

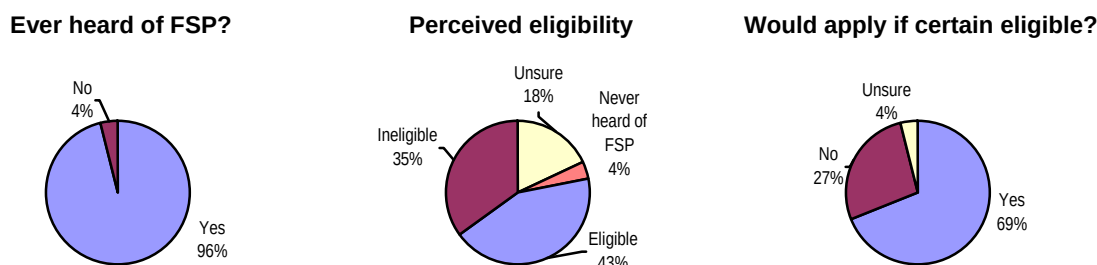
Chapter 3

Characteristics and Perceptions of Potentially Eligible Nonparticipant Households

In order to participate in the Food Stamp Program, a potentially eligible person must know of the program's existence, must realize that his or her household might be eligible, and must be interested in applying for benefits. In principle then, local office practices could encourage participation by informing people about the FSP and by structuring the application process to make it easy for people to apply for benefits.

According to the 2000 survey of potentially eligible nonparticipant households, general awareness of the FSP is nearly universal (96 percent), as figure 3.1 shows.¹ Only 43 percent of the nonparticipants believed that they might be eligible, however, while one-third (35 percent) thought that they were ineligible for benefits and the remaining 18 percent were unsure whether or not they would be eligible.² A majority of the respondents (69 percent) said they would apply if they knew for certain that they were eligible, although 27 percent said they would not apply and 4 percent were unsure.³

Figure 3.1— Awareness, perceived eligibility, and interest in applying to the FSP among eligible nonparticipants



Data from appendix table B.1.

In our conceptual model of FSP participation, the first step in the process of becoming a food stamp participant is for the household to be aware of its potential eligibility. Previous research has indicated that many nonparticipant households do not realize that they might be eligible for benefits, and this study shows the same pattern.

¹ The “reference month” for the study was June 2000. Data abstracted from case records were drawn for this month, and participant samples were drawn from lists of applicants and terminating cases in June 2000. Other data collection efforts occurred in later months. The eligible nonparticipant survey was conducted between February and June 2001. For convenience, we refer to the study in general as the 2000 study. The analysis approach assumes that eligible nonparticipants in early 2001 can be considered representative of those in June 2000. In fact, deterioration in the national economy during this period may have caused some changes in the population of eligible nonparticipants, which the analysis cannot take into account.

² The survey question asked, “Do you think you may be eligible to receive food stamp benefits?”

³ The survey question asked, “If you found out you were eligible for food stamp benefits, would you apply?”

These patterns are quite similar to the findings of previous studies of FSP non-participation. Reviews of participation studies conducted during the 1980s and early 1990s, while not strictly comparable, suggest that about half of all households that apparently met food stamp eligibility requirements did not believe that they qualified for benefits (McConnell and Nixon, 1996; Bartlett et al., 1992). The National Food Stamp Program Survey, conducted in 1996, found even greater confusion, as almost three-quarters (72 percent) of all apparently eligible non-participant households reported that they did not think they met the food stamp eligibility criteria (Ponza et al., 1999).

This remainder of this chapter presents descriptive information on factors related to nonparticipants' perceptions regarding their potential eligibility and their attitudes about applying for benefits, with particular attention to factors that may be related to local FSP office policy and practices. The data source is the survey of 1220 potentially eligible nonparticipants conducted as part of this study.

Who Believes They Are Ineligible?

One might expect households in relatively more favorable economic circumstances—i.e., those who are closer to the eligibility cutoff—to be less certain of their eligibility for food stamps. The data support this expectation (figure 3.2).⁴ Nonparticipants who believed themselves ineligible for benefits, or were unsure, were more likely to have above-poverty incomes than those who believed themselves eligible (63 percent versus 44 percent).⁵ Those who believed themselves ineligible were also more likely to have bank accounts (74 percent versus 62 percent). Respondents who believed they were ineligible to receive benefits were also less likely to be food insecure or to have experienced hunger. Those who believed they were ineligible were also less likely to have received food stamp benefits in the past, suggesting they may not have had a very accurate understanding of eligibility requirements.

