

### **III. SIMULATED CONSEQUENCES OF WELFARE REFORM FOR FOOD STAMP OUTCOMES**

#### **A. DESCRIPTION OF OUTCOMES**

In this chapter, we present the results of preliminary simulations of the consequences of state welfare reform programs for FSP participation, FSP costs, and FSP characteristics. We first consider six major outcomes describing FSP participation and costs:

1. The total number of participating food stamp units per state
2. The participation rate of eligible food stamp units per state
3. The total number of individuals receiving food stamps per state
4. The total food stamp benefits paid per state
5. Average food stamp benefits paid per unit
6. Average number of individuals per participating food stamp unit

We then consider six major outcomes describing the characteristics of households receiving food stamps.<sup>1</sup>:

1. The total number of food stamp households per state receiving AFDC/TANF
2. The total number of food stamp households per state with earnings
3. The total number of food stamp households per state receiving AFDC/TANF plus earnings
4. The percentage of food stamp households per state receiving AFDC/TANF
5. The percentage of food stamp households per state with earnings
6. The percentage of households receiving AFDC/TANF plus earnings

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<sup>1</sup>Note that, because a multi-family household can contain multiple food stamp units, a food stamp household is not always identical to a food stamp unit.

While the MATH STEWARD model simulates outcomes for three years following the implementation of a reform, we focus on comparing simulated outcomes for the *last month* of welfare reform (December 1998).

In the following section, we describe the anticipated effects of welfare reform on simulated FSP outcomes. We then describe the simulated consequences of welfare reform for the national FSP and for FSP outcomes in individual states. We also consider whether the simulated effects of a recession differ according to the type of welfare reform program in place in particular states.

## **B. ANTICIPATED EFFECTS**

We expected that state welfare reform would have at least some simulated impact on food stamp outcomes. Policies designed to promote employment and self-sufficiency among welfare recipients are likely to lead to lower levels of FSP participation and benefits, and to higher proportions of food stamp recipients with earnings.<sup>2</sup> Because welfare reform is likely to have more dramatic effects on a state's AFDC/TANF caseload than on its entire FSP caseload, we expected to see larger changes in the number of AFDC/TANF households than in the total number of food stamp households. We also expect the effects of welfare reform on FSP outcomes to be largest in states that have departed most dramatically from the old AFDC system by adopting shorter time limits, more generous earned income disregards, and aggressive work requirements.

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<sup>2</sup> Our simulations assumed that any sanctions applied to TANF households do not result in higher FSP benefits.

## **C. CONSEQUENCES OF WELFARE REFORM FOR FSP OUTCOMES NATIONALLY AND IN INDIVIDUAL STATES**

### **1. FSP Caseloads and Costs**

MATH STEWARD simulations suggest that the welfare reforms states adopted during the 1990s led to modest reductions in FSP caseloads and cost. Aggregating results across the 50 states and the District of Columbia, the model estimated a 5.3 percent reduction in the number of food stamp units under welfare reform (Table III.1). This reduction was accompanied by a 4.5 percent reduction in the participation rate of eligible food stamp units and by a 6.7 percent reduction in the number of individuals receiving food stamps. The simulated reduction in total food stamp benefits paid was slightly larger—9.2 percent—because of a 4.2 percent reduction in average food stamp benefits per participating unit. While average food stamp benefits decreased under welfare reform, the average size of food stamp units was basically unchanged.

Across the individual states, there was considerable variation in the simulated impact of welfare reform on FSP participation and costs. For South Carolina, simulated reductions in FSP participation and costs were substantial. That state was simulated to have a 17 percent reduction in the number of units receiving food stamps, a 15.7 percent reduction in the FSP participation rate, a 21.2 percent reduction in the number of individuals receiving food stamps, and a 25.5 percent reduction in total food stamp benefits. For Alaska, the simulation indicated an *increase* in each of these outcomes, though not by more than 5.1 percent.

