECIPIENT'S) [STATE NAME] EBT Card.

C1. Different states help their food stamp participants learn about EBT in different ways. In what different ways did you learn how to use the [STATE NAME] EBT system? Did you . . . (READ AND CHECK ALL THAT APPLY)

Receive an EBT handbook or other printed materials, either in the mail or when you applied for food stamps?..... 1

Watch a video or get instruction about EBT when you applied for food stamps?..... 2

Get EBT training from an instructor or a video after benefits were approved 3

Practice using EBT equipment at the food stamp office or training facility.....	4
Learn from a friend or relative?.....	5
Learn from a store clerk?.....	6
Learn some other way? (PLEASE SPECIFY BELOW)	7

DON'T KNOW	8
REFUSED.....	9

IF ANY MATERIALS RECEIVED IN MAIL, SKIP TO C3

C2. Are you sure (you/RECIPIENT) didn't receive something in the mail?	
YES (SKIP TO C5).....	1
NO	2
DON'T KNOW (SKIP TO C5).....	8
REFUSED (SKIP TO C5)	9

C3. What materials did (you/RECIPIENT) receive in the mail? Did they send (you/him/her)?

C3a. Instructions for how to use the [STATE NAME] EBT Card?	
YES	1
NO (SKIP TO C3b).....	2
DON'T KNOW (SKIP TO C3b).....	8
REFUSED (SKIP TO C3b)	9

C3a1. Did you read the instructions or have a friend or somebody at home explain them to you?

YES	1
NO	2
DON'T KNOW	8
REFUSED.....	9

C3b. Instructions for how to get help using the EBT card?

YES 1
 NO (SKIP TO C3c) 2
 DON'T KNOW (SKIP TO C3c) 8
 REFUSED (SKIP TO C3c)..... 9

C3b1. Did you read the instructions (or have a friend or somebody at home explain them to you)?

YES 1
 NO 2
 DON'T KNOW 8
 REFUSED..... 9

C3c. An explanation of (your/RECIPIENT'S) rights and responsibilities in the EBT system?

YES 1
 NO (SKIP TO C3d) 2
 DON'T KNOW (SKIP TO C3d)..... 8
 REFUSED (SKIP TO C3d) 9

C3c1. Did you read the explanation (or have a friend or somebody at home explain it to you)?

YES 1
 NO 2
 DON'T KNOW 8
 REFUSED..... 9

C3d. Something that told you what (your/RECIPIENT'S) secret PIN number is?

YES 1
 NO 2

(NOTE TO INTERVIEWER: IF RESPONDENT IS UNCERTAIN WHAT YOU MEAN BY "PIN", PLACE A CHECKMARK HERE ____ AND READ THE FOLLOWING:)

By "PIN" I mean your personal identification number. This is the code you need to enter at the store's EBT terminal when you use your [STATE NAME] EBT Card.

C3e. Instructions telling (you/RECIPIENT) not to tell anyone (your/his/her) PIN and to keep the PIN number safe?

YES 1
NO (SKIP TO C3f)..... 2
DON'T KNOW (SKIP TO C3f)..... 8
REFUSED (SKIP TO C3f) 9

C3e1. Did you read the instructions (or have a friend or somebody at home explain them to you)?

YES 1
NO 2
DON'T KNOW 8
REFUSED..... 9

C3f. Instructions for how to change (your/RECIPIENT'S) PIN number?

YES 1
NO (SKIP TO C3g)..... 2
DON'T KNOW (SKIP TO C3g)..... 8
REFUSED (SKIP TO C3g) 9

C3f1. Did you read the instructions (or have a friend or somebody at home explain them to you)?

YES 1
NO 2
DON'T KNOW 8
REFUSED..... 9

C3g. Directions for how to get additional information if you are having trouble understanding how to use the EBT card?

YES 1
NO 2
DON'T KNOW 8
REFUSED..... 9

C4. Did you have any questions about the [STATE NAME] EBT system after receiving these materials?

YES 1
NO (SKIP TO C5)..... 2
DON'T KNOW (SKIP TO C5)..... 8

REFUSED (SKIP TO C5) 9

C4a. What questions did you have? (RECORD VERBATIM)

C5. Have you ever needed to call and speak to somebody at Customer Service or the EBT Help Desk to get help with any of the following?

	YES	NO	DON'T KNO W	REFUSE D
Report a card as lost, stolen, damaged, or taken				
Find out where card could be used				
Inquire about PIN				
Report missing benefits				
Get a mistake in your EBT account fixed				
Other				

(IF NO ITEMS MARKED "YES," SKIP TO C6)

C5a. The last time you called, was the person at the Help Desk or Customer Service able to help you?

YES 1
 NO 2
 DON'T KNOW 8
 REFUSED 9

C5b. How satisfied were you with the help provided? (READ LIST)

Very satisfied 1
 Somewhat satisfied 2
 Neither satisfied nor dissatisfied 3
 Somewhat dissatisfied 4
 Very dissatisfied 5
 DON'T KNOW 8
 REFUSED 9

C6. THIS QUESTION LEFT BLANK IN FINAL SURVEY

C7. Did you ever go to the food stamp office or to another location to receive extra help or training on how to use the EBT system?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED..... 9

IF NO TRAINING ON C1 OR C7, SKIP TO SECTION D

C8. When you first went to get EBT training, did somebody else go with you so they would know how to use the card?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED..... 9

C9. When you went to your first EBT training, how much time did you spend at that place?

_____ HOURS
_____ MINUTES

C10. How much time did you spend traveling to your first EBT training?

_____ HOURS
_____ MINUTES

INTERVIEWER: CONFIRM THIS IS ONE-WAY TRAVEL TIME. IF
RESPONDENT IS UNSURE, ASK FOR NORMAL TRAVEL TIME TO THIS
LOCATION.)