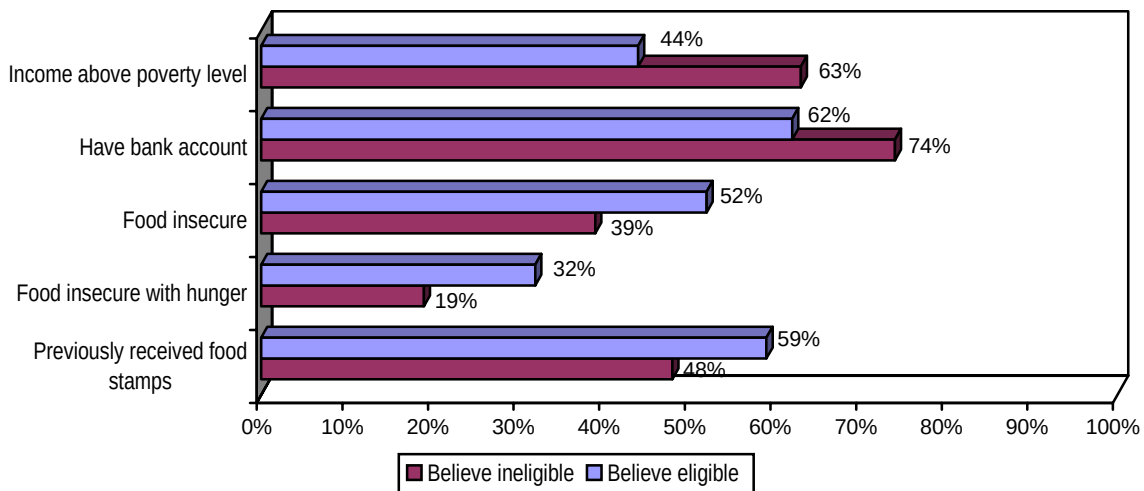
Demographic characteristics were not closely associated with whether respondents believed they were eligible for food stamp benefits (Appendix table B.3). Those who believed they were ineligible were somewhat less likely to be black. Two-fifths of nonparticipant households reported feelings of stigma

⁴ Significance levels are computed using chi-squared tests when there are more than two categories defined for the variable (e.g., poverty-level categories, food security), and these significance levels are shown in the tables. These chi-squared tests tell us whether the distributions differ as a whole between two strata. They do not tell us, however, what parts of the distributions are different. For that, t-tests are required. While t-tests on the individual categories are not exact, because they were performed after first learning whether there was a difference in the distribution as a whole, they nonetheless give interesting supplementary information on how and where the distributions differ. We therefore refer in the text to differences in specific categories, based on t-tests.

⁵ All nonparticipant households that responded to the survey reported on the screener questionnaire that their total family income was less than 130 percent of the poverty level. The main body of the survey collected more detailed information on income and using these responses, some households appeared to have incomes above 130 percent of the poverty level. We excluded households whose reported detailed income exceeded 200 percent of the poverty level but retained those with incomes between 130 percent and 200 percent. See Appendix A for a more detailed discussion of this issue.

associated with FSP participation, but the strength of the feelings was not related to households' perceived eligibility (Appendix table B.4).⁶

Figure 3.2—Income, assets, food security status, and prior FSP experience of eligible nonparticipants by perceived eligibility for food stamps (percent of group with characteristic)



Data from appendix tables B.2 and B.3.

Why Do Some People Think They Are Ineligible?