### **2. FSP Caseload Characteristics**

State welfare reform efforts during the 1990s decreased the number and proportion of food stamp households with TANF benefits but increased the number and proportion of food stamp households with earnings and with both TANF benefits and earnings, according to simulations

TABLE III.1  
Food Stamp Participation and Costs: Simulated Change from Welfare Reform

	<i>Units Receiving Food Stamps</i>	<i>Participation Rate of Eligible Units</i>	<i>Individuals Receiving Food Stamps</i>	<i>Total Food Stamp Benefits Paid</i>	<i>Average Food Stamp Benefits per Unit</i>	<i>Average Size of Food Stamp Unit</i>
<i>Percentage Change from Welfare Reform</i>						
<b>National</b>	<b>-5.3</b>	<b>-4.5</b>	<b>-6.7</b>	<b>-9.2</b>	<b>-4.2</b>	<b>-1.54</b>
Alabama	0.6	1.4	-0.4	-2.6	-3.2	-0.98
Alaska	4.8	5.1	5.0	3.5	-1.2	0.25
Arizona	-14.3	-13.9	-18.9	-22.8	-9.9	-5.37
Arkansas	-12.3	-11.1	-15.5	-20.7	-9.6	-3.70
California	-1.0	1.0	-1.8	-2.1	-1.1	-0.84
Colorado	-3.4	-3.4	-4.9	-5.7	-2.4	-1.46
Connecticut	-11.3	-10.8	-14.9	-20.7	-10.6	-4.04
Delaware	-0.6	-0.4	-1.0	-1.7	-1.0	-0.38
District of Columbia	-0.4	-0.3	-0.7	0.0	0.5	-0.24
Florida	-12.1	-11.3	-15.9	-20.7	-9.8	-4.30
Georgia	-2.5	-2.3	-2.5	-3.5	-1.1	0.00
Hawaii	-2.5	-2.1	-4.0	-7.3	-4.9	-1.53
Idaho	-12.5	-12.0	-16.5	-20.9	-9.6	-4.58
Illinois	-2.0	-1.5	-3.2	-8.6	-6.8	-1.25
Indiana	-9.1	-8.0	-11.8	-15.1	-6.6	-2.90
Iowa	-2.3	-1.9	-3.0	-6.0	-3.8	-0.74
Kansas	-3.1	-2.8	-4.0	-4.7	-1.7	-0.95
Kentucky	-5.1	-4.6	-5.8	-8.0	-3.0	-0.72
Louisiana	-13.4	-12.6	-16.7	-21.8	-9.7	-3.83
Maine	0.8	1.0	1.1	1.4	0.6	0.31
Maryland	-5.4	-4.3	-6.1	-7.5	-2.2	-0.76
Massachusetts	-13.2	-11.9	-16.6	-20.3	-8.2	-3.92
Michigan	-3.6	-2.5	-3.1	-3.7	-0.1	0.51
Minnesota	1.7	2.4	2.3	-0.1	-1.8	0.61
Mississippi	-4.1	-3.7	-4.8	-5.9	-1.8	-0.68
Missouri	-11.0	-10.5	-13.9	-17.7	-7.5	-3.25
Montana	1.5	1.5	2.4	1.9	0.4	0.94
Nebraska	-10.0	-9.7	-12.8	-16.8	-7.6	-3.22
Nevada	-10.2	-9.9	-13.9	-18.6	-9.4	-4.16
New Hampshire	0.2	0.1	0.2	-2.2	-2.4	0.08
New Jersey	-1.8	-1.5	-2.8	-6.5	-4.7	-0.95
New Mexico	-1.0	-1.0	-2.3	-5.4	-4.4	-1.28
New York	0.3	0.4	0.5	0.5	0.2	0.27
North Carolina	-8.7	-8.2	-11.0	-14.9	-6.8	-2.46
North Dakota	-2.1	-2.0	-3.4	-4.7	-2.6	-1.25
Ohio	-0.1	1.1	-0.9	-4.1	-3.9	-0.71
Oklahoma	-2.3	-1.8	-2.9	-3.5	-1.2	-0.66
Oregon	-11.5	-10.3	-16.3	-23.3	-13.3	-5.40
Pennsylvania	-2.0	-1.6	-2.4	-3.7	-1.7	-0.36
Rhode Island	0.1	0.2	0.1	0.0	-0.1	-0.02
South Carolina	-17.0	-15.7	-21.2	-25.5	-10.3	-5.08
South Dakota	-0.4	-0.2	-1.5	-6.8	-6.4	-1.08
Tennessee	-8.4	-7.7	-11.3	-18.3	-10.8	-3.19
Texas	-10.4	-9.6	-12.7	-15.5	-5.7	-2.56
Utah	-0.4	-0.4	-0.9	-3.5	-3.0	-0.47
Vermont	-4.0	-3.1	-4.8	-2.7	1.4	-0.82
Virginia	-9.1	-8.7	-10.9	-14.6	-6.1	-2.00
Washington	0.7	1.2	0.7	-2.9	-3.6	0.01
West Virginia	-3.9	-3.7	-4.5	-5.7	-1.8	-0.56
Wisconsin	-5.9	-5.1	-5.9	-6.9	-1.0	0.04
Wyoming	-4.5	-4.0	-6.5	-8.1	-3.8	-2.13

run by the MATH STEWARD model. Aggregating results across the 50 states and the District of Columbia, the model estimates nearly a 12.8 percent reduction in the number of food stamp households with TANF (Table III.2). Because the number of food stamp households declined by 4.9 percent in response to these policies, the simulated reduction in the proportion of food stamp households with TANF was smaller (7.8 percent). The model also simulated a 6.2 percent increase in the proportion of food stamp households with earnings, and a 3.6 percent increase in the proportion of food stamp households with both TANF and earnings.