DON'T KNOW	98
REFUSED.....	99

C11. When you went to be trained, did you get a new EBT card, take care of any other business at the same place, or was the only purpose of the trip to receive help with the EBT system? (CIRCLE ALL THAT APPLY)

- FINISH APPLICATION/GET APPROVED FOR FOOD STAMPS.. 1
- GOT A NEW EBT CARD..... 2
- TOOK CARE OF OTHER BUSINESS 3
- TRAINING WAS ONLY PURPOSE 4
- OTHER RESPONSE (SPECIFY BELOW) 6

- DON'T KNOW 8
- REFUSED..... 9

C12. Did you have to miss any work to go for training?

- YES 1
- NO (SKIP TO C13)..... 2
- DON'T KNOW (SKIP TO C13)..... 8
- REFUSED (SKIP TO C13) 9

C12a. How much in wages did you lose by going to training?

- NO LOST WAGES 1
- \$__ __ __ . __ __
- DON'T KNOW 8
- REFUSED..... 9

C13. Did (you/RECIPIENT) have to pay a babysitter, bus fare, taxi fare, tolls or parking fees, or any other out-of-pocket expenses to go for training?

- YES 1
- NO (SKIP TO D1)..... 2
- DON'T KNOW (SKIP TO D1) 8
- REFUSED (SKIP TO D1)..... 9

C13a. How much did you have to pay, and for what?

\$__ __ . __ __ Babysitter cost

\$__ __ . __ __ Bus or taxi fare

(MAKE SURE COST INCLUDES BOTH GOING TO AND RETURNING FROM TRAINING FACILITY)

\$__ __ . __ __ Tolls or parking fees

(MAKE SURE COST INCLUDES BOTH GOING TO AND RETURNING FROM TRAINING FACILITY)

\$__ __ . __ __ Other cost (SPECIFY) _____

DON'T KNOW 8
REFUSED..... 9

D. PIN Use

D1. Just after (you/RECIPIENT) received (your/his/her) EBT card and PIN, did (you/he/she) have any problems remembering the PIN?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED..... 9

(NOTE TO INTERVIEWER: IF RESPONDENT IS UNCERTAIN WHAT YOU MEAN BY "PIN", PLACE A CHECKMARK HERE _____ AND READ THE FOLLOWING:)

By "PIN" I mean your personal identification number. This is the code you need to enter at the store's EBT terminal when you use your EBT card.

D2. Did you ever write (your/RECIPIENT'S) PIN on a slip of paper to help you remember it?

- YES 1
- NO (SKIP TO D3)..... 2
- DON'T KNOW (SKIP TO D3) 8
- REFUSED (SKIP TO D3) 9

D2a. Where do you keep the slip of paper? Do you keep it . . . (CODE ALL THAT APPLY)

- With the card?..... 1
- In your wallet (or purse)?, or 2
- In another place that is not with the card? 3
- DON'T KNOW 8
- REFUSED..... 9

D3. Did you ever tell somebody else (your/RECIPIENT'S) PIN so they could help you remember it?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED..... 9

D4. Did you ever enter the wrong PIN when using (your/RECIPIENT'S) EBT card?

YES 1
NO 2
DON'T KNOW 8
REFUSED 9

D5. Did problems remembering the PIN ever prevent you from using the card?

YES 1
NO 2
DON'T KNOW 8
REFUSED 9

D6. Did (you/RECIPIENT) ever request a new PIN?

YES (SKIP TO D8)..... 1
NO 2
DON'T KNOW 8
REFUSED 9

D7. Did you know that you can request a new PIN?

YES 1
NO (SKIP TO SECTION E)..... 2
DON'T KNOW (SKIP TO SECTION E) 8
REFUSED (SKIP TO SECTION E) 9

D7a. Do you know how to request a new PIN?

YES 1
NO (SKIP TO SECTION E)..... 2
DON'T KNOW (SKIP TO SECTION E) 8
REFUSED (SKIP TO SECTION E) 9

D7b. Where did you get that information? (CODE ALL THAT APPLY)

- AT TRAINING/MEETING..... 1
- WRITTEN MATERIALS..... 2
- WHEN I RECEIVED CARD..... 3
- FRIEND TOLD ME 4
- CALLED CUSTOMER SERVICE..... 5
- CASEWORKER TOLD ME..... 6
- OTHER (SPECIFY) _____ 7
- DON'T KNOW 8
- REFUSED..... 9

SKIP TO SECTION E

D8. How did you get the new PIN? Did you . . .

- Change your PIN over the phone? (SKIP TO SECTION E)..... 1
- Call customer service to have a new PIN mailed?..... 2
- Go to the office? (SKIP TO SECTION E) 3
- DON'T KNOW (SKIP TO SECTION E) 8
- REFUSED (SKIP TO SECTION E)..... 9

D8a. How long did it take from the time you made the request until it arrived in the mail?

____ DAYS

E. Other System Use

E1. On average, how often do you use (your/RECIPIENT'S) EBT card at the food store?
(READ LIST AND CODE ONE RESPONSE)

- Less than once a month..... 1
- More than once a month, but less than once a week 2
- At least once a week or more often 3
- DON'T KNOW 8
- REFUSED..... 9

E2. Have you ever needed help from someone at the store to use (your/RECIPIENT'S) EBT card?

- YES 1
- NO (SKIP TO E3)..... 2
- DON'T KNOW (SKIP TO E3)..... 8
- REFUSED (SKIP TO E3) 9

E2a. When you needed help, was that when you were first learning to use the card, or because of a problem?

- FIRST LEARNING TO USE CARD..... 1
- PROBLEM..... 2
- BOTH 3.....
- OTHER (SPECIFY)
- DON'T KNOW 8
- REFUSED..... 9

E3. Do you ever find it difficult to use the EBT card?