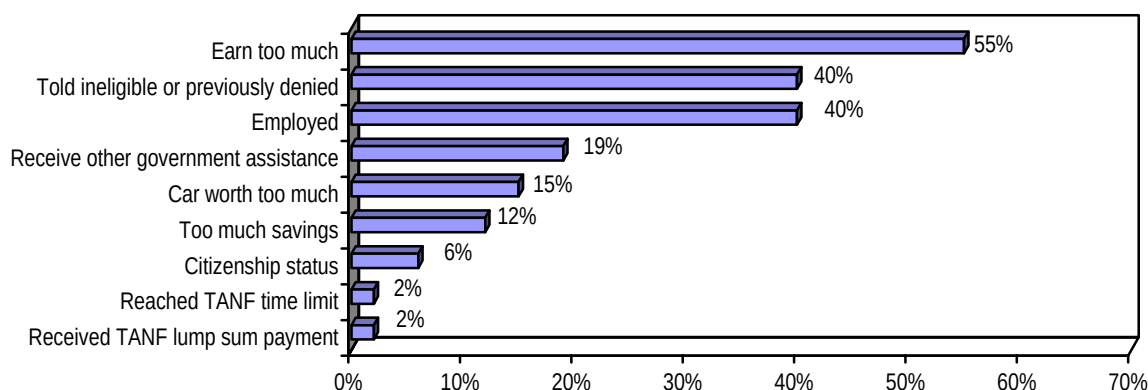
People who wrongly believe that they are ineligible for food stamp benefits presumably have an insufficient or incorrect understanding of program rules. To learn what misunderstandings exist, we asked about the reasons for perceived ineligibility. Respondents who believed they were not eligible, or who were not sure, were asked about a series of possible reasons for their perceptions. Their responses are shown in figure 3.3.

Many of the responses focused on central aspects of the eligibility criteria: the amount of earned income (55 percent), the value of an owned vehicle (15 percent), the value of financial assets (12 percent), and citizenship status (6 percent). These rules are quite specific and complicated, so it is not surprising that they seem to be an important source of incorrect perceptions of ineligibility.⁷

⁶ Stigma index created from the responses to a series of questions (four or six questions, depending on whether the household had ever received food stamps) concerning feelings of stigma associated with the FSP.

⁷ It is also important to point out that some of the respondents may actually have been ineligible on these grounds, particularly if detailed information on their circumstances differed from the general information they provided in the survey. It was beyond the scope of this study to determine eligibility exactly as is done by the Program.

Figure 3.3—Reasons for perceived ineligibility



Data from appendix table B.5.

Note that, while most of these responses probably represent incorrect perceptions of ineligibility, some may have been correct. Respondents were screened for apparent eligibility in terms of income relative to household size, value of vehicles (estimate based on make, model, and year), and value of liquid assets. Such questions have shown to predict eligibility reasonably well, but they do not provide the detail that would be needed for a definitive determination of eligibility. Thus some of the respondents may actually have been ineligible for the reasons they cited. Most of the rest were probably unaware of the specific limits on income and assets or how those limits would apply to their own situation.

Some people who cited their citizenship status as a reason for ineligibility may have correctly interpreted their situation, but misunderstanding of the rules seems to have been common. For example, of 13 respondents who gave this reason and said they were not citizens themselves, 9 had children born in the US. Those children, as U.S. citizens, would have been eligible to receive food stamp benefits.⁸

A substantial number of responses seem to indicate misunderstanding of broader program rules. These include the responses that the reason for ineligibility was being employed (40 percent),⁹ receiving other government assistance (19 percent), having reached the time limit on cash assistance (2.2 percent of all households and 6.6 percent of households with children), and having received a TANF lump sum payment (2 percent of all households and 6 percent of households with children). None of these factors necessarily make a household ineligible for food stamp benefits, and from a policy point of view, it would be far easier to communicate that general fact than the details of income and asset limits.

⁸ The 2002 Farm Bill restored eligibility for all legal immigrants living in the United States for at least five years, so after that point the parents also might have been eligible.

⁹ For some of these households, perceived ineligibility was due to employment status combined with amount of earned income; for others it was due to employment status alone.

The most clearly inaccurate perceptions are those indicating that the respondent was ineligible because of exceeding TANF time limits or receiving a lump sum payment: neither action could cause ineligibility without some other change in household circumstances. To see whether these misperceptions were held by particular types of people, we tabulated the characteristics of the survey respondents who cited these two reasons for believing themselves ineligible (see Appendix tables B.6 through B.9). The data must be interpreted with caution, however, as only about 20 respondents cited each of these reasons.