Across the individual states, there was considerable variation in the simulated impact of welfare reform on FSP caseload characteristics. For South Carolina, simulated reductions in TANF participation were substantial: a 44.5 percent reduction in the number of food stamp households with TANF and a 32.1 percent reduction in the proportion of food stamp households with TANF. In contrast, for Alaska, the model simulated a 9.7 percent *increase* in the number of food stamp households with TANF and a 4 percent increase in the proportion of food stamp households with TANF.

Of all the states, New Mexico had the greatest simulated increase in the number of food stamp households with earnings (a 16.4 percent increase). Alabama had the greatest simulated increase in the number of food stamp households with both TANF and earnings (a 33 percent increase in the number). South Carolina and Arizona had the greatest simulated *decrease* in the number of food stamp households with earnings (12.1 percent), but because the number of food stamp households in these states decreased even more, the percentage of households with earnings actually increased in both instances.

TABLE III.2  
Food Stamp Program Characteristics: Simulated Change from Welfare Reform

	<i>Number of FS Households with TANF</i>	<i>Number of FS Households with Earnings</i>	<i>Number of FS Households with TANF and Earnings</i>	<i>% of FS Households with TANF</i>	<i>% of FS Households with Earnings</i>	<i>% of FS Households with TANF and Earnings</i>
<i>Percentage Change from Welfare Reform</i>						
<b>National</b>	<b>-12.8</b>	<b>0.4</b>	<b>-2.1</b>	<b>-7.8</b>	<b>6.2</b>	<b>3.6</b>
Alabama	6.6	11.6	40.9	6.0	11.1	40.2
Alaska	9.7	5.8	10.1	4.0	0.4	4.4
Arizona	-37.6	-12.1	-34.8	-25.7	4.6	-22.4
Arkansas	-33.7	-0.9	-9.0	-24.1	13.3	4.1
California	0.2	3.4	7.7	1.1	4.4	8.7
Colorado	-13.8	-2.4	-14.2	-10.4	1.5	-10.9
Connecticut	-30.2	-1.1	-13.2	-21.0	11.9	-1.8
Delaware	-3.4	5.8	13.4	-2.6	6.6	14.2
District of Columbia	-2.4	-0.2	-4.1	-2.0	0.3	-3.6
Florida	-35.5	-4.1	-23.3	-25.8	10.3	-11.8
Georgia	-5.7	-1.2	-6.0	-3.1	1.5	-3.4
Hawaii	-4.4	8.2	13.8	-1.8	11.2	16.9
Idaho	-37.2	-4.9	-21.2	-27.4	10.0	-8.9
Illinois	-4.0	12.2	26.4	-1.6	15.0	29.7
Indiana	-23.2	-1.6	-4.7	-15.3	8.5	5.0
Iowa	-7.7	3.1	3.8	-5.2	5.9	6.6
Kansas	-10.3	-3.2	-13.7	-7.3	0.0	-10.9
Kentucky	-14.8	-1.5	-10.5	-10.3	3.7	-5.8
Louisiana	-34.0	-0.8	-10.1	-22.8	15.9	5.1
Maine	2.5	0.0	0.0	1.6	-0.9	-0.9
Maryland	-11.5	-4.4	-11.3	-6.2	1.3	-6.0
Massachusetts	-31.4	-9.3	-27.0	-20.7	4.9	-15.6
Michigan	-8.7	-2.5	-12.0	-6.0	0.4	-9.4
Minnesota	7.0	10.8	31.7	5.0	8.8	29.3
Mississippi	-11.4	-3.0	-12.1	-7.2	1.7	-7.9
Missouri	-28.2	-6.2	-17.0	-18.9	6.0	-6.3
Montana	3.8	8.3	19.4	2.1	6.5	17.4
Nebraska	-29.2	-2.9	-14.3	-21.2	8.2	-4.5
Nevada	-28.4	-3.6	-11.8	-19.4	8.5	-0.8
New Hampshire	0.9	5.2	14.2	0.8	5.0	14.0
New Jersey	-5.8	9.0	16.1	-3.9	11.1	18.4
New Mexico	-8.6	16.4	33.0	-6.9	18.5	35.4
New York	1.0	-0.8	-1.0	0.7	-1.1	-1.2
North Carolina	-19.5	-2.9	-6.8	-11.4	6.8	2.5
North Dakota	-9.6	2.9	1.0	-7.6	5.2	3.2
Ohio	2.5	10.0	22.8	2.6	10.1	23.0
Oklahoma	-8.9	1.8	-0.7	-6.8	4.2	1.6
Oregon	-30.4	-3.6	-12.5	-20.4	10.3	0.2
Pennsylvania	-8.0	0.3	-5.6	-6.0	2.5	-3.6
Rhode Island	0.3	0.0	0.0	0.2	-0.1	-0.1
South Carolina	-44.5	-12.1	-41.6	-32.1	7.5	-28.6
South Dakota	-3.6	10.1	19.8	-2.8	11.0	20.8
Tennessee	-18.6	9.8	25.1	-11.0	20.1	36.9
Texas	-25.7	-6.0	-18.0	-16.5	5.7	-7.8
Utah	-6.1	7.4	14.5	-5.2	8.4	15.5
Vermont	-11.7	-5.3	-16.8	-8.5	-1.8	-13.8
Virginia	-24.7	-2.7	-14.4	-16.4	8.1	-4.9
Washington	2.1	7.4	14.8	1.1	6.4	13.7
West Virginia	-11.8	-3.4	-16.8	-8.5	0.3	-13.6
Wisconsin	-15.9	-8.0	-24.7	-11.5	-3.1	-20.7
Wyoming	-15.2	-1.1	-11.3	-10.9	4.0	-6.8

