SAFETY NET PROGRAMS IN THE UNITED STATES

Session 2: Overview of U.S. Programs

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Demetra Nightingale, Johns Hopkins University
Session Goals

• Understand the nature of the major US SSN programs
  – Motivation/purpose, originally and now
    • Relationship to poverty levels and populations
  – What they are and who they were/are intended to serve
  – Size, targeting, coverage, effectiveness
  – Level of government responsible for
    • Funding
    • Administration

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Three US SSN Program Goals

1. Providing basic financial security
   - Government recognizes a responsibility to assure a minimal living standard for (1) the elderly; and (2) people who find themselves impoverished through no fault of their own, and who are doing/have done everything possible to support themselves
     • Cash and in-kind assistance – Social Security (cash), TANF (cash), SSI (cash), Medicaid (health care), Medicare (health care), Food Stamps (food vouchers), housing programs (rent subsidies)
     • Progressive tax policies, negative tax policies (Earned Income Tax Credit)
Poverty and the Need for Financial Assistance

The following charts illustrate poverty rates, trends, and special concerns, including:

- Effects of recessions
- Effects of Social Security changes in 1965 on reducing poverty among people 65 and older
- Areas of high concentration (both urban and rural)
- Working poor (many people work full time and still cannot earn enough to lift their families out of poverty)
- Female-headed, often intergenerational, poverty (most households move in and out of poverty, but some are persistently poor, even poor from generation to generation, which is responsible for much of the increase in children’s poverty rates since 1970)
Poverty and the Need for Financial Assistance

Figure 2.
Poverty Rates by Age: 1959 to 2002

Poverty and the Need for Financial Assistance

Poverty Rates by Residence, 1959-2001

2001 Poverty Rates -- Nonmetro 14.2%
Metro 11.1%


Poverty and the Need for Financial Assistance

Figure 4:
Poverty Rates of People in Families by Family Type and Presence of Workers: 2002
(Percent)

<table>
<thead>
<tr>
<th>Family Type</th>
<th>Total</th>
<th>With no workers</th>
<th>With 1 or more workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>In families</td>
<td>10.4</td>
<td>7.9</td>
<td>3.5</td>
</tr>
<tr>
<td>In married-couple families</td>
<td>6.1</td>
<td>5.0</td>
<td>1.1</td>
</tr>
<tr>
<td>In female household families</td>
<td>28.8</td>
<td>21.1</td>
<td>7.7</td>
</tr>
<tr>
<td>In male household families</td>
<td>43.5</td>
<td>13.0</td>
<td>30.5</td>
</tr>
</tbody>
</table>

Three US SSN Program Goals

2. Protecting vulnerable populations
   - Government recognizes a responsibility to provide support for some groups of people that have particular vulnerabilities and are particularly unable to care for themselves.
   - Providing cash and non-cash benefits
     - To children (TANF, child welfare, nutrition)
     - People with disabilities (SSI/DI, Medicaid)
     - Elderly people (SSI, feeding programs, Social Security, Medicare)
Three US SSN Program Goals

3. Promoting equality of opportunity
   - Government recognizes a responsibility to provide assistance to promote equality of economic opportunity. Some chronically poor and disadvantaged may need compensatory assistance to thrive.
   - Targeting disadvantaged people. Some programs target economic opportunity services to disadvantaged persons, with eligibility based on their characteristics (e.g., in a poor family, lacking educational credentials or ability, chronically unemployed). Primary examples are job training programs for youth or low-skilled adults (often run by NGOs).
   - Targeting persistently poor geographic areas—Unlike many SSN programs, which go directly to individuals and households, programs promoting equality of opportunity tend to go to localities with very high need, to serve area residents. In the US, this target population is often defined geographically—areas with high and persistent poverty rates (over 40%). Primary examples are compensatory programs for poor elementary and secondary school children (usually run by school districts), and community and economic development funds.
Three Operating Assumptions for SSNs

1. Rights – People get the benefit as a right.
   - No US SSN programs operate on this assumption (but public education does). Some other countries do have “rights-based” programs, e.g., a right to housing in Scandinavian countries. Others articulate rights even if their economies cannot sustain them as yet – e.g., Rights of the Child.