People who believed themselves ineligible because of TANF time limits or lump sum payments were more likely to have earnings, had less liquid assets, and were less likely to be elderly than people who only cited other reasons for ineligibility.¹⁰ These characteristics would be expected in a population that had been TANF-eligible, and no other striking differences were observed. Although we suspected that the people who believed such TANF events could make them ineligible for food stamps might have limited education or be non-English speakers, which might limit their understanding of the rules, the data provide no evidence that this occurred.

Almost two-fifths of the respondents who had previously received food stamps, and a quarter of those who had not, thought they were ineligible because they had previously been denied benefits or told that they were probably ineligible. Almost half of these respondents had been denied or told they were ineligible more than one year prior to the survey and another fifth had been told so six to twelve months before (Appendix table B.5). This raises the possibility that some people may continue to believe an ineligibility message even after their circumstances change in a way that makes them eligible.

The reasons for perceived ineligibility differed somewhat depending on whether the household had previously received food stamp benefits (Appendix table B.5). Former participants were much more likely to note that they had been denied or told they were ineligible, which is not surprising since many would have stopped participating because they were found ineligible. Former participants were significantly less likely to see excess savings as a cause of ineligibility, but were significantly more likely to say they were ineligible because they earned too much. This may reflect their own experiences, as food stamp participants more commonly become ineligible due to increased earnings than increased assets.

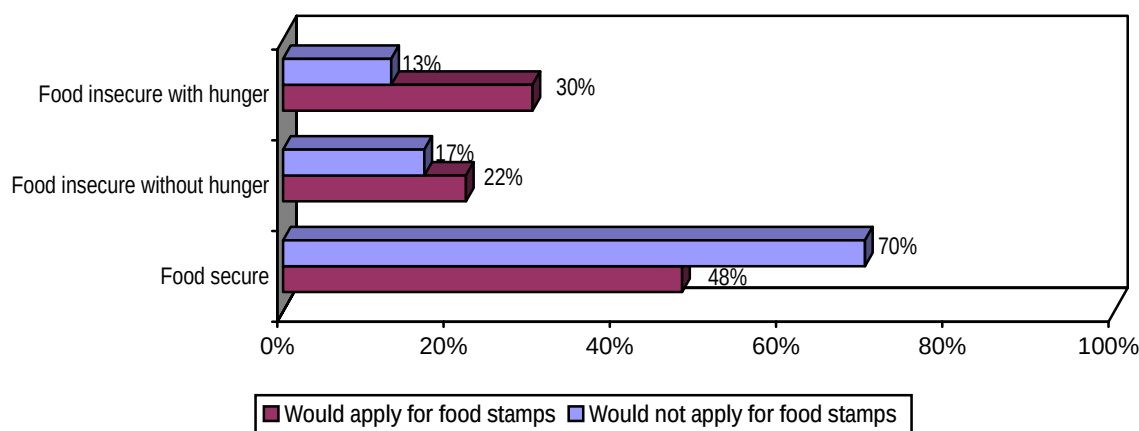
Reviews of previous research studies are consistent with findings from the current study. Past studies provide some information on the reasons for perceived ineligibility among apparently eligible nonparticipant households, though less detail is available than collected for the current study. Among households that did not think they were eligible for benefits, 35 to 40 percent believed that their income and/or assets were too high (Coe, 1983; GAO, 1988; Blaylock and Smallwood, 1984). Another 8 to 15 percent believed that they did not meet some other FSP eligibility requirements (Coe, 1983; GAO, 1988).

¹⁰ Differences in the presence of children are also evident, but this variable was artificially constrained. Some respondents who had no children in the household cited lump sum payments or exceeding the TANF time limit as reasons for ineligibility. We excluded these responses, which were assumed to reflect confusion about the question.

Who Would Not Apply Even If They Found They Were Eligible?

Households that reported they would not apply for food stamp benefits even if they knew for certain they were eligible were overall more food secure than households that reportedly would apply to the FSP, possibly indicating a lower need for benefits (figure 3.4). Households that were not interested in the FSP were significantly less likely than others to have experienced hunger in the previous year (13 percent versus 30 percent) and significantly more likely to be food secure (70 percent versus 48 percent).

Figure 3.4—Food security status of eligible nonparticipants by whether would apply for food stamps (percent of group with characteristic)



Data from appendix table B.10.