## D. CONSEQUENCES OF WELFARE REFORM FOR OUTCOMES, BY TYPE OF STATE WELFARE REFORM

### 1. Types of State Welfare Reforms

To help interpret the relationship between various types of welfare reform policies and simulated changes in FSP participation and costs, we identified eight groups of states (Table III.3). We distinguished differences in welfare reform policies across three dimensions:

1. **TANF Time Limits.** We identified *short time limits* as being under 36 months and *long time limits* as being 36 months or higher.<sup>3</sup>
2. **TANF Earned Income Disregards.** We identified generous earned income disregards as exceeding 33 percent of earnings and less-generous earned income disregards as 33 percent of earnings or less.
3. **TANF Work Requirements.** We identified *aggressive work requirements* as applying to families with infants under 6 months and *less-aggressive work requirements* as exempting families with infants under 6 months of age.<sup>4</sup>

Of the 50 states and the District of Columbia, one-third (17) have strict time limits included in their welfare reform programs, while two-thirds (34) have long time limits. The states are more evenly divided in their earned income disregards under welfare reform: 27 have generous earned income disregards, while 24 have less-generous earned income disregards. About one-third (18) of the states have aggressive work requirements for families with young children, while two-thirds (33) have less- aggressive work requirements. The most common combination of policies

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<sup>3</sup>Note that, because the MATH STEWARD database only covers a 36-month period, the model cannot simulate households exhausting TANF benefits after this length of time.

<sup>4</sup>Note that, because the MATH STEWARD database does not distinguish the age of children in months, we assumed that states exempting all families with children under the age of 6 months exempt all families with children under the age of 1 year, and that states requiring work for *some* families with children under the age of 6 months offer *no* exemptions from work requirements for families with young children.

TABLE III.3  
State Groupings According to TANF Policies

		Earned Income Disregards		
		Less Generous	Generous	
Time Limits	Short	Indiana, Tennessee	Arkansas, Florida, Idaho, Oregon	Aggressive
	Short	Arizona, Louisiana, Nebraska, North Carolina, South Carolina, Texas	Connecticut, Illinois, Massachusetts, Nevada, Virginia	Less Aggressive
	Long	Colorado, Delaware, Michigan, Montana, North Dakota, South Dakota, Wisconsin, Wyoming	Iowa, New Jersey, Oklahoma, Utah	Aggressive
	Long	Alaska, District of Columbia, Georgia, Kentucky, Maine, Maryland, Missouri, Vermont	Alabama, California, Hawaii, Kansas, Minnesota, Mississippi, New Hampshire, New Mexico, New York, Ohio, Pennsylvania, Rhode Island, Washington, West Virginia	Less Aggressive

Work Requirements

Time Limits:

Short = Less than 36 months, ignoring exemptions

Long = Greater than or equal to 36 months, ignoring exemptions

Earned Income Disregards:

Generous = Percentage of disregarded income is greater than 33%

Less Generous = Percentage of disregarded income is less than or equal to 33%

Work Requirements:

Aggressive = Requires parents of infants under 6 months of age to engage in work activities

Less Aggressive = Exempts parents of infants under 6 months from work requirements



across these three dimensions consists of long time limits, generous earned income disregards, and less-aggressive work requirements; 14 states follow this combination of policies.

