CHAPTER I: INTRODUCTION AND METHODOLOGY

This report presents the findings of a study of Able-Bodied Adults Without Dependents (ABAWDs) who left the South Carolina Food Stamp program between October 1998 and March 2000. These individuals were ABAWDs as defined by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. The PRWORA legislation introduced restrictions on the receipt of Food Stamps by able-bodied childless adults aged 18-50. Under the new law, these persons are limited to 3 months of Food Stamp benefits in a 36-month period unless they work or participate in an approved work or training program. Individuals are not subject to the new requirements if they live in jurisdictions designated as "exempt" due to high unemployment or labor surpluses.

One of the major goals of the study was to determine how persons who are subject to the ABAWD work requirements and time limits are faring after leaving Food Stamps. The study provides information on employment, food security, hardship, health care access, and other outcomes among the ABAWDs about one year after they left Food Stamps.

Another goal of the study was to examine the income and poverty status of the ABAWD leavers about one year after they left Food Stamps and to estimate how many of the leavers might still have been eligible for Food Stamp benefits based on income. Finally, we examined how South Carolina implemented the exemption provisions under PRWORA and the Balanced Budget Act (BBA) of 1997.

A. Policy Background of the Study

Prior to the 1996 PRWORA legislation, childless adults aged 18-50 were not subject to time limits on the receipt of Food Stamp benefits. In the three years after PRWORA was enacted, the average monthly number of ABAWDs receiving Food Stamps fell from 1,133,000 to 362,000, a decline of 68 percent. The overall focus of the study was to examine what is happening to ABAWDs who have left the Food Stamp program, and to assess how the ABAWD provisions are affecting these outcomes.

1. USDA Research Program to Study ABAWDs and Other Food Stamp Leavers

In 1998, the Economic Research Service (ERS) of the U.S. Department of Agriculture gave grants to four states to conduct research on Food Stamp leavers: Arizona, Illinois, Iowa, and South Carolina. The South Carolina Department of Social Services (SCDSS) decided to study two major groups: ABAWDs and non-TANF families. A one-year follow-up report on the non-TANF Food Stamp families has been prepared separately.²

1

¹ Implementation of the Employment and Training Program for ABAWDs, U.S. General Accounting Office, February 2001

² Study of Non-TANF Families Leaving the South Carolina Food Stamp Program, MAXIMUS, January 2002.

2. Waivers of the ABAWD Provisions: Exempt and Non-Exempt Counties

Under PRWORA, waivers to the work requirements and time limits for ABAWDs can be granted for geographic areas where there is high unemployment or that have an insufficient number of jobs. To obtain a waiver for a local area, states must either show that the area has an unemployment rate higher than 10 percent or that the area has insufficient jobs. In cases where the local area has an unemployment rate below 10 percent, USDA has generally granted waivers if data from the U.S. Department of Labor show that the area is a "labor surplus area" (LSA). The Department of Labor designates areas as labor surplus areas if the unemployment rate exceeds the national unemployment rate by 20 percent.

The Balanced Budget Act of 1997 introduced an important addition to the ABAWD exemption provisions. Under the new law, States may directly exempt up to 15 percent of their ABAWD cases from work requirements and time limits, using state-determined criteria.

B. Specific Objectives of the Study

The study of ABAWD leavers in South Carolina was designed to address the following specific issues:

- How have the ABAWD provisions been implemented in South Carolina in terms of the granting of exemptions to individual counties?
- What is the employment status of the ABAWD leavers after leaving Food Stamps? How do the three types of counties (as described above) compare in terms of employment rates?
- What are the earnings and work hours of ABAWD leavers who are employed and still off Food Stamps? How do the three types of counties compare in terms of earnings among employed leavers?
- What is the household income and poverty status of ABAWD leavers who are still off Food Stamps? How do the three types of counties compare in terms of poverty rates among the leavers?
- How many of the ABAWD leavers might still be eligible for Food Stamps based on household income?
- To what extent are ABAWD leavers experiencing food insecurity or other hardship after leaving Food Stamps? How do the three types of counties compare in terms of the prevalence of food insecurity and hardship?
- What is the situation of the ABAWD leavers in terms of health care coverage and health care access?

