



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

aHD9001.N275

FoodReview

the magazine • of food economics

United States Department of Agriculture • Economic Research Service • January-April 2001 • Volume 24, Issue 1

WELFARE REFORM AND FOOD ASSISTANCE



Also inside...

Organic Marketing System

U.S. Potato Consumption

...Upfront

FoodReview (ISSN 1056-327X) is published three times a year by the Food and Rural Economics Division, Economic Research Service, U.S. Department of Agriculture.

Send questions, requests, and editorial comments to *FoodReview*, USDA, Room 2015-South, 1800 M Street, NW, Washington, DC 20036-5831.

Annual subscriptions are \$32.00 to U.S. addresses (\$54.00 foreign). Call toll-free 1-800-999-6779 (weekdays, 8:30-5:00 ET) to charge your order to American Express, Visa, or MasterCard (callers outside the United States, please dial 703-605-6220). Or, order by mail from ERS-NASS, 5285 Port Royal Road, Springfield, VA 22161. Make your check or money order payable to ERS-NASS. Please include your complete address and daytime telephone number. Sorry, but refunds cannot be issued.

The use of commercial or trade names does not imply approval or constitute endorsement by USDA or ERS.

Contents of this magazine may be reprinted without permission.

Economics Editor:

Rosanna Mentzer Morrison
(202) 694-5411
rosanna@ers.usda.gov

Managing Editor:

John Weber
(202) 694-5123
jweber@ers.usda.gov

Art Director:

Susan DeGeorge

Editorial/graphic assistance:

Wanda Reed-Rose

Food Assistance and Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) has changed welfare as we know it, dramatically altering the social safety net for poor Americans. PRWORA seeks to move people from welfare to work by imposing a 5-year lifetime limit on receiving Federal welfare benefits, requiring recipients to participate in work activities within 2 years of receiving benefits, and penalizing States that have too few welfare recipients in work activities. States have been given more flexibility in designing and implementing programs that meet their needs, and individuals have been given added personal responsibility to provide for themselves through job earnings and for their children through child-support payments by absentee parents.

In addition, PRWORA had important implications for the Food Stamp Program, the largest Federal food assistance program. Although the 1996 legislation decentralized the welfare system with block grants to States, the Food Stamp Program remained a federally administered entitlement program. The legislation instituted a small across-the-board reduction in food stamp benefits and limited some deductions from income when calculating benefits. Able-bodied adults without dependents face a 3-month limit on receiving food stamps, unless they are working or in a job-training program, and most noncitizens cannot receive food stamps until they become citizens or work for at least 10 years.

Between 1996 and 2000, expenditures for the Food Stamp Program fell 33 percent, as average monthly participation dropped from 25.5 million people per month to 17.2 million. Lower unemployment and lower poverty rates reduced the number of people eligible to participate in food assistance programs, and PRWORA restructured the cash welfare system in ways that may have reduced participation in food assistance programs. Disentangling the effects of economic conditions from program changes is important to understanding what lies ahead for food assistance programs. If economic conditions are mostly responsible for recent declines, participation is likely to rebound in an economic downturn. By contrast, if program changes are responsible for the decline, then participation will remain low so long as current policies are maintained.

USDA's Economic Research Service (ERS) has developed a multifaceted research program to assess the effects of welfare reform on Federal food assistance programs. One research effort has weighed the effects of a strong economy and changes in welfare programs on participation in the Food Stamp Program. Our research found that 35 percent of the caseload decline from 1994 to 1998 was associated with economic growth, while a lower share appeared to be associated with changes in program rules. Other ERS research found that food stamp participation declined even among low-income households, most of which continued to be eligible for food stamps. Did fewer households apply for food stamps because fewer felt they needed food assistance or was it because they found it more difficult or less socially acceptable to get food stamps?

Researchers looking at rural-urban differences in food stamp participation found that food stamp use has fallen more in urban areas since welfare reform was enacted. The authors suggest that changes in the welfare system have affected food stamp participation differently in rural and urban places. Another article discusses how community-based efforts, such as farmers markets and community gardens, complement Federal food assistance programs by increasing the quantity, quality, and affordability of food. The research findings in these articles provide a strong empirical basis to better understand the effects of welfare reform on U.S. food assistance programs and the implications of these interactions for the nutritional and economic well-being of low-income families.

Leslie A. Whitener
Chief, Food Assistance and Rural Economy Branch
Food and Rural Economics Division

Inside...



Welfare Reform and Food Assistance

- 2 Strong Economy and Welfare Reforms Contribute to Drop in Food Stamp Rolls**
—Parke Wilde
- 8 Food Stamp Participation Rate Down in Urban Areas But Not in Rural**
—Sheena McConnell and James Ohls
- 13 Food Stamp Participation and Food Security**
—Mark Nord
- 20 Community Food Security Programs Improve Food Access**
—Linda Scott Kantor

- 27 WIC Increases the Nutrient Intake of Children**

—Victor Oliveira and Craig Gundersen

Also Inside

- 31 Organic Marketing Features Fresh Foods and Direct Exchange**
—Catherine Green, Carolyn Dimitri, and Nessa Richman