## **2. Changes in FSP Caseloads and Costs Under Different Types of Welfare Reform**

Of the eight possible combinations of state welfare reform policies, the four combinations that led to the greatest simulated reductions in FSP participation and benefits all included shorter TANF time limits (Table III.4). Of all the possible combinations of state welfare reform policies, the one associated most strongly with reductions in food stamp participation consisted of shorter time limits, less generous earned income disregards, and less aggressive work requirements. This combination, followed by six states, led to average reductions of about 12.3 percent in the number of participating food stamp units and 11.6 percent in the FSP participation rate. This combination also led to reductions of about 15.5 percent in the number of individuals receiving food stamps, 19.5 percent in total FSP benefits paid, and 8.3 percent in average FSP benefits per unit.

The combination of state welfare reform policies least associated with reductions in food stamp participation and benefits consists of long time limits, generous earned income disregards, and less-aggressive work requirements. This combination was followed by 14 states and led to average reductions of only around 1 percent each in the number of participating food stamp units, the FSP participation rate, and the number of individuals receiving food stamps (Table III.4). The same combination led to average reductions of 3.3 percent in total FSP benefits paid, and of 2.3 percent in average FSP benefits per unit.

TABLE III.4  
Food Stamp Participation and Costs: Simulated Change from Welfare Reform  
By Type of Welfare Reform

	<i>Units Receiving Food Stamps</i>	<i>Participation Rate of Eligible Units</i>	<i>Individuals Receiving Food Stamps</i>	<i>Total Food Stamp Benefits Paid</i>	<i>Average Food Stamp Benefits per Unit</i>	<i>Average Size of Food Stamp Unit</i>
<i>Percentage Change from Welfare Reform</i>						
<b>National</b>	<b>-5.3</b>	<b>-4.5</b>	<b>-6.7</b>	<b>-9.2</b>	<b>-4.2</b>	<b>-1.54</b>
<b>Shorter Time Limits, Generous Earned Income Disregards, Aggressive Work Requirements</b>						
Arkansas	-12.3	-11.1	-15.5	-20.7	-9.6	-3.70
Florida	-12.1	-11.3	-15.9	-20.7	-9.8	-4.30
Idaho	-12.5	-12.0	-16.5	-20.9	-9.6	-4.58
Oregon	-11.5	-10.3	-16.3	-23.3	-13.3	-5.40
Average	-12.1	-11.2	-16.1	-21.4	-10.6	-4.5
<b>Longer Time Limits, Generous Earned Income Disregards, Aggressive Work Requirements</b>						
Iowa	-2.3	-1.9	-3.0	-6.0	-3.8	-0.74
New Jersey	-1.8	-1.5	-2.8	-6.5	-4.7	-0.95
Oklahoma	-2.3	-1.8	-2.9	-3.5	-1.2	-0.66
Utah	-0.4	-0.4	-0.9	-3.5	-3.0	-0.47
Average	-1.7	-1.4	-2.4	-4.8	-3.2	-0.7
<b>Shorter Time Limits, Less Generous Earned Income Disregards, Aggressive Work Requirements</b>						
Indiana	-9.1	-8.0	-11.8	-15.1	-6.6	-2.90
Tennessee	-8.4	-7.7	-11.3	-18.3	-10.8	-3.19
Average	-8.8	-7.9	-11.5	-16.7	-8.7	-3.0
<b>Longer Time Limits, Less Generous Earned Income Disregards, Aggressive Work Requirements</b>						
Colorado	-3.4	-3.4	-4.9	-5.7	-2.4	-1.46
Delaware	-0.6	-0.4	-1.0	-1.7	-1.0	-0.38
Michigan	-3.6	-2.5	-3.1	-3.7	-0.1	0.51
Montana	1.5	1.5	2.4	1.9	0.4	0.94
North Dakota	-2.1	-2.0	-3.4	-4.7	-2.6	-1.25
South Dakota	-0.4	-0.2	-1.5	-6.8	-6.4	-1.08
Wisconsin	-5.9	-5.1	-5.9	-6.9	-1.0	0.04
Wyoming	-4.5	-4.0	-6.5	-8.1	-3.8	-2.13
Average	-2.4	-2.0	-3.0	-4.4	-2.1	-0.6
<b>Shorter Time Limits, Generous Earned Income Disregards, Less Aggressive Work Requirements</b>						
Connecticut	-11.3	-10.8	-14.9	-20.7	-10.6	-4.04
Illinois	-2.0	-1.5	-3.2	-8.6	-6.8	-1.25
Massachusetts	-13.2	-11.9	-16.6	-20.3	-8.2	-3.92
Nevada	-10.2	-9.9	-13.9	-18.6	-9.4	-4.16
Virginia	-9.1	-8.7	-10.9	-14.6	-6.1	-2.00
Average	-9.1	-8.6	-11.9	-16.6	-8.2	-3.1