2. Earned – People get the benefit because they behave in certain ways.
   - Usually these benefits are earned through employment—in the right types of jobs and for at least a minimum length of time. Social Security is the biggest U.S. example, in terms of numbers of people, dollars distributed, and anti-poverty effect. Unemployment insurance and EITC are others.

3. Charity – Benefits are neither earned nor a right.
   - Receipt depends on governmental priorities and discretion, usually reflected in funding levels, permanency of a program, eligibility criteria, and program rules and regulations. Most U.S. safety net programs are of this type.
Types of Means-tested Programs

- In the US, safety net programs are usually targeted and "means-tested"—people have to prove they are poor enough to qualify.
- "Qualification" is always in terms of income levels—being "poor enough"—and may include other criteria as well.
- These "means-tested" programs are the main focus of this course.
- Types of means-tested programs
  - Entitlements—if you qualify, you get it, and the government has to find the money somewhere (e.g., food stamps, Medicaid).
  - Capped funding—if the money is gone you don’t get it, even if you qualify (e.g., child care vouchers, housing subsidies).

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## The Major US Safety Net Programs

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Programs for People</th>
<th>Funded by</th>
<th>Funding is Open-ended</th>
<th>Administered by</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Assistance</td>
<td>AFDC/TANF (1935/96)</td>
<td>State</td>
<td>Capped</td>
<td>State</td>
<td>Poor families with minor children; mostly single parent</td>
</tr>
<tr>
<td></td>
<td>TANF—state-only</td>
<td>State/local</td>
<td>Open-ended</td>
<td>Federal</td>
<td>Poor families unlikely to move off of welfare</td>
</tr>
<tr>
<td></td>
<td>SSI (1974)</td>
<td>Federal/State</td>
<td>Open-ended</td>
<td>State/Local</td>
<td>Poor aged, blind, and disabled individuals</td>
</tr>
<tr>
<td></td>
<td>General assistance</td>
<td>Federal (some states)</td>
<td>Open-ended</td>
<td>Federal (state)</td>
<td>Poor disabled individuals, families</td>
</tr>
<tr>
<td>Food—Food Stamps</td>
<td>EITC</td>
<td>Federal</td>
<td>Open-ended</td>
<td>State</td>
<td>Working families earning below income cutoffs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Poor people (broader range of eligibility)</td>
</tr>
<tr>
<td>Housing</td>
<td>Public Housing</td>
<td>Federal</td>
<td>Capped</td>
<td>Local housing authorities</td>
<td>Low income elderly, families, disabled</td>
</tr>
<tr>
<td></td>
<td>(1935)</td>
<td>Federal</td>
<td>Capped</td>
<td>Local housing authorities</td>
<td>Low income elderly, families, disabled</td>
</tr>
<tr>
<td></td>
<td>Vouchers (1968/74)</td>
<td>State/Local</td>
<td>Capped</td>
<td>Varies</td>
<td>Varies</td>
</tr>
<tr>
<td></td>
<td>Tenant assistance</td>
<td>Federal</td>
<td>Capped</td>
<td>State</td>
<td>Poor families, disabled individuals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Federal</td>
<td>Capped</td>
<td>State</td>
<td>Children up to age 18 and up to about 300% of poverty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Federal/state</td>
<td>Open-ended</td>
<td>State</td>
<td>Poor families, disabled individuals</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Economic disadvantaged, unemployed, underemployed people</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Schools and children meeting income guidelines</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing Opportunity</td>
<td>Wf de (1973)</td>
<td>Federal</td>
<td>Capped</td>
<td>Local WFD boards</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fed aid to educa</td>
<td>Federal</td>
<td>Capped</td>
<td>Local school districts</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1965)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Universal Programs—Eligible if Meet</td>
<td>Social Security</td>
<td>Payroll taxes plus</td>
<td>Open-ended</td>
<td>Federal</td>
<td>People with 40 quarters in covered employment</td>
</tr>
<tr>
<td></td>
<td>(1935)</td>
<td>general revenues</td>
<td></td>
<td></td>
<td>Same as Social Security, but for those with disability</td>
</tr>
<tr>
<td></td>
<td>SSDI (1935)</td>
<td></td>
<td></td>
<td>Open-ended</td>
<td>Anyone 65 or older</td>
</tr>
<tr>
<td></td>
<td>Medicare (1965)</td>
<td></td>
<td></td>
<td>Federal</td>
<td></td>
</tr>
</tbody>
</table>