- What types of public assistance or other kinds of support are being used by ABAWD leavers who are still off Food Stamps?
- How do the leavers from the three types of counties compare in terms of recidivism rates?
- Based on the above analyses, what can be said about the impact of the ABAWD time limits and work requirements on persons subject to the ABAWD provisions?

C. Study Design

As indicated above, the study used a sample design intended to examine the impact of the ABAWD provisions on key outcomes such as employment, poverty, and food security. Under the study design, we sought to compare outcomes among persons from exempt and non-exempt counties.

1. Comparing Outcomes in Exempt and Non-Exempt Counties

In comparing ABAWD leavers in exempt and non-exempt counties, the primary goal of the study was to highlight the impact of the ABAWD provisions. A major concern of policy makers is whether persons who are subject to the ABAWD time limits and work requirements (the "non-exempt" ABAWDs) are able to obtain steady employment and sufficient earnings after leaving Food Stamps.

One area of concern for policy makers is that the ABAWDs who are subject to the time limits and work requirements might not fare as well as exempt ABAWDs after they leave Food Stamps. There is concern that many of the ABAWDs who leave Food Stamps in non-exempt counties may not be ready to meet the demands of the job market. This may happen because ABAWDs who leave Food Stamps in non-exempt counties are presumably more likely to be leaving Food Stamps because of the time limits and work requirements – either because they reach the time limits or because they are unable or unwilling to meet the work requirements. In contrast, ABAWDs who leave Food Stamps in exempt counties are presumably more likely to be leaving the program for "voluntary" reasons, such as employment.

It is possible, therefore, that many of the ABAWD leavers in non-exempt counties are leaving the Food Stamp rolls before they have a stable employment situation. If this is the case, we would expect to find that the employment rate among ABAWD leavers in the non-exempt counties is lower than the employment rate among ABAWD leavers in exempt counties. If we found no difference between the exempt and non-exempt leavers in terms of their employment rates, we might conclude that concerns about employment stability among non-exempt ABAWD leavers are not justified. Looked at from this perspective, the differences in outcomes between the exempt ABAWD leavers and the non-exempt leavers

Chapter I: Introduction

might be seen as reflecting the impact of the ABAWD provisions compared to the situation where the provisions do not apply.

The major problem with this comparison, however, is that unemployment rates are on average higher in the exempt counties than in the non-exempt counties. This factor tends to complicate simple comparisons between the exempt and non-exempt counties in terms of the employment rates among ABAWDs after they leave Food Stamps.

2. Controlling for the Impact of County Unemployment Rates

In examining data on local unemployment rates in South Carolina, we found that the counties that were exempted from the ABAWD requirements under the BBA 15 percent provision typically had relatively low unemployment rates, and that these rates were comparable to those found in the non-exempt counties.³ Based on this finding, we modified the analysis plan to comparing outcomes in three types of counties, as follows:

- non-exempt counties;
- counties exempt under the 15 percent provision; and
- counties exempt due to high unemployment.

In particular, by comparing the outcomes in the first two types of county, we are in a better position to assess how the ABAWD requirements affected outcomes while controlling for differences in county unemployment rates.

3. Sample Design

The sample design for the study is shown in Exhibit I-1. As indicated, the study involved two cohorts of ABAWD leavers, as follows:

- ABAWDs who left Food Stamps between October 1998 and March 1999 (the "1998-1999 leavers sample"); and
- ABAWDs who left Food Stamps between October 1999 and March 2000 (the "1999-2000 leavers sample").