The current economic circumstances of households were not associated with whether households would apply for food stamp benefits if they found they were eligible (Appendix table B.10). This is somewhat surprising, since those who would not apply tended to be more food secure and food security is generally positively associated with economic circumstances. The contrast may occur because economic circumstances are measured for the most recent month while food security is measured for a 12-month period. People who expect to have only a brief period of economic deprivation may be less inclined to apply for food stamps than those who expect or have already experienced a lengthy period. Other evidence related to this point will be seen below.

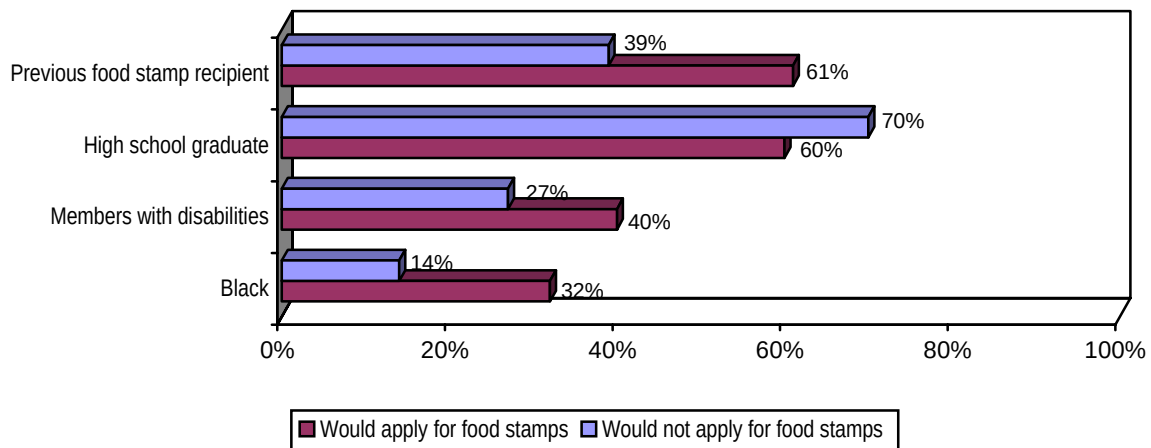
Households that reportedly would apply for benefits if they knew for certain they were eligible were significantly more likely to have received food stamps in the past compared to households that would not apply for benefits (61 percent versus 39 percent as shown in figure 3.5). This indicates that previous food stamp participation is not generally a deterrent to future participation, even though some former participants report negative experiences with the program.

Only a few demographic characteristics were associated with whether households would apply for benefits (figure 3.5). Those who would apply were less likely to be high school graduates, possibly indicating an expectation of long-term low income. Households that reportedly would apply for benefits were significantly more likely to include members with disabilities, which may suggest a greater need for benefits and less employment potential. Those who would apply were also more likely to be black, another factor commonly associated with lower long-term earnings. All of these

points are consistent with research showing that many nonparticipants experience relatively brief periods of eligibility, with longer-term income well above the eligibility level (Farrell et al., 2003).

Neither perceived eligibility nor feelings of stigma related to the FSP was associated with whether households would apply for benefits if they were told they were eligible (Appendix tables B.12 and B.13).

Figure 3.5—Characteristics of eligible nonparticipants by whether would apply for food stamps (percent of group with characteristic)



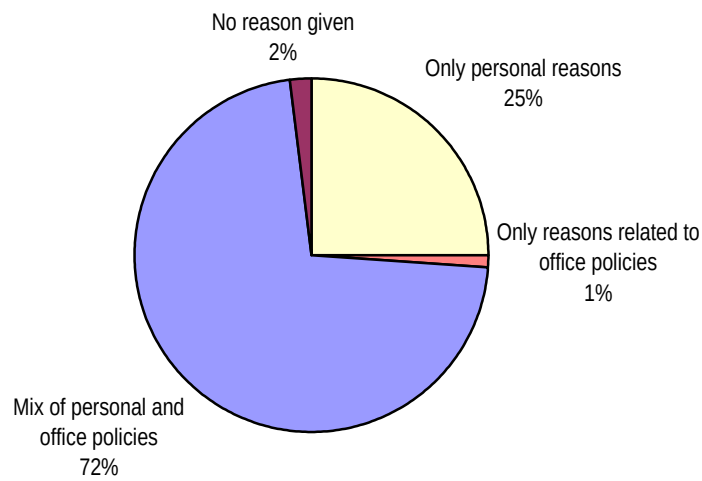
Data from appendix table B.11.

