The Consequences of Welfare Reform and Economic Change for the Food Stamp Program—Illustrations from Microsimulation

Final Report

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Abstract

This report summarizes the results of a longitudinal microsimulation model known as MATH STEWARD (Micro Analysis of Transfers to Households/Simulation of Trends in Employment, Welfare, and Related Dynamics). The simulation was used to explore how state welfare reform and economic changes between 1992 and 1998 might have affected the Food Stamp Program (FSP) and how an economic recession might affect food stamp outcomes. Slightly over half of the reductions in FSP caseloads and costs between December 1992 and December 1998 were simulated. About one-third of the simulated reductions in caseloads and costs could be attributed to changes in state welfare and child care policies; about two-thirds could be attributed to changes in state unemployment rates. In a future recession similar to the 1990-92 recession, food stamp caseloads could increase about 11 percent and food stamp costs could increase about 13 percent.

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