As shown in the exhibit, the 1998-1999 leavers sample involved a stratified sample design in which equal numbers of persons were selected from exempt and non-exempt counties. Under this design, persons from exempt counties were over-sampled so that we would have an adequate number of cases for analysis. As part of the stratified sample design, sample weights were applied to the 1998-1999 leavers data when generating the tables for this report. For the 1999-2000 leavers sample, stratification was not used. Instead, the survey included the entire universe of ABAWDs who left Food Stamps between October 1999 and March 2000 (n=653).

³ A map showing the exempt and non-exempt counties in South Carolina is presented in Chapter II of the report.

Exhibit I-1 Overview of the Sample Design

	1998-1999	1999-2000
Sample Group	Leavers	Leavers
Persons in exempt counties	322	341
Persons in non-exempt counties	322	312
Total	644	653

4. Information Collected on the Samples Through Telephone Surveys

The primary goal of the study was to examine the status of the sample members one year after leaving Food Stamps. Therefore, a single follow-up interview was conducted with each member of the two samples about 12 months after they left Food Stamps.

The outcome measures included employment status, food security, indicators of well-being, and other outcomes. The study was also designed to draw comparisons between those who were working and those who were not working. In addition, the study focused on comparing those who were managing their nutritional needs with those who were not. Another goal of the study was to examine recidivism to Food Stamps as well as continued participation in public assistance programs. Finally, the study was designed to gather information on the characteristics of ABAWD leavers, including demographic characteristics, living arrangements, and reasons for leaving Food Stamps.

On a specific level, the study collected the following data on the status of sample members at the time of the one-year follow-up surveys:

Employment and Household Income

- employment status and earnings;
- work hours and non-traditional work schedules;
- type of employment;
- reasons for not working, if currently unemployed;
- work history since leaving Food Stamps;
- household income; and
- poverty status.

Hardship, Food Security, and Indicators of Well-Being

- adverse events before and after leaving Food Stamps;
- food security before and after leaving Food Stamps;
- changes in quality of life and stress; and
- health care coverage.

Use of Benefit Programs, Child Care, and Transportation

- use of Medicaid and other benefit programs;
- use of child care for dependent children in the person's household;
- assistance in paying for child care; and
- transportation.

Recidivism (Return to Food Stamps)

- characteristics of persons who had returned to Food Stamps;
- reasons for going back; and
- barriers to leaving Food Stamps.

In addition to examining these outcomes, information was gathered on a number of respondent characteristics, including:

- education;
- ethnicity;
- age;
- gender;
- living arrangements;
- number of children in the person's household; and
- reasons for leaving Food Stamps.

5. Information Collected from Administrative Records

In addition to the data gathered on the samples through telephone surveys, data were obtained from the automated administrative records maintained by the SCDSS. These data are presented in Chapter VII of the report.

D. Survey Methods

The surveys were conducted by telephone from the MAXIMUS Survey Research Center in Reston, Virginia, using computer-assisted telephone interviewing (CATI). Contact information on the sample members was obtained from the automated systems of the South Carolina Department of Social Services and was loaded onto the CATI system. The surveys of the 1998-1999 leavers sample were conducted between October 1999 and May 2000. The surveys of the 1999-2000 leavers sample were conducted between October 2000 and May 2001. In an effort to standardize the follow-up period, the 1998-1999 leavers surveys were initially targeted to persons who had left Food Stamps between October and December 1998. The surveys for this group were begun in October 1999. In January 2000, we began surveying the persons who had left Food Stamps between January and March 1999. The same basic approach was used when surveying the members of the 1999-2000 leavers sample.

The survey process began with an initial mail-out on SCDSS letterhead inviting sample members to call the toll-free numbers at the Survey Research Center. A financial incentive of \$20 was offered in this mail-out. A second round of mail-outs was initiated after a few weeks to persons who did not respond to the first mail-out. The incentive in the second mail-out was increased to \$25. During the mail-out process, MAXIMUS interviewers also made attempts to contact sample members using the telephone numbers provided by SCDSS. If the numbers turned out to be invalid, Directory Assistance calls were used. The CATI system was programmed to vary the times of callbacks to sample members and to record information on the results of all contact attempts.