- YES 1
- NO (SKIP TO E4)..... 2
- DON'T KNOW (SKIP TO E4)..... 8
- REFUSED (SKIP TO E4) 9

E3a. What do you find difficult? (MULTIPLE)

- TROUBLE SWIPING CARD..... 1
- TROUBLE REMEMBERING PIN..... 2
- TROUBLE KEEPING TRACK OF BALANCE 3
- GET IN WRONG LANE..... 4
- POS/TERMINAL DOESN'T WORK..... 5
- TROUBLE GETTING CASH 6
- OTHER (RECORD VERBATIM) _____

E4. Do you know how to check the remaining food stamp balance in (your/RECIPIENT'S) EBT account?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED 9

E4a. Have you ever checked the remaining food stamp balance by using a special "balance-only" terminal in the store or food stamp office?

YES 1
 NO 2
 DON'T KNOW 8
 REFUSED..... 9

E4b. Have you ever called the special telephone number to get a recorded message with your account balance?

YES 1
 NO 2
 DON'T KNOW 8
 REFUSED..... 9

E4c. Have you ever obtained your food stamp balance from a customer service operator?

YES 1
 NO 2
 DON'T KNOW 8
 REFUSED..... 9

E4d. Have you **ever** used the EBT receipt from the store or ATM to check your remaining food stamp balance?

YES 1
 NO 2
 DON'T KNOW 8
 REFUSED..... 9

E5. If you had a problem with (your/RECIPIENT's) [STATE NAME] EBT Card or account, whom would you go to or call for help? (DO NOT READ LIST. CODE ALL MENTIONED)

HELP DESK/CUSTOMER SERVICE/"800" NUMBER .. 1
 CITIBANK/DELUXE/EBT VENDOR..... 2
 CASE WORKER/FOOD STAMP WORKER OR OFFICE..... 3
 FAMILY MEMBER OR FRIEND..... 4
 OTHER (SPECIFY) _____ .. 5
 DON'T KNOW 8
 REFUSED 9

(PROBE): Anybody else?

E6. Has anybody ever used your card without permission to buy groceries or withdraw benefits?

- YES 1
- NO (SKIP TO E7) 2
- DON'T KNOW (SKIP TO E7) 8
- REFUSED (SKIP TO E7) 9

E6a. Had this person previously used your card with your permission?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED 9

E7. Overall, how satisfied are you with your [STATE NAME] EBT Card? (READ LIST AND CODE ONE)

- Very satisfied 1
- Somewhat satisfied 2
- Neither satisfied nor dissatisfied 3
- Somewhat dissatisfied 4
- Very dissatisfied 5
- DON'T KNOW 8
- REFUSED 9

F. Respondent Characteristics

(ASK ONLY IF RESPONDENT IS NOT SAMPLED RECIPIENT. IF RESPONDENT IS SAMPLED RECIPIENT, GO TO SECTION G.)

F1. Not including possible use of the [STATE NAME] EBT card, have you ever used an ATM or bank debit card to get cash?

- YES 1
- NO 2
- DON'T KNOW 8
- REFUSED 9

F2. What is your employment status right now—are you currently employed full time, part time, or not employed?

- EMPLOYED FULL TIME 1
- EMPLOYED PART TIME 2
- NOT EMPLOYED 3

RETIRED.....4
 DON'T KNOW8
 REFUSED.....9

F3. What was the last grade of school you completed? (CIRCLE ONE NUMBER; IF GED, CIRCLE 12)

ELEMENTARY SCHOOL	01 02 03 04 05 06 07 08
HIGH SCHOOL	09 10 11 12
VOCATIONAL/TECHNICAL SCHOOL	13 14
COLLEGE	13 14 15 16
GRADUATE SCHOOL	17 18 19 20
NO FORMAL SCHOOLING	00
SPECIAL EDUCATION	96

F4. Please tell me which of the following age groups you are in. Are you . . . (READ LIST AND CODE ONE)

Under 18 years old.....	1
18 – 29 years old.....	2
30 – 39 years old.....	3
40 – 49 years old.....	4
50 – 59 years old.....	5
60 – 69 years old.....	6
70 years or over.....	7
DON'T KNOW	8
REFUSED.....	9

F5. What language do you and your family most often speak at home?

ENGLISH (SKIP TO F7)	01
SPANISH.....	02
VIETNAMESE.....	03
LAOTIAN.....	04
CAMBODIAN/KHMER	05
HMONG	06
CHINESE.....	07
KOREAN.....	08
TAGALOG.....	09
THAI	10
FRENCH/CAJUN.....	11
PORTUGUESE.....	12
NATIVE AMERICAN	13
OTHER (SPECIFY) _____	20
DON'T KNOW	88
REFUSED.....	99

F6. Do you feel comfortable speaking and reading English?

YES (SKIP TO F7).....	1
NO	2
DON'T KNOW	8
REFUSED.....	9

F6a. When you go to the food stamp office, do you usually take someone with you to translate?

- YES 1
- NO 2
- DON'T KNOW8
- REFUSED.....9

F7. Which of the following do you consider yourself to be? (READ LIST AND CODE ONE)

- Hispanic or Latino 1
- Not Hispanic or Latino.....2

F7a. Which of the following do you consider yourself to be? (READ LIST AND CODE ALL RESPONSES)

- White 1
- Black 2
- Asian 3
- American Indian or Alaskan Native4
- Native Hawaiian or Pacific Islander.....5
- None of the above.....6
- DON'T KNOW8
- REFUSED.....9

F8. Do you have a disability that makes it hard for you to get around town, go shopping, or use the [STATE NAME] EBT Card?

- YES 1
- NO (SKIP TO F9)2
- DON'T KNOW (SKIP TO F9)8
- REFUSED (SKIP TO F9).....9

F8a. What is the disability?

CLOSING: Those are all my questions. Thank you very much for your time.

F9. CODE WITHOUT ASKING:

GENDER: MALE 1
FEMALE.....2

G. Recipient Characteristics

G1. Not including possible use of the [STATE NAME] EBT card, have you ever used an ATM or bank debit card to get cash?

YES 1
NO 2
DON'T KNOW8
REFUSED.....9

G2. What is your employment status right now—are you currently employed full time, part time, or not employed?