TABLE III.4  
Food Stamp Participation and Costs: Simulated Change from Welfare Reform  
By Type of Welfare Reform

	<i>Units Receiving Food Stamps</i>	<i>Participation Rate of Eligible Units</i>	<i>Individuals Receiving Food Stamps</i>	<i>Total Food Stamp Benefits Paid</i>	<i>Average Food Stamp Benefits per Unit</i>	<i>Average Size of Food Stamp Unit</i>
<i>Percentage Change from Welfare Reform</i>						
	-5.3	-4.5	-6.7	-9.2	-4.2	-1.54
<b>Longer Time Limits, Generous Earned Income Disregards, Less Aggressive Work Requirements</b>						
Alabama	0.6	1.4	-0.4	-2.6	-3.2	-0.98
California	-1.0	1.0	-1.8	-2.1	-1.1	-0.84
Hawaii	-2.5	-2.1	-4.0	-7.3	-4.9	-1.53
Kansas	-3.1	-2.8	-4.0	-4.7	-1.7	-0.95
Minnesota	1.7	2.4	2.3	-0.1	-1.8	0.61
Mississippi	-4.1	-3.7	-4.8	-5.9	-1.8	-0.68
New Hampshire	0.2	0.1	0.2	-2.2	-2.4	0.08
New Mexico	-1.0	-1.0	-2.3	-5.4	-4.4	-1.28
New York	0.3	0.4	0.5	0.5	0.2	0.27
Ohio	-0.1	1.1	-0.9	-4.1	-3.9	-0.71
Pennsylvania	-2.0	-1.6	-2.4	-3.7	-1.7	-0.36
Rhode Island	0.1	0.2	0.1	0.0	-0.1	-0.02
Washington	0.7	1.2	0.7	-2.9	-3.6	0.01
West Virginia	-3.9	-3.7	-4.5	-5.7	-1.8	-0.56
Average	-1.0	-0.5	-1.5	-3.3	-2.3	-0.5
<b>Shorter Time Limits, Less Generous Earned Income Disregards, Less Aggressive Work Requirements</b>						
Arizona	-14.3	-13.9	-18.9	-22.8	-9.9	-5.37
Louisiana	-13.4	-12.6	-16.7	-21.8	-9.7	-3.83
Nebraska	-10.0	-9.7	-12.8	-16.8	-7.6	-3.22
North Carolina	-8.7	-8.2	-11.0	-14.9	-6.8	-2.46
South Carolina	-17.0	-15.7	-21.2	-25.5	-10.3	-5.08
Texas	-10.4	-9.6	-12.7	-15.5	-5.7	-2.56
Average	-12.3	-11.6	-15.5	-19.5	-8.3	-3.8
<b>Longer Time Limits, Less Generous Earned Income Disregards, Less Aggressive Work Requirements</b>						
Alaska	4.8	5.1	5.0	3.5	-1.2	0.25
District of Columbia	-0.4	-0.3	-0.7	0.0	0.5	-0.24
Georgia	-2.5	-2.3	-2.5	-3.5	-1.1	0.00
Kentucky	-5.1	-4.6	-5.8	-8.0	-3.0	-0.72
Maine	0.8	1.0	1.1	1.4	0.6	0.31
Maryland	-5.4	-4.3	-6.1	-7.5	-2.2	-0.76
Missouri	-11.0	-10.5	-13.9	-17.7	-7.5	-3.25
Vermont	-4.0	-3.1	-4.8	-2.7	1.4	-0.82
Average	-2.9	-2.4	-3.5	-4.3	-1.6	-0.7

### 3. Changes in FSP Characteristics Under Different Types of Welfare Reform

Of the eight possible combinations of state welfare reform policies, the four that led to the greatest simulated reductions in TANF participation all included shorter time limits (Table III.5). Of all the possible combinations of state welfare reform policies, the one associated most strongly with reductions in the number of food stamp households with TANF benefits consists of short time limits, generous earned income disregards, and aggressive work requirements. This combination, followed by four states, led to an average reduction of about 34 percent in the number of food stamp households with TANF.