In addition to the above procedures, we obtained data matches on all sample members from a commercial data broker who provided credit bureau information and other contact information from public records. MAXIMUS also had a staff member on-site at one of the SCDSS District Offices searching the SCDSS databases for contact information on sample members who were still receiving any type of public assistance.

Finally, we conducted field-based survey efforts to locate sample members in their neighborhoods and to encourage them to complete the survey. The field-based interviewers provided the sample members with cell phones to call the Survey Research Center's toll-free number to complete the survey on the CATI system.

E. Survey Response Rates

Of the 644 persons in the 1998-1999 leavers sample, 2 were confirmed as deceased, and 30 were incarcerated at the time of the surveys. Another 3 persons were found to be under age 18 when their families were contacted. This left 609 sample members who were available to be interviewed. Surveys were completed with 285 of these persons, representing a response rate of 46.8 percent.

Exhibit I-2 shows the response rates by the primary sampling strata – exempt v. non-exempt counties – in the 1998-1999 leavers survey. As indicated, the response rate among persons from non-exempt counties was slightly higher (48.4 percent) than the response rate for persons from exempt counties (45.3 percent).

Exhibit I-2 Response Rates by Type of County, 1998-1999 Leavers

Type of		Available for	Surveys	Unadjusted	Adjusted
County	Sample Size	Interview	Completed	Response Rate	Response Rate
Exempt	322	305	138	42.9%	45.3%
Non-exempt	322	304	147	45.7%	48.4%
Total	644	609	285	44.3%	46.8%

Of the 653 persons in the 1999-2000 leavers sample, 7 were confirmed as deceased, and 15 were incarcerated at the time of the surveys. This left 631 sample members who were available to be interviewed. We completed surveys with 283 of these persons, representing a response rate of 44.8 percent. Exhibit I-3 shows the response rates by the primary sampling strata – exempt v. non-exempt counties. As indicated, the response rate among persons from exempt counties was slightly higher (45.9 percent) than the response rate for persons from non-exempt counties (43.7 percent).

Exhibit I-3 Response Rates by Type of County, 1999-2000 Leavers

Type of County	Sample Size	Available for Interview	Surveys Completed	Unadjusted Response Rate	Adjusted Response Rate
Exempt	341	329	151	44.3%	45.9%
Non-exempt	312	302	132	42.3%	43.7%
Total	653	631	283	43.3%	44.8%

Reasons for the Relatively Low Response Rate

The response rate on the ABAWD survey was lower than the response rates that MAXIMUS achieved on the first-year follow-up survey of non-welfare Food Stamp families (71 percent) and on a survey of South Carolina TANF leavers (76 percent). There are several factors that might explain the relatively low response rate on the ABAWD survey. First, as indicated in Chapter V of this report, the ABAWD leavers had relatively low rates of participation in Medicaid and other programs, compared to the other survey samples. This made it more difficult to locate the ABAWDs using data from state databases. Second, for the other two surveys, we obtained data from SCDSS's child support database on the addresses of sample members who were receiving services under the IV-D program. In the case of the ABAWDs, this resource was not used because the ABAWD sample consisted of childless adults.

A third factor that seems to explain the low response rate is the mobility of the population and their low rates of employment after leaving. With regard to mobility, for example, about 70 percent of the 1998-1999 leavers and almost 63 percent of the 1999-2000 leavers were younger than 25. Persons aged 18-24, especially non-married persons without children, are typically more mobile than older persons with children. With regard to employment, about 45 percent of the 1998-1999 leavers and 51 percent of the 1999-2000 leavers did not have a job when interviewed (see Chapter III). This relatively low rate of labor force attachment is another indication that the sample was probably very mobile.

It should also be noted that almost 5 percent (n=30) of the sample members were incarcerated when we tried to contact them. These persons were identified partly through a match against correctional records (the match was not performed on the 1999-2000 leavers

sample). Incarcerated persons were removed from the sample for purposes of calculating the response rate. However, there may have been other persons in the sample who were incarcerated but whose status could not be verified.