EMPLOYED FULL TIME1
EMPLOYED PART TIME.....2
NOT EMPLOYED3
RETIRED.....4
DON'T KNOW8
REFUSED.....9

G3. What was the last grade of school you completed? (CIRCLE ONE NUMBER; IF GED, CIRCLE 12)

ELEMENTARY SCHOOL	01 02 03 04 05 06 07 08
HIGH SCHOOL	09 10 11 12
VOCATIONAL/TECHNICAL SCHOOL	13 14
COLLEGE	13 14 15 16
GRADUATE SCHOOL	17 18 19 20
NO FORMAL SCHOOLING	00
SPECIAL EDUCATION	96

G4. Please tell me which of the following age groups you are in. Are you . . . (READ LIST AND CODE ONE)

Under 18 years old.....	1
18 – 29 years old.....	2
30 – 39 years old.....	3
40 – 49 years old.....	4
50 – 59 years old.....	5
60 – 69 years old.....	6
70 years or over.....	7
DON'T KNOW	8
REFUSED.....	9

G5. What language do you and your family most often speak at home?

ENGLISH (SKIP TO G6).....	01
SPANISH.....	02
VIETNAMESE	03
LAOTIAN.....	04
CAMBODIAN/KHMER	05
HMONG	06
CHINESE.....	07
KOREAN.....	08
TAGALOG.....	09
THAI	10
FRENCH/CAJUN.....	11
PORTUGUESE.....	12
NATIVE AMERICAN	13
OTHER (SPECIFY) _____	20
DON'T KNOW	88
REFUSED.....	99

G6. Do you feel comfortable speaking and reading English?

YES (SKIP TO G7).....	1
NO	2
DON'T KNOW	8
REFUSED.....	9

G6a. When you go to the food stamp office, do you usually take someone with you to translate?

- YES 1
- NO 2
- DON'T KNOW8
- REFUSED.....9

G7. Which of the following do you consider yourself to be? (READ LIST AND CODE ONE)

- Hispanic or Latino 1
- Not Hispanic or Latino.....2

G7a. Which of the following do you consider yourself to be? (READ LIST AND CODE ALL RESPONSES)

- White 1
- Black 2
- Asian 3
- American Indian or Alaskan Native4
- Native Hawaiian or Pacific Islander.....5
- None of the above.....6
- DON'T KNOW8
- REFUSED.....9

G8. Do you have a disability that makes it hard for you to get around town, go shopping, or use the [STATE NAME] EBT Card?

- YES 1
- NO (SKIP TO G9).....2
- DON'T KNOW (SKIP TO G9)8
- REFUSED (SKIP TO G9)9

G8a. What is the disability?

.....
.....

CLOSING: Those are all my questions. Thank you very much for your time.

G9. CODE WITHOUT ASKING:

GENDER: MALE 1

FEMALE.....2

RETURN TO A9a IF NEED TO SPEAK WITH PERSON WHO DOES SHOPPING

Appendix C

Sampling and Data Characteristics

This appendix describes the disposition of the population universe for the Survey of New EBT Users, the completeness of the survey data, and how closely the survey sample matches the population universe.

Sample Disposition

The population universe for the Survey of New EBT Users consisted of eight strata—vulnerable and nonvulnerable food stamp recipients in each of the four study States. The bottom row of table C-1 shows the size of each stratum. (The table uses “V” and “N-V” to indicate vulnerable and nonvulnerable strata, respectively.) The target number of completed interviews was 175 per stratum, or 1,400 overall.

For each stratum, the total number of cases in the identified sample universe can be divided into the following five groups, which are listed in table C-1:

- (A) Completed interviews (respondents)
- (B) Interview attempted, but not completed
- (C) Telephone number available, but sample never released to phone center
- (D) Case sampled, but no phone number available
- (E) Case never sampled from universe

Table C-1—Disposition of population universe, by stratum (number of recipients)

Group	Alabama (n=4,176)		Minnesota (n=1,528)		Louisiana (n=7,082)		Pennsylvania (n=10,004)		Total (n=22,790)
	V	N-V	V	N-V	V	N-V	V	N-V	
A	260	285	45	292	197	190	184	179	1632
B	461	794	119	808	391	511	313	381	3778
C	0	0	0	0	223	0	852	530	1605
D	306	513	24	125	133	132	116	77	1426
E	0	1557	0	115	0	5305	0	7372	14,349
Total	1027	3149	188	1340	944	6138	1465	8539	22,790

“V” indicates stratum of vulnerable recipients; “N-V” indicates stratum of nonvulnerable recipients.

The available sample among vulnerable recipients in Minnesota was exhausted without reaching the target of 175 completed interviews. To achieve a sufficient number of completed interviews with vulnerable recipients in waiver States, a larger number of vulnerable recipients in Alabama—the other State to implement EBT customer service waivers—was interviewed. Across the two States, the study interviewed 305 vulnerable recipients, or 87.1 percent of the target of 350 completed interviews across the two strata. In each of the remaining six strata, the target of 175 completed interviews was exceeded. Overall, the study interviewed 1,632 new food stamp recipients, or 232 more than the target of 1,400.

Table C-2 shows the disposition of cases in group B deemed ineligible. These food stamp recipients were contacted by telephone, but they were not eligible to participate in the survey. As shown at the bottom of the table, 14.4 percent of all recipients in group B were ineligible for the survey.⁶³ By stratum, the percentage varied from 10.4 percent for nonvulnerable recipients in Minnesota to 19.3 percent for vulnerable recipients in Minnesota. In each State, a higher percentage of vulnerable than nonvulnerable recipients was found to be ineligible. The largest category of those found ineligible for the survey was recipients who had been using their EBT card “too long” to be deemed a new user of the card⁶⁴. These recipients represented 40.3 percent of all ineligible cases and 5.8 percent of all group B recipients.

Table C-3 presents the percentage distribution of all other reasons recipients in group B could not be interviewed. By far the most frequent reason—accounting for 55.6 percent of all group B cases across the four States—was that interviewers did not have a valid phone number for the recipient, despite using information from both State administrative files and a vendor who did computerized searches on the name and address. In half the cases without a valid phone number, the only available number was a wrong number. In another 42 percent the telephone had been disconnected. In other cases, the available number connected to a fax machine, computer modem, or commercial business where the recipient was unknown.