The combination of state welfare reform policies least associated with reductions in the number of food stamp households with TANF benefits consisted of long time limits, generous earned income disregards, and less aggressive work requirements. This combination, followed by 14 states, led to an average reduction of only 2.4 percent in the number of food stamp households with TANF.

Of the eight possible combinations of state welfare reform policies, the two that led to the greatest increases (5.3 and 4.5 percent) in the number of food stamp households with earnings both include longer time limits and generous earned income disregards.

The combination of state welfare reform policies least associated with increases in the number of food stamp households with earnings consisted of shorter time limits, less generous earned income disregards, and less aggressive work requirements. This combination, followed by six states, led to a 6.1 percent *reduction* in the number of food stamp households with earnings. For these states, the lack of generous work incentives and strict work requirements, and the presence of shorter time limits, do not promote high levels of employment among food stamp recipients.

TABLE III.5  
Food Stamp Program Characteristics: Simulated Change from Welfare Reform  
By Type of Welfare Reform

	<i>Number of FS Households with TANF</i>	<i>Number of FS Households with Earnings</i>	<i>Number of FS Households with TANF and Earnings</i>	<i>% of FS Households with TANF</i>	<i>% of FS Households with Earnings</i>	<i>% of FS Households with TANF and Earnings</i>
<i>Percentage Change from Welfare Reform</i>						
<b>National</b>	<b>-12.8</b>	<b>0.4</b>	<b>-2.1</b>	<b>-7.8</b>	<b>6.2</b>	<b>3.6</b>
<b>Shorter time limits, Generous Earned Income Disregards, Aggressive Work Requirements</b>						
Arkansas	-33.7	-0.9	-9.0	-24.1	13.3	4.1
Florida	-35.5	-4.1	-23.3	-25.8	10.3	-11.8
Idaho	-37.2	-4.9	-21.2	-27.4	10.0	-8.9
Oregon	-30.4	-3.6	-12.5	-20.4	10.3	0.2
Average	-34.2	-3.4	-16.5	-24.4	11.0	-4.1
<b>Longer Time Limits, Generous Earned Income Disregards, Aggressive Work Requirements</b>						
Iowa	-7.7	3.1	3.8	-5.2	5.9	6.6
New Jersey	-5.8	9.0	16.1	-3.9	11.1	18.4
Oklahoma	-8.9	1.8	-0.7	-6.8	4.2	1.6
Utah	-6.1	7.4	14.5	-5.2	8.4	15.5
Average	-7.1	5.3	8.4	-5.3	7.4	10.5
<b>Shorter Time Limits, Less Generous Earned Income Disregards, Aggressive Work Requirements</b>						
Tennessee	-18.6	9.8	25.1	-11.0	20.1	36.9
Indiana	-23.2	-1.6	-4.7	-15.3	8.5	5.0
Average	-20.9	4.1	10.2	-13.1	14.3	21.0
<b>Longer Time Limits, Less Generous Earned Income Disregards, Aggressive Work Requirements</b>						
Colorado	-13.8	-2.4	-14.2	-10.4	1.5	-10.9
Delaware	-3.4	5.8	13.4	-2.6	6.6	14.2
Michigan	-8.7	-2.5	-12.0	-6.0	0.4	-9.4
Montana	3.8	8.3	19.4	2.1	6.5	17.4
North Dakota	-9.6	2.9	1.0	-7.6	5.2	3.2
South Dakota	-3.6	10.1	19.8	-2.8	11.0	20.8
Wisconsin	-15.9	-8.0	-24.7	-11.5	-3.1	-20.7
Wyoming	-15.2	-1.1	-11.3	-10.9	4.0	-6.8
Average	-8.3	1.6	-1.1	-6.2	4.0	1.0
<b>Shorter Time Limits, Generous Earned Income Disregards, Less Aggressive Work Requirements</b>						
Connecticut	-30.2	-1.1	-13.2	-21.0	11.9	-1.8
Illinois	-4.0	12.2	26.4	-1.6	15.0	29.7
Massachusetts	-31.4	-9.3	-27.0	-20.7	4.9	-15.6
Nevada	-28.4	-3.6	-11.8	-19.4	8.5	-0.8
Virginia	-24.7	-2.7	-14.4	-16.4	8.1	-4.9
Average	-23.7	-0.9	-8.0	-15.8	9.7	1.3