Why Would Some People Not Apply Even If They Believed They Were Eligible?

Survey respondents who believed they were eligible but had not applied for food stamp benefits, together with those who said they would not apply even if they found they were eligible, were read a list of 17 “reasons people have provided for deciding not to apply for food stamps” and asked which reasons applied to them. Their responses indicate a mix of personal considerations and factors that might be related to policies and practices of food stamp offices (figure 3.6).

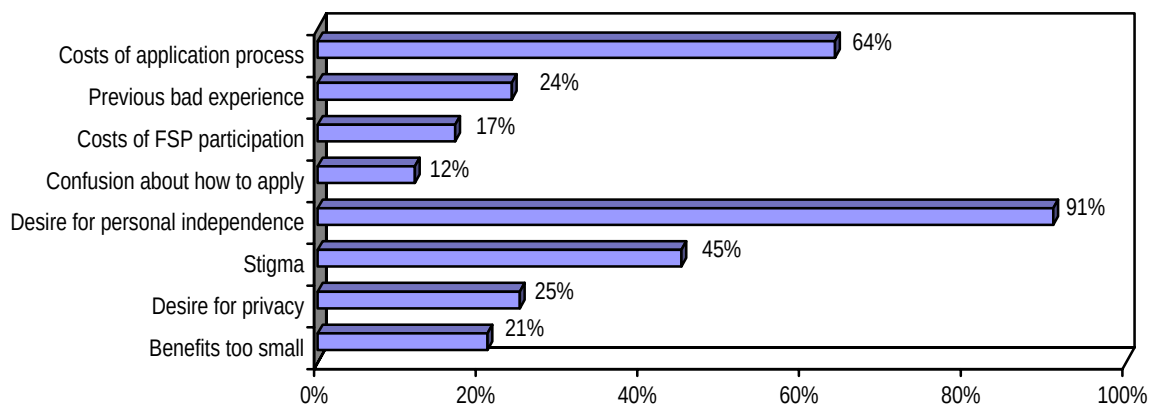
Nearly three-quarters (73 percent) of respondents chose at least one reason that might be related to local food stamp office policies and practices. Perceived costs of applying—including the paperwork required, the necessity of taking time away from work or dependent care responsibilities, and the difficulty of getting to the food stamp office—were cited by 64 percent of households as reasons for not applying for benefits (figure 3.7). Seventeen percent of households indicated that work requirements or other participation requirements would deter them from applying. For one-quarter of households, a previous “bad experience” with the Food Stamp Program or some other government program would prevent them from applying. A relatively small number (12 percent) reported that they did not know how to apply.

Figure 3.6—Reasons households would not apply for FSP benefits



Data from appendix table B.14.

Figure 3.7—Detailed reasons households would not apply for FSP benefits



Data from appendix table B.14.

Almost all respondents (97 percent) mentioned personal reasons for not applying. The most common set of personal reasons, reported by 91 percent of households, was related to a Stated desire for personal independence. These reasons include the feeling that the household “could get by on their own” without food stamps and the desire not to “rely on government assistance.” Forty-five percent of respondents cited reasons that pertained to a perceived stigma of food stamp participation. These respondents did not want to be seen shopping with food stamps, did not want people to know they needed financial assistance, or did not want to go to the welfare office. Other reasons related to personal preferences or judgments included a desire for privacy (25 percent) and low expected benefits (21 percent).

Although households that had never received food stamps gave generally similar reasons as those who had previously participated, a few significant differences emerged. Those who had never participated more often cited an uncertainty about how to apply. Previous food stamp recipients were more likely to mention a negative prior experience and to feel that the benefits were too low to make participation worthwhile (Appendix table B.14).