Interviewers were instructed to call a phone number up to 12 times at different times of the day and on different days of the week before abandoning efforts to reach a sampled recipient. The maximum number of attempted calls was reached in 20.3 percent of the group B cases.

Finally, 4.1 percent of the recipients in group B refused to be interviewed, with the rate generally higher among vulnerable than nonvulnerable recipients. When the 155 refusals are compared to the number of completed interviews, the refusal rate is 8.7 percent. When the 544 ineligible recipients are added to the denominator, the refusal rate drops to 6.6 percent.

⁶³ This represents 10 percent of all recipients whom we contacted or attempted to contact.

⁶⁴ The population universe was designed to include all new food stamp cases as on November 1999. We allowed a one-month margin in identifying new cases, and we deemed a recipient ineligible for the survey if he or she (or the authorized representative) had received the EBT card prior to October 1999.

Table C-2—Group B recipients found ineligible for the survey of new EBT users

Reason	Alabama (n=1,255)		Minnesota (n=927)		Louisiana (n=902)		Pennsylvania (n=694)		Total (n=3,778)
	V (n=461)	N-V (n=794)	V (n=119)	N-V (n=808)	V (n=391)	N-V (n=511)	V (n=313)	N-V (n=381)	
<i>Percent</i>									
Group living arrangement (A4)	1.1	0.9	0.0	0.5	1.3	2.3	1.9	2.6	1.3
Used EBT card too long (A5b, A5c, A5e, A5f)	6.7	7.1	8.4	5.1	6.4	6.3	3.5	3.4	5.8
Never had card (A5d)	2.2	1.4	1.7	1.1	3.8	0.6	2.9	2.4	1.8
Card experience in another States (A6)	1.7	1.5	4.2	1.9	1.8	2.7	2.6	2.4	2.1
Authorized rep had prior use (A10)	0.7	0.1	0.0	0.1	0.3	0.2	0.6	0.3	0.3
Deceased	1.3	0.1	0.8	0.1	1.8	0.4	0.6	0.5	0.6
Other reason	3.5	2.3	4.2	1.6	3.3	1.0	5.1	2.9	2.6
Total	17.1	13.4	19.3	10.4	18.7	13.5	17.3	14.4	14.4

Survey question numbers appear in parentheses. Percentages are based on entire group B sample. “V” indicates stratum of vulnerable recipients; “N-V” indicates stratum of nonvulnerable recipients.

Components may not sum to total because of rounding.

Table C-3—Disposition of cases within group B—other reasons

Reasons	Alabama (n=1,255)		Minnesota (n=927)		Louisiana (n=902)		Pennsylvania (n=694)		Total (n=3,778)
	V (n=461)	N-V (n=794)	V (n=119)	N-V (n=808)	V (n=391)	N-V (n=511)	V (n=313)	N-V (n=381)	
	<i>Percent</i>								
Refusal	5.0	1.3	5.9	2.6	7.4	3.5	7.3	6.3	4.1
Language barrier	0.0	0.1	9.2	3.7	0.3	0.0	4.8	0.8	1.6
Impairment	3.0	0.3	1.7	0.0	2.8	0.2	2.6	0.0	1.0
Not available during study	3.0	3.9	2.5	4.1	1.3	2.7	0.6	0.8	2.8
No valid phone	52.7	59.9	47.1	61.0	49.4	56.4	46.0	54.9	55.6
Max attempts	19.3	20.9	14.3	18.2	19.7	23.5	20.4	22.8	20.3
Other	0.0	0.3	0.0	0.0	0.5	0.2	1.0	0.0	0.2
Total	82.9	86.6	80.7	89.6	81.3	86.5	82.7	85.6	85.6

Percentages based on entire group B sample. “V” indicates stratum of vulnerable recipients; “N-V” indicates stratum of nonvulnerable recipients.

Components may not sum to total because of rounding.

Data Completeness

This section examines the incidence of missing data in the Survey of New EBT Users. Missing data include situations in which the respondent either refused to answer a question or did not know the answer. Although refusals and “don’t knows” are not examined separately in this report, the incidence of outright refusals was very low, presumably because of the nonsensitive nature of the survey questions.

The rate of missing data on survey questions is generally very low. Over 80 percent of the questions had rates of missing data below 3 percent. In the sections below we discuss those questions for which the rate of missing data exceeded 3 percent. The discussion is organized by sections within the survey instrument. The question or questions with rates of missing data exceeding 3 percent are listed in italics at the beginning of each discussion.

Section A: Introduction

Question A5b: In what month and year did you get your first EBT card from STATE NAME?

For the 25 respondents who said they did not receive their first EBT card in November 1999, we asked them in what month and year they actually got the card. Of these, five (20 percent) did not know. For the 20 respondents who did respond, we were able to calculate the elapsed time from EBT card issuance until the day of the interview.

For the five respondents who could not tell us in what month and year they got their EBT cards, we were able to establish that they received their cards after September 1999 (question A5c) and were thus eligible for the survey.

Question A8c: Is this person your food stamp-authorized representative?

Of 29 people who said that they usually do not do the grocery shopping in the household, one respondent (3.4 percent) could not tell us whether the person who uses the card was her food stamp-authorized representative.

Question A11: Can you use your food stamp EBT card to get cash from another government program?

The great majority (83 percent) of survey respondents said that they could not use the EBT card to get cash from a government program other than the FSP, whereas 10 percent said that they could get cash. About 7.5 percent (122 of 1,632) of all the survey respondents could not tell us whether they could use their EBT card to get cash from another government program, such as welfare, TANF, Social Security, SSI, or veterans' benefits.

Section B: Replacement Cards

Of 1632 respondents, only 146 said they were using a replacement card and therefore answered section B.

Question B1b: How much did you pay to get the replacement card?