Due to the relatively low response rates on the surveys, some caution must be exercised in interpreting the findings. In particular, males and whites were somewhat under-represented in the completed surveys.

Response Rates by Gender and Ethnicity

Exhibit I-4 shows the response rates for the 1998-1999 leavers by gender and ethnicity. As indicated, the adjusted response rate for females (54.4 percent) was higher than for males (41.1 percent). In addition, the adjusted response rate for blacks (48.4 percent) was slightly higher than the response rate for whites (42.7 percent).

Exhibit I-4 Response Rates by Gender and Ethnicity, 1998-1999 Leavers

	Sample Size	Available for Interview	Surveys Completed	Unadjusted Response Rate	Adjusted Response Rate	
Gender						
Female	262	259	141	53.8%	54.4%	
Male	382	350	144	37.7%	41.1%	
Ethnicity						
Black	502	471	228	45.4%	48.4%	
White	134	131	56	41.8%	42.7%	
Other	8	7	1	12.5%	14.3%	
Total	644	609	285	44.3%	46.8%	

Exhibit I-5 shows the response rates among the 1999-2000 leavers by gender and ethnicity. As indicated, the adjusted response rate for females (55.9 percent) was much higher than for males (35.7 percent). The adjusted response rate for blacks (46.7 percent) was again higher than the response rate for whites (39.5 percent).

Chapter I: Introduction

Exhibit I-5
Response Rates by Gender and Ethnicity, 1999-2000 Leavers

	Sample Size	Available for Interview	Surveys Completed	Unadjusted Response Rate	Adjusted Response Rate	
Gender						
Female	289	286	160	55.4%	55.9%	
Male	364	345	123	33.8%	35.7%	
Ethnicity						
Black	487	473	221	45.4%	46.7%	
White	160	152	60	37.5%	39.5%	
Other	6	6	2	33.3%	33.3%	
Total	653	631	283	43.3%	44.8%	

Response Rates by Age

Exhibits I-6 and I-7 show that the response rates did not vary greatly by age group. As indicated, 449 (69.7 percent) of the 644 respondents in the 1998-1999 leavers sample were under 25. Among the 1999-2000 leavers sample, 18-24 year olds accounted for 390 (59.7 percent) of the 653 persons in the sample frame.

Exhibit I-6 Response Rates by Age Group, 1998-1999 Leavers

Age Group	Sample Size	Available for Interview	Surveys Completed	Unadjusted Response Rate	Adjusted Response Rate
18-24	449	423	193	43.0%	45.6%
25+	195	186	92	47.2%	49.5%

Exhibit I-7 Response Rates by Age Group, 1999-2000 Leavers

Age Group	Sample Size	Available for Interview	Surveys Completed	Unadjusted Response Rate	Adjusted Response Rate
18-24	390	379	172	44.1%	45.4%
25+	263	252	111	42.2%	44.0%

F. Organization of the Report

The remainder of the report presents the key findings from the study, as follows:

MAXIMUS

- Chapter II provides findings on the designation of exempt and non-exempt counties in South Carolina during the study period. This chapter also examines unemployment rates in the different types of counties during the study period.
- Chapter III presents a profile of the demographic characteristics of the sample members and survey respondents.
- Chapter IV presents an overview of the Food Stamp and employment status of the survey respondents. The chapter also presents survey findings on employment and income among persons who were still off Food Stamps at the time of the surveys, including employment status, earnings, work hours, reasons for not working, work history, total household income, and poverty.
- Chapter V presents the findings on indicators of well-being among persons still off Food Stamps at the time of the surveys, including adverse events, food security, and life after Food Stamps.
- Chapter VI provides findings on the use of benefit programs, child care, and transportation by persons still off Food Stamps.
- Chapter VII presents the findings on Food Stamp recidivism among the survey samples.
- Chapter VIII of the report presents the data from the match against the SCDSS administrative records and UI earnings records.