Respondents to the 1996 survey of eligible non-participants reported similar, though not identical, reasons for not applying to the Food Stamp Program (Ponza et. al, 1999). The most commonly cited factors in 1996 were related to a desire for personal independence—not wanting to rely on government assistance or charity and feeling that they did not need food stamps. High costs of program participation, including excessive paperwork and the difficulty of obtaining transportation to the welfare office, ranked second, followed by low expected benefits, previous bad experiences with the Food Stamp Program, and confusion about how to apply for benefits.

A larger proportion of respondents in 2000 than 1996 mentioned stigma as a reason for not applying to the FSP.¹¹ This is somewhat surprising in view of the fact that the 2000 survey found a somewhat lower overall level of reported stigma than the 1996 survey, particularly among respondents who had not previously received food stamp benefits.¹² Even though fewer people were reporting stigma in 2000, this factor seemed to have more prominence in the minds of those who would not apply even if they knew they were eligible.

Conclusion

In the 2000 survey of households that were not participating in the Food Stamp Program despite being apparently eligible, over half of respondents either believed that they were ineligible (35 percent) or were not sure whether they would be eligible (18 percent). Probably some of these households actually were ineligible—the survey could not measure income, assets, and other factors as carefully as is done in an official eligibility determination. Nonetheless, the magnitude of the numbers as well as some of the respondents' more detailed statements suggest that one of the most important reasons that potentially eligible households do not participate is that they do not realize they are eligible.

These findings suggest that outreach might affect participation in the FSP. The issue is not to make nonparticipants aware of the program—nearly everyone already knows of it—but to give them better information on some key eligibility rules that seem widely misunderstood. For example, outreach could convey the message that people may be eligible for food stamp benefits even if they are employed, receive TANF or other government assistance, have reached their TANF time limit, or have received a TANF lump-sum payment. General outreach cannot deliver enough specific

¹¹ Ponza et al., measured reasons for not applying only for respondents who believed they might be eligible for benefits; among this group, 10.7 percent cited reasons related to stigma. The comparable proportion in the current study is 44.5 percent. Both studies defined the stigma-related factors as not wanting to be seen shopping with food stamps, did not want people to know they need financial assistance, and did not want to go to the welfare office.

¹² The percent of former participants reporting some stigma was comparable in the two time periods at about 40 percent, but among those who had never received food stamp benefits, a larger proportion reported some stigma in 1996 than 2000 (60 vs. 48 percent). See Bartlett and Burstein, 2004, Table B.19.

information about income and assets rules to allow a household to determine its eligibility, especially those households who are relatively close to the eligibility limit and who apparently are least likely to think they are eligible. However, community organizations sometimes use counselors or automated systems to assess the likely eligibility of individual households. Chapter 8 will therefore examine in more detail whether variations in local office outreach practices are related to people's perception of their eligibility.

Outreach is not the only relevant policy. Many survey respondents said they would not apply for benefits even if they believed they were eligible. Most expressed personal reasons, such as a desire not to rely on government assistance, and some may have felt little need for food assistance or expected their situation to improve soon without assistance. But nearly two-thirds gave some reason that concerned the food stamp application process, such as the difficulty of the paperwork or of taking time away from their job or from caring for children or elderly household members. Some also mentioned the program's work-related requirements as a reason for not applying. Given the evidence that these factors are in peoples' minds when they say they whether they would apply for benefits, Chapter 8 will consider whether local variations in the handling of applicants and in work requirements are related to the likelihood that nonparticipants actually complete the application process.

It is interesting to note that the levels of program awareness, perceived eligibility, and interest in applying for benefits found in this study are very similar to the patterns seen in prior research. These characteristics of the nonparticipant population were stable even though the late 1990s saw a substantial decline in the food stamp participation rate and a corresponding increase in the proportion of potentially eligible households who were nonparticipants.

The major policy changes associated with welfare reform had little directly identifiable impact on nonparticipants' attitudes and perceptions. Some people did say that they were ineligible for food stamp benefits because of exceeding the TANF time limit or receiving a lump sum payment, which would indicate a misunderstanding of the program rules. This is a potentially important issue. Effects of welfare reform may also underlie some of the reasons that nonparticipants gave for not wanting to apply for food stamps—such as the employment and training requirements, stigma-related reasons, and difficulties with the application process—but none of these reasons can be explicitly linked to welfare reform policies.