Three respondents out of 146 (2.1 percent) did not know whether they had to pay for a replacement card (question B1a), but among the 22 who did pay, 18.2 percent (4 of 22) could not tell us how much they paid. For Minnesota, where the policy specifies a \$2 fee, we were able to impute a correct value for one outlier, leaving four cases with missing data.

Question B3: Do you recall at what point during the month you realized you would need a new EBT card? Was it . . .

We asked this question to learn when card loss occurred relative to benefit issue. We gave the respondents several time frames (ranges of days after issuance) to facilitate their memory. Twenty-five of 146 respondents (17.1 percent) could not tell us (or did not want to tell us) at what point during the month they needed a new EBT card. This was clearly a difficult question for many respondents to answer.

Question B4: To whom did you first report the card as (lost/stolen/damaged/held)?

Five of 146 respondents (3.4 percent) could not tell us to whom they reported the card as lost (or stolen, damaged, or held).

Question B5: How much time passed between when you realized the EBT card was (lost/stolen/damaged/held) and when you first reported it as such?

Seventeen respondents out of 146 (or 11.6 percent) were not able to tell us how much time had passed. We were able, however, to partly capture that information in a subsequent question. Nine people remembered that they reported the incident **after** 24 hours rather than within 24 hours (question B5a), leaving at eight (5.5 percent) the number of respondents who reported no information about how much time it took them to report the loss.

Question B14: How many days passed between when you reported the EBT card as (lost/stolen/damaged) and when you received a new card?

Overall, 8.2 percent of respondents (12 of 146) said they did not know how many days had passed between when they reported the EBT card as lost, stolen, or damaged and when they received a new card. In this group, the proportion of missing data between the vulnerable and the nonvulnerable respondents is worth mentioning: 16.7 percent of the vulnerable and only 5.5 percent of the nonvulnerable recipients could not tell us how much time had passed.

Section C: Training

Question C1: Different States help their food stamp participants learn about EBT in different ways. In what different ways did you learn how to use the EBT system? Did you . . . receive an EBT handbook or other printed materials in the mail?

We asked everybody whether they received printed training materials in the mail. The responses do not match what we believe is the policy of the four States we examined. We ran a cross-tabulation of this question by the four States and found that recipients in waiver States, Alabama (63 percent) and Minnesota (42 percent), are more likely to receive an EBT handbook or other printed material in the mail. From the policy of the waiver States, however, we expected that everybody in Alabama and Minnesota would have received something in the mail.

Conversely, we did not expect very many recipients in Pennsylvania or Louisiana to report receiving materials in the mail. Instead, 18 percent of Pennsylvania and 12 percent of Louisiana respondents reported that they received something in the mail. Taken together, these responses suggest that people often cannot remember where their printed EBT materials came from.

Question C2: Are you sure you didn't receive something in the mail?

For the 1,035 respondents who failed to indicate receipt of mailed materials in question C1, we asked whether they were sure they hadn't received something in the mail. About one-third (32.4 percent) of the respondents (336 of 1,035) did not answer this question, and another 8.9 percent (92 of 1,035) said no (that is, that they were not sure). Thus, 41.3 percent were not sure whether they might have received some EBT materials in the mail.

Question C3: What materials did you receive in the mail? Did they send you . . .

About 37 percent of the respondents said that they had received an EBT handbook or other printed material in the mail (C1=2), but when asked more specifically about what they received, they often could not recall. This situation is illustrated in table C-4. Generally speaking, we can say that between 4 and 12 percent of respondents who answered this series of questions could not tell us what they had actually received in the mail. In particular, 4.4 percent (30 of 689) said that they did not remember whether they had received instructions for how to use the EBT card (C3a). Eight percent (55 of 689) could not tell us whether they had received instructions on how to get help using the EBT card (C3b). About 5.4 percent (37 of 689) said that did not know whether they had received an explanation of their rights and responsibilities in the EBT system (C3c). The highest percentage of overall missing data (11.6 percent, or 80 of 689) occurred when respondents were asked whether they had received instructions on how to change their PIN (C3f).

Looking at the same exhibit, we can also say that missing data generally are more likely to occur within the vulnerable group than in the rest of the sample.

Table C-4—Missing data in mailed materials, C3a series (percent who could not recall receiving it)

Subject	All (n=689)	Nonvulnerable (n=428)	Vulnerable (n=261)
How to use an EBT card	4.4	3.7	5.4
How to get help	8.0	6.5	10.3
Rights/Responsibilities	5.4	4.0	7.7
Document telling secret PIN	1.7	1.9	1.5
How to keep PIN safe and not to tell anybody	0.9	1.2	0.4
How to change PIN	11.6	11.7	11.5
Extra help if trouble understanding how to use an EBT card	5.4	4.2	7.3

Question C4a: What questions did you have?

When asked whether they had any questions about the EBT system after receiving mailed information, 9.7 percent (3 out of 31) could not formulate questions that they said they had.

Question C9: When you went to your first EBT training, how much time did you spend at that place?

Question C10: How much time did you spend traveling to your first EBT training?

When asked how much time they spent at their first EBT training, 5.3 percent (60 of 1136) could not answer the question. When asked how much time they spent traveling to the training, 3.6 percent (40 of 1,136) could not tell us.

Question C12a: How much in wages did you lose by going to training?

Although 12.7 percent (8 of 63) respondents were not able to say how much they lost in wages by going to training, we were able to impute the amount for five of the eight cases by multiplying training time with an imputed hourly wage. The imputed wage was based on those respondents who answered both this question and questions C9 and C10.

Although 12.7 percent of respondents were not able to tell us how much pay they lost by going to training, fewer than 3 percent of respondents were unable to answer a followup question about specific expenses incurred for items like babysitting, bus and taxi fares, or tolls and parking fees (question C13).

Section D: PIN Use

Question D8a: How long did it take from the time you made the request until it arrived in the mail?