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Effects of US Political Culture on SSN Programs

• The three core US principles
  – Federalism
  – Individualism
  – And to some extent capitalism and “business-orientation”
Effects of US Political Culture on SSN Programs—Federalism

- Distrust of government is built into our constitution – especially of centralized national government
  - The U.S. Constitution reserves all powers to the states that are not explicitly given to the federal government
  - Federal government can fund, offer, ask, and create incentives, but only rarely can it order states and localities to do things they don’t want to do, or do anything in a standard way

- So federalism reigns
  - Unlike many countries, central planning, as the term is commonly used, basically doesn’t happen in the United States. SN policy consists of many programs, most of which operate independently without coordination.
  - Many SN programs are federal/state partnerships, or involve federal funds distributed among states and/or local jurisdictions. This sometimes leads to huge cross-jurisdiction variations in programs and funding levels (e.g., TANF, health care programs)
Effects of US Political Culture on SSN Programs—Individualism

• U.S. SN programs operate in a cultural context shaped by the nation’s dominant ideological preference and expectation for individualism—that each person will help him or herself, that all who can work, should work.

• This means U.S. policy, even when it establishes SN programs, is somewhat resistant to the idea of collective social responsibility, exercised through government, to help people who are having a hard time. To encourage self-initiative, SN benefits are usually set low (minimal standards), so as not to discourage employment.

• Since 1980, strong preferences for minimal government and “letting the market decide” have dominated over sentiments of the 1930s (New Deal) and 1960s (War on Poverty) leaning more to social responsibility.

• Basic sentiment is:
  – “Try it yourself first. If you fall, maybe we’ll help you get up, if you’re worthy and follow the rules, but don’t expect too much.”
Effects of US Political Culture on SSN Programs

- From the point of view of designing a nationwide rational, consistent, coherent safety net, the US experience does not offer much to follow.
- But some states and localities have philosophies that assume public social responsibility.
- And the U.S. piecemeal approach results in a great variety of programs and target populations, service delivery mechanisms, local autonomy, and the commitment of some jurisdictions to make things work. This produces:
  - Numerous examples of practical experience with multiple approaches to many types of programs.
  - Lessons about what happens when programs try to reach the same goals in different ways
  - Practical advice about what works and what doesn’t work.

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5 SSN Programs in Some Detail

• The basic means-tested programs
  – TANF
  – Food Stamps
  – Medicaid
• EITC—through the federal income tax system
• And, for contrast, Social Security, which is an earned, and not means-tested, pension for the elderly
• Will address:
  – History, rationale
  – Program size, caseloads, funding levels, changes over time
  – Eligibility criteria
  – Differential access, effects on poverty, and other issues
Temporary Assistance For Needy Families (TANF)

PURPOSE

• 1996 welfare reform law established TANF’s purpose as increasing the flexibility of states in operating a program designed to:

1. Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

2. End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

3. Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual goals for preventing and reducing these pregnancies;

4. Encourage the formation and maintenance of two-parent families.

• The law provides that states may use their TANF federal block grant “in any manner reasonably calculated” to promote any of these four goals.