TABLE III.5  
Food Stamp Program Characteristics: Simulated Change from Welfare Reform  
By Type of Welfare Reform

	<i>Number of FS Households with TANF</i>	<i>Number of FS Households with Earnings</i>	<i>Number of FS Households with TANF and Earnings</i>	<i>% of FS Households with TANF</i>	<i>% of FS Households with Earnings</i>	<i>% of FS Households with TANF and Earnings</i>
<i>Percentage Change from Welfare Reform</i>						
<b>National</b>	<b>-12.8</b>	<b>0.4</b>	<b>-2.1</b>	<b>-7.8</b>	<b>6.2</b>	<b>3.6</b>
<b>Longer Time Limits, Generous Earned Income Disregards, Less Aggressive Work Requirements</b>						
Alabama	6.6	11.6	40.9	6.0	11.1	40.2
California	0.2	3.4	7.7	1.1	4.4	8.7
Hawaii	-4.4	8.2	13.8	-1.8	11.2	16.9
Kansas	-10.3	-3.2	-13.7	-7.3	0.0	-10.9
Minnesota	7.0	10.8	31.7	5.0	8.8	29.3
Mississippi	-11.4	-3.0	-12.1	-7.2	1.7	-7.9
New Hampshire	0.9	5.2	14.2	0.8	5.0	14.0
New Mexico	-8.6	16.4	33.0	-6.9	18.5	35.4
New York	1.0	-0.8	-1.0	0.7	-1.1	-1.2
Ohio	2.5	10.0	22.8	2.6	10.1	23.0
Pennsylvania	-8.0	0.3	-5.6	-6.0	2.5	-3.6
Rhode Island	0.3	0.0	0.0	0.2	-0.1	-0.1
Washington	2.1	7.4	14.8	1.1	6.4	13.7
West Virginia	-11.8	-3.4	-16.8	-8.5	0.3	-13.6
Average	-2.4	4.5	9.3	-1.4	5.6	10.3
<b>Shorter Time Limits, Less Generous Earned Income Disregards, Less Aggressive Work Requirements</b>						
Arizona	-37.6	-12.1	-34.8	-25.7	4.6	-22.4
Louisiana	-34.0	-0.8	-10.1	-22.8	15.9	5.1
Nebraska	-29.2	-2.9	-14.3	-21.2	8.2	-4.5
North Carolina	-19.5	-2.9	-6.8	-11.4	6.8	2.5
South Carolina	-44.5	-12.1	-41.6	-32.1	7.5	-28.6
Texas	-25.7	-6.0	-18.0	-16.5	5.7	-7.8
Average	-31.7	-6.1	-20.9	-21.6	8.1	-9.3
<b>Longer Time Limits, Less Generous Earned Income Disregards, Less Aggressive Work Requirements</b>						
Alaska	9.7	5.8	10.1	4.0	0.4	4.4
District of Columbia	-2.4	-0.2	-4.1	-2.0	0.3	-3.6
Georgia	-5.7	-1.2	-6.0	-3.1	1.5	-3.4
Kentucky	-14.8	-1.5	-10.5	-10.3	3.7	-5.8
Maine	2.5	0.0	0.0	1.6	-0.9	-0.9
Maryland	-11.5	-4.4	-11.3	-6.2	1.3	-6.0
Missouri	-28.2	-6.2	-17.0	-18.9	6.0	-6.3
Vermont	-11.7	-5.3	-16.8	-8.5	-1.8	-13.8
Average	-7.8	-1.6	-6.9	-5.4	1.3	-4.4

Of the eight possible combinations of state welfare reform policies, the combination leading to the greatest increases in the number of food stamp households with both TANF and earnings included shorter time limits, less generous earned income disregards, and aggressive work requirements. This combination, followed by two states, led to a 10.2 percent increase in the number of food stamp households with both TANF and earnings. It appears that the aggressive work requirement for families with young children are an important factor in promoting higher number of households with both TANF and earnings.

The combination of welfare reform policies least associated with increases in the number of food stamp households with both TANF benefits and earnings consisted of shorter time limits, less-generous earned income disregards, and less aggressive work requirements. This combination, followed by six states, led to a 20.9 percent *decrease* in the number of food stamp households with both TANF and earnings. For these states, the lack of strong measures to promote employment among welfare recipients means that a smaller proportion of the food stamp caseload combines TANF with earnings than would be the case in the absence of welfare reform.