Only one question in section D had missing data in more than 3 percent of the cases. In question D8, 14 people said they called customer service to have a new PIN mailed to them. Three of the 14 respondents (21.4 percent) could not remember how much time had passed before they received their PIN.

Section E: Other System Use

Question E6a: Had this person previously used your card with your permission?

When we asked respondents whether anybody had ever used their card without permission to buy groceries or to withdraw benefits, seven said “Yes.” When asked more specifically whether this person had ever used the card before with their permission, one person (14.3 percent) was not able to give us an answer.

Section G: Recipient Characteristics

Question G6: Do you feel comfortable speaking and reading English?

Forty-one recipients said that they use a language other than English at home (G5). Three of these 41 (7.3 percent) did not answer the followup question asking whether they felt comfortable speaking and reading English.

Question G6a: When you go to the food stamp office, do you usually take someone with you to translate?

Of the 41 who answered that they speak a language other than English at home, 30 said they did feel comfortable speaking and reading English; therefore only 11 answered G6a. Two of the 11 (18.2 percent) could not or would not tell us whether they take someone with them to the food stamp office to translate.

Overall, we believe that missing data will not be a problem during planned analyses of the survey data. It may be difficult, however, to correlate the incidence of system problems with specific aspects of training received. Similarly, in our analyses of when during the benefit issuance cycle

recipients realized that their cards were lost or stolen, we will note that 17 percent could not answer the question.

Sample Representativeness

Our primary concern with sample representativeness is whether, for each stratum, the group of recipients for whom interviews were completed (group A) has similar characteristics to the population universe for that stratum. One could attempt to refine this comparison by excluding from group B those found to be ineligible for the survey, because of prior use of an EBT card, residence in a group care facility where the recipient does no grocery shopping with the EBT card, or death. We cannot identify these ineligibles, however, in groups C through E. Furthermore, they represent only about 9 percent of the group B cases. For this reason, we have retained the ineligible cases in group B when assessing the representativeness of the sample.

The following tables and discussion look at the sample representativeness of each stratum separately by using data available on the State extract files for all cases in the population universe. The data elements vary somewhat by State, but they are identical for the vulnerable and nonvulnerable cases within a State. The data described in the tables are unweighted.

Alabama

The distributions of demographic variables for the vulnerable and nonvulnerable strata for Alabama are shown in table C-5. Within the vulnerable and nonvulnerable strata, there is no significant difference between respondents and the population universe with respect to race. There are, however, differences in gender, age of respondent, number of dependents, and income. (No data are available on marital status and TANF receipt from the Alabama extract files.)

Table C-5—Sample representativeness for Alabama strata

Variables	Vulnerable		Nonvulnerabl	
	Respondents (<i>n</i> =260)	Population Universe (<i>n</i> =1,026)	Respondents (<i>n</i> =285)	Population Universe (<i>n</i> =3,149)
Demographic characteristics (percentages)				
Gender				
Female	68.0	63.2	90.2	85.7 *
Race				3
White	47.1	48.2	36.1	7.9
Black	52.1	51.4	63.5	61.0
Other	0.8	0.4	0.4	1.1
Marital status	NA	NA	NA	NA
TANF receipt	NA	NA	NA	NA
Average age (years)	50.6	47.4**	32.3	30.3**
Number of dependents	1.8	1.8	2.9	2.7†
Average monthly income (dollars)				
Gross earned	55	53	465	378**
Gross unearned	NA	NA	NA	NA
Net income	321	302	361	285**

† 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.

In the nonvulnerable stratum, the difference in gender between respondents and the population universe is statistically significant at the 0.05 level. In particular, women are overrepresented among respondents (90.2 vs. 85.7 percent). In the vulnerable stratum, the difference between respondents and the population universe (68.0 vs. 63.2 percent) is not significant.

The average age is higher for respondents than the population universe in both the vulnerable and nonvulnerable strata. In particular, for the vulnerable stratum the respondents have an average age of 50.6 years, compared with 47.4 years for the population universe. Within the nonvulnerable stratum the respondents have an average age of 32.3 years, compared with 30.3 years for the population universe. Both differences are statistically significant at the 0.01 level.

Within the nonvulnerable stratum, the difference of income levels between the respondents and the population universe is statistically significant at the 0.01 level, regardless of which income measure is examined. In the vulnerable stratum, survey recipients have a higher net income compared with the entire population universe.

Minnesota

Only 45 interviews were completed with vulnerable recipients in Minnesota, and the entire population universe consisted of only 188 recipients. As shown in table C-6, the sample of vulnerable recipients overrepresents Whites (84.4 to 71.8 percent), with the difference significant at the 0.10 level. The average age of surveyed recipients (53.3 years) is also significantly higher than for the population universe (49.7 years). Finally, surveyed recipients had higher average gross unearned income than did the population universe.

In the nonvulnerable stratum, a chi-squared test indicates that the distributions of race for the respondents and the population universe are significantly different at the 0.05 level. Respondents to the survey were more likely to be White and less likely to be an “other” racial category than the overall universe of new food stamp recipients.

With respect to marital status, a chi-squared test indicates that the distributions for respondents and the population universe within the nonvulnerable stratum are significantly different at the 0.10 level. Singles are underrepresented (46.6 to 50.7 percent) and married people are overrepresented (16.8 to 10.7 percent).

The respondents within the nonvulnerable stratum were slightly older than the population universe (33.8 to 32.3 years), and this difference is statistically significant at the 0.01 level.

Generally, the average monthly income of interviewed recipients was higher than the average monthly income of the population universe, for both the vulnerable and nonvulnerable strata.

Table C-6—Sample representativeness for Minnesota strata

Variables	Vulnerable		Nonvulnerable	
	Respondents (n=45)	Population universe (n=188)	Respondents (n=292)	Population universe (n=1,340)
Demographic characteristics (percentages)				
Gender				
Female	64.4	54.3	75.0	70.7
Race				
White	84.4	71.8†	74.7	67.2**
Black	6.7	11.2	11.5	14.5
Other	8.9	17.0	13.9	18.3†
Marital status				
Single	28.9	35.1	46.6	50.7
Married	15.6	9.0	16.8	10.7**
Divorced	35.6	26.6	17.5	16.5
Other	20.0	29.3	19.2	22.1
TANF receipt	NA	NA	NA	NA
Average age (years)	53.3	49.7†	33.8	32.3**
Number of dependents	NA	NA	NA	NA
Average monthly income (dollars)				
Gross earned	771	549	755	293†
Gross unearned	648	578*	319	341
Net income	956	615	195	93†

NA = data not available.