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Temporary Assistance For Needy Families (TANF)

BRIEF HISTORY

- AFDC, TANF’s predecessor, began in 1935, as an “entitlement” program component of the New Deal. It provided monthly cash to poor families with children whose wage-earner (presumptively the father) was absent from the home, leaving the children in poverty. It was a federal/state program, with the states making many of the rules within federal guidelines. As this led to substantial inequalities across states—
- In the 1950s and 1960s, national welfare reform laws federalized some provisions (e.g., eligibility criteria) to make policies consistent across states. The federal government assumed most of the costs of benefits and related social services.
- AFDC had no work requirements until 1967, when work incentives and some work requirements (for mothers without children under 6 years of age) were added. In the 1980s the Reagan administration greatly expanded the work requirements, allowed states for the first time to require welfare recipients to work in exchange for their welfare check (i.e., “workfare”), and strengthened the sanctions (penalties for not complying).
Temporary Assistance For Needy Families (TANF)

HISTORY, CONTINUED

- AFDC work requirements of the 1980s and early 1990s never applied to more than about one-quarter of recipient families in work, because of many exemptions (e.g., child under 6 years old).
- State and local welfare experiments during the early 1990s, done using waivers from some federal provisions and often accompanied by serious evaluations, set the scene for major welfare reform legislation, enacted in August 1996 and known as the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)
- 1996 Law ended AFDC’s 61-year-old entitlement, replacing it with Temporary Assistance for Needy Families (TANF). Under TANF the federal government gives states fixed-amount block grants, totaling $16.5 billion annually from 1996 to 2004, to operate programs of their own design to meet TANF goals.
- TANF changes have had major effects on the social safety net: no longer are poor families with children guaranteed public assistance, and work—not welfare—is considered the core of the safety net.
Temporary Assistance For Needy Families (TANF)

ELIGIBILITY

• States decide, but federal regulations establish some eligibility restrictions
  – Only families that include a minor child or pregnant person
  – Families must assign child/spousal support rights to the state (so the state can collect child support payments to offset public welfare paid to the family)
  – No unwed mothers under 18 or their children, unless they live in an adult supervised arrangement and (if a high school drop out) attend school once their youngest child is 12 weeks old.
  – No fugitive felons or violators of probation/parole
  – No person convicted of a drug-related felony for conduct occurring after PRWORA’s 1996 enactment, unless the state opts out by law.
Temporary Assistance For Needy Families (TANF)

BASIC RULES

- Major differences between AFDC and TANF include:
  - Entitlement. TANF expressly denies entitlement to individuals. Under AFDC, states were required to aid all families eligible under state income standards.
  - Time limit for benefits. TANF sets a 60 month (5 year) maximum lifetime limit on federally funded aid.
  - Work Trigger. Federal TANF rules requires work (defined by the state) after a maximum of 2 years of benefits. Many states require work much sooner.
  - Work requirement. TANF requires states to maintain a specified and rising percentage (50% since 2001) of their total caseload in work activities (defined in the PRWORA law).
Temporary Assistance For Needy Families (TANF)

CASELOAD

• AFDC enrollment had reached an all-time high in 1994, covering 5 million families and more than 1 in 12 U.S. children, and costing $28 billion.

• Almost half of beneficiaries at any given time had received benefits for more than 5 years, making long-term, sometimes multi-generational, receipt a major policy concern.

• Between the 1996 passage of TANF and September 1998, 4.4 million people, 36 percent of the caseload, had left the TANF rolls.

• In 1999 welfare caseloads continued to drop, being 50 percent lower in June 1999 than they had been in August 1996 when PRWORA passed.

• In June 1999 just 2.2 million families (2% of the US population) were receiving TANF.

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Temporary Assistance For Needy Families (TANF)

AFDC/TANF Recipients as Percent of U.S. Population

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Temporary Assistance For Needy Families (TANF)

Trend in Combined Federal & State TANF Expenditures, by Type

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Temporary Assistance For Needy Families (TANF)

BENEFIT LEVELS

- Although specific benefits are determined by each state, most TANF programs provide:
  - Cash assistance to help pay for basic needs
  - Job search assistance and placement, and some training
  - Child care
  - Counseling or case management

- In most states, recipients receive a monthly cash benefit. The amount of the benefit is typically based on family size and amount of other income, including other public assistance payments.

- Most states have continued pre-TANF maximum benefit schedules, although some have reduced benefits for families expected to work.

- Benefits remain highly unequal among states.

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# Temporary Assistance For Needy Families (TANF)

## Average Benefit Levels

### Monthly TANF Assistance, per Family and per Recipient, 2000 - 2002

<table>
<thead>
<tr>
<th></th>
<th>Total Cash and Non-Cash Assistance Spending</th>
<th>Total Families</th>
<th>Total Recipients</th>
<th>Average Monthly Amount of Assistance</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>per Family</td>
<td>per Family</td>
<td>per Recipient</td>
</tr>
<tr>
<td>FY 2000</td>
<td>$878,886,244</td>
<td>2,264,855</td>
<td>5,943,450</td>
<td>$388.05</td>
<td>$147.87</td>
<td>$100.92</td>
</tr>
<tr>
<td>FY 2001</td>
<td>$835,457,012</td>
<td>2,115,846</td>
<td>5,419,603</td>
<td>$394.86</td>
<td>$154.15</td>
<td>$103.95</td>
</tr>
<tr>
<td>FY 2002*</td>
<td>$864,839,817</td>
<td>2,097,096</td>
<td>5,275,453</td>
<td>$412.40</td>
<td>$163.94</td>
<td>$103.61</td>
</tr>
</tbody>
</table>

*First half of fiscal year, October 2001 - March 2002.

### Monthly Cash Assistance Payments, 2001

<table>
<thead>
<tr>
<th>Families with:</th>
<th>Average Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Child</td>
<td>$288</td>
</tr>
<tr>
<td>Two Children</td>
<td>$362</td>
</tr>
<tr>
<td>Three Children</td>
<td>$423</td>
</tr>
<tr>
<td>Four (or more) Children</td>
<td>$519</td>
</tr>
</tbody>
</table>
**Temporary Assistance For Needy Families (TANF)**

Differences Among States in TANF Benefit Levels and Break-Even Points (the earning level at which the family loses eligibility), January 2000

<table>
<thead>
<tr>
<th>Monthly Benefit, Family of 3 with no other income</th>
<th>Break-even point after 7 months of working</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>% of Poverty</td>
</tr>
<tr>
<td>Maximum$^1$</td>
<td>$703</td>
</tr>
<tr>
<td>Median</td>
<td>$421</td>
</tr>
<tr>
<td>Minimum</td>
<td>$120</td>
</tr>
</tbody>
</table>

$^1$ excluding Alaska and Hawaii
Temporary Assistance for Needy Families (TANF)

Early results of welfare reform are mixed:

- Caseloads have declined by about 50%
- Half of all welfare parents—1.5 million—have left welfare
- 60-70% work in the year after leaving welfare

But…

- Wages are low ($6-$7/hr), few have employee benefits (e.g., health insurance), most jobs offer limited opportunity to move up
- Poverty is high (50%)
- Many report hardships—housing problems; hunger; “trouble making ends meet”

Next session (Rebecca Blank) will address the welfare research in more detail.
PURPOSE

• The Food Stamp Program entitles all eligible low-income American citizens to a benefit that covers the cost of a minimally nutritional diet.
  – It is thus the only US safety net program other than the EITC to include low-income singles, as well as families and people with disabilities

• Benefits are calculated using the assumption that households are expected to devote 30 percent of their monthly income to food purchases.

• Food stamp benefits then make up the difference between the household’s expected contribution to its food costs and an amount judged to be sufficient.

• Historically, benefits were issued as “coupons” redeemable for food. However, more recently coupons have been replaced by electronic benefit transfer (EBT) cards. (The program will soon be renamed, since coupons are no longer common.) EBT cards are used just as a bank credit or debit card would be, to make food purchases at grocery stores by deducting the purchase amount from the recipient's monthly food stamp benefit amount.
BRIEF HISTORY

• Food assistance began in the late 1930s (surplus commodities distributed). After several changes, the current Food Stamp Program (FSP) structure began in 1977.

• Many significant changes to the FSP occurred in 1985 and 1987, and included
  – Eliminating sales tax on foods purchased with food stamps
  – Simplified eligibility determination, including categorical eligibility based on participation in other programs (e.g., TANF)
  – Increased resource ceilings for most households
  – Eligibility for people without an address (homeless people)
  – Expanded nutrition education.

• Later changes included a work requirement for able-bodied single people after several months on the rolls.
Food Stamps

TARGET POPULATION

• **Food stamp households are a diverse group.** Because food stamps are available to most low-income households with few resources, regardless of age, disability status, or family structure, recipients represent a broad cross-section of the nation's poor.

• **Most food stamp recipients are children.** Children = 51%, working-age women (28%) and men (12%), people 60 and older = 9%.

• **Eligibility criteria assure that food stamp households have little income.** Only 12% are above the poverty line, while 36% have incomes at or below 50% of the poverty line. The typical food stamp household
  – Had gross income of $633 per month
  – Received a monthly food stamp benefit of $173. Over one-fifth of monthly funds (cash income plus food stamps) available to a typical household come from food stamps.

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TARGET POPULATION (cont.)

- **Food stamp households have few resources.** The average food stamp household possesses only $134 in countable resources (including the non-excluded portion of vehicles and the entire value of checking and savings accounts and other savings).

- **Many food stamp recipients work.** Over one fourth (28 percent) of food stamp households have earnings, up from 19 percent in 1990. For these households, earnings are the primary source of income.

- **The overall economic conditions of the average food stamp household worsened slightly from 2001 to 2002.** After adjusting for inflation, average gross income fell by 1.6 percent for households, while the average household benefit increased by 4.3 percent. The percentage of households receiving the maximum allotment rose from 22 percent to 24 percent.
Food Stamps

ELIGIBILITY & BASIC RULES

• The FSP has financial, employment-related, and categorical tests for eligibility.

• Financial eligibility tests require that most of those eligible meet federal standards of limited monthly income and liquid assets. The program generally offers assistance to all families with incomes below 130% of poverty, or 100% after exclusions.

• Under employment and training related requirements, certain household members must register for work, accept suitable job offers, and meet state work or training requirements (e.g., looking for a job, participating in a workfare assignment).
ELIGIBILITY  (poverty level for family of 3 in 2000 = $1084; a family may have a gross income of as much as 130% of poverty, if after legitimate exclusions its “counted” income is 100% of poverty or less)

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Counted (net) Limits:</th>
<th>Limit</th>
<th>Basic (gross) Limits:</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>1 person</td>
<td>$749</td>
<td>1 person</td>
<td>$973</td>
</tr>
<tr>
<td>2 persons</td>
<td>2 persons</td>
<td>$1,010</td>
<td>2 persons</td>
<td>$1,313</td>
</tr>
<tr>
<td>3 persons</td>
<td>3 persons</td>
<td>$1,272</td>
<td>3 persons</td>
<td>$1,654</td>
</tr>
<tr>
<td>4 persons</td>
<td>4 persons</td>
<td>$1,534</td>
<td>4 persons</td>
<td>$1,994</td>
</tr>
<tr>
<td>5 persons</td>
<td>5 persons</td>
<td>$1,795</td>
<td>5 persons</td>
<td>$2,334</td>
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<tr>
<td>6 persons</td>
<td>6 persons</td>
<td>$2,057</td>
<td>6 persons</td>
<td>$2,674</td>
</tr>
<tr>
<td>7 persons</td>
<td>7 persons</td>
<td>$2,319</td>
<td>7 persons</td>
<td>$3,014</td>
</tr>
<tr>
<td>8 persons</td>
<td>8 persons</td>
<td>$2,580</td>
<td>8 persons</td>
<td>$3,354</td>
</tr>
<tr>
<td>Each additional person</td>
<td>+ $262</td>
<td>Each additional person</td>
<td>+ $341</td>
<td></td>
</tr>
</tbody>
</table>
Food Stamps

ELIGIBILITY & BASIC RULES (cont.)

• Categorical eligibility rules generally make recipients of TANF, SSI, and state welfare--general assistance programs (GA)--automatically eligible for food stamps.

• Others, such as most noncitizens, workers on strike, and people living in institutional settings are denied eligibility.
CASELOAD

- Food stamp caseloads are responsive to changes in the economy, food stamp eligibility rules, and administrative practices.

- Food stamp enrollment has fluctuated widely since its inception. The caseload expanded from a monthly average of 16.3 million persons in FY 1975 to its fiscal peak in 1994, when it averaged 27.5 million persons a month (an all-time high of 28 million occurred in the spring of 1994).

- Between the passage of federal welfare reform in August 1996 and September 1998, 6.2 million persons, 25 percent of the caseload, left the food stamp rolls.
CASELOAD (cont.)

- In 1999 caseloads continued to decline to a monthly average of 18.2 million, reaching the lowest enrollment since the 1970s. The drop from 1996 onward is largely attributed to changes (drops) in TANF enrollment and disruption of integrated benefits applications. The economy also helped.

- Government estimates show that only 54 percent of eligible households participated in food stamps during 1999-2001, down from 70 percent in 1994.

- Food stamp caseloads increased by 26 percent over the three-year period ending October 2003. Over 9 million families received food stamp benefits in October 2003 compared with 7.3 million in October 2000. This increase was a response to concerted programmatic efforts to reverse the 40 percent caseload decline from 1994 to 2000.
Food Stamps

Food Stamp Participation Rates, 1990 - 2002

- Number of Food Stamp Participants (in millions)
- Food stamp participation as a percent of Total Population
- Food stamp participation as a percent of Population in Poverty

Urban Institute, 2005
Note: Information for 1990 – 1997 includes Puerto Rico’s nutrition assistance grant.
Food Stamps

BENEFIT LEVELS

• Food stamp benefits are intended to make up the difference between a household’s expected contribution to its food costs and an amount judged to be sufficient to buy an adequate low-cost diet.

• The maximum food stamp benefit level is set at the level of the U.S. Department of Agriculture’s lowest cost food plan. This level varies by household size, and is adjusted annually for inflation.

• A household with no counted income would receive the maximum monthly benefit for its household size, while a household with some counted income would receive a lesser amount. This lesser amount is usually reduced from the maximum at a rate of 30 cents for each dollar of counted income.
## Food Stamps

### BENEFITS

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Maximum Benefit Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>$141</td>
</tr>
<tr>
<td>2 persons</td>
<td>$259</td>
</tr>
<tr>
<td>3 persons</td>
<td>$371</td>
</tr>
<tr>
<td>4 persons</td>
<td>$471</td>
</tr>
<tr>
<td>5 persons</td>
<td>$560</td>
</tr>
<tr>
<td>6 persons</td>
<td>$672</td>
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<tr>
<td>7 persons</td>
<td>$743</td>
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<tr>
<td>8 persons</td>
<td>$849</td>
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<tr>
<td>Each Additional Person</td>
<td>+ $106</td>
</tr>
</tbody>
</table>

### Average Monthly Benefits (per person), 1990 - 2002

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Dollars</th>
<th>Constant 2002 dollars</th>
<th>4-Person Maximum Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$59.00</td>
<td>$82.00</td>
<td>$331.00</td>
</tr>
<tr>
<td>1991</td>
<td>$63.90</td>
<td>$84.50</td>
<td>$352.00</td>
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<tr>
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<td>$68.50</td>
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<tr>
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<td>$68.00</td>
<td>$84.80</td>
<td>$375.00</td>
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<tr>
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<td>$84.20</td>
<td>$386.00</td>
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<tr>
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<td>$84.30</td>
<td>$397.00</td>
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<tr>
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<td>$400.00</td>
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<tr>
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<tr>
<td>2002</td>
<td>$79.60</td>
<td>$79.60</td>
<td>$471.00</td>
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</tbody>
</table>

Urban Institute, 2005