† 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.

Louisiana

Table C-7 shows the distributions of selected variables for the vulnerable and nonvulnerable new food stamp recipients in Louisiana.

Within both the vulnerable and nonvulnerable strata, there are no significant differences between respondents and population universe with respect to race, marital status, receipt of TANF benefits, number of dependents, or average household income. There are statistically significant differences, however, in the other two measures.

Table C-7—Sample representativeness for Louisiana strata

Variables	Vulnerable		Nonvulnerable	
	Respondents (n=197)	Population Universe (n=944)	Respondents (n=190)	Population Universe (n=6,138)
		<i>Percent</i>		
Gender	64.0	57.3†	88.4	73.4**
Female				
Race				
White	44.7	40.6	29.5	32.7
Black	55.3	58.1	68.9	66.4
Other	0.0	1.4	1.6	0.9
Marital status				
Single	37.4	40.4	63.6	58.5
Married	23.0	19.3	10.0	11.5
Separated	10.1	13.5	13.6	16.1
Divorced	17.3	17.0	10.7	12.8
Widowed	12.2	9.8	2.1	1.2
TANF receipt	3.6	3.5	3.7	3.8
		<i>Years</i>		
Average age (years)	47.6	45.6*	31.6	32.3
		<i>Persons</i>		
Number of dependents	2.2	2.1	2.5	2.3
		<i>Dollars</i>		
Average monthly income				
Gross earned	202	215	345	317
Gross unearned	475	507	504	460
Net income	300	323	296	269

† 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.

Women are overrepresented in both Louisiana strata. For the vulnerable stratum, 64.0 percent of respondents were women, compared with 57.3 percent of the population universe, and the difference between the two groups is statistically significant at the 0.10 level. Within the nonvulnerable stratum, the difference between 88.4 percent and 73.4 percent is statistically significant at the 0.01 percent level.

Within the vulnerable stratum, survey respondents had an average age of 47.6 years, compared with 45.6 years for the population universe. The difference is statistically significant at the 0.05 level. There is no significant difference in age between respondents and the population universe in the nonvulnerable stratum.

Pennsylvania

Table C-8 shows that, within the nonvulnerable stratum in Pennsylvania, women are overrepresented 79.3 percent to 67.6 percent, and the difference is statistically significant at the 0.01 level. There is no significant difference in gender in the vulnerable stratum.

Table C-8— Sample representativeness for Pennsylvania strata

Variables	Vulnerable		Nonvulnerable	
	Respondents (n=184)	Population Universe (n=1,465)	Respondents (n=179)	Population Universe (n=8,539)
<i>Percent</i>				
Gender				
Female	60.3	60.2	79.3	67.6**
Race				
White	70.1	65.0	69.3	57.1**
Black	22.8	24.4	25.7	33.6*
Other	7.0	10.6	5.0	9.4†
Marital status (percentages)				
Single	33.3	42.0*	52.2	60.0*
Married	21.8	15.0*	15.7	14.3
Separated	10.4	11.3	19.1	12.3**
Divorced	21.3	18.9	9.6	11.0
Widowed	11.5	12.1	1.7	1.4
TANF receipt	0.5	2.4	14.5	14.9
<i>Years</i>				
Average age	50.6	49.3	33.6	32.6
<i>Persons</i>				
Number of dependents	NA	NA	NA	NA
<i>Dollars</i>				
Average monthly income	NA	NA	NA	NA
Gross earned	NA	NA	NA	NA
Gross unearned	NA	NA	NA	NA
Net income				

NA = Data not available.

† 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 distributions of racial status are significantly different, at the 0.01 level, within the nonvulnerable stratum. White food stamp recipients are overrepresented, 69.3 to 57.1 percent;

Blacks and other races are underrepresented. Although the same patterns appear in the vulnerable stratum as well, there is no significant difference in race among those recipients.

Chi-squared tests indicate that, for both vulnerable and nonvulnerable recipients, the distributions in marital status differ significantly between respondents and the population universe—at the 0.10 level for vulnerable recipients and at the 0.05 level for nonvulnerable recipients. Singles are underrepresented among survey respondents in both strata. In addition, married recipients are overrepresented in the vulnerable stratum, and separated recipients are overrepresented in the nonvulnerable stratum.

There are no significant differences in average income between vulnerable respondents to the survey and the population universe. Within the nonvulnerable stratum, however, survey respondents had significantly higher average incomes than the population universe.

Representativeness Within the Vulnerable Strata

We have defined vulnerable recipients to include those who are elderly, disabled, or both. Table C-9 shows that, compared with the population universe of vulnerable recipients in each States, our survey sample tends to overrepresent the elderly and underrepresent the disabled (as measured by disability information contained in the State administrative files). The differences are statistically significant in Alabama and—for the disabled—in Louisiana. As described in chapter 2, sample weights were adjusted to account for actual distributions of elderly (but not disabled), disabled (but not elderly), and both elderly and disabled recipients in the population universe. The sample weights were also adjusted to account for the overrepresentation of women in each State’s sample.

Table C-9—Sample representativeness of vulnerable respondents

Characteristic	Respondents	Population universe
	<i>Percent</i>	
Alabama		
Disabled	68.8	78.7**
Elderly	35.4	25.2**
Minnesota		
Disabled	60.0	70.2
Elderly	46.7	34.6
Louisiana		
Disabled	84.3	88.5†
Elderly	26.4	21.4
Pennsylvania		
Disabled	73.9	78.4
Elderly	34.2	33.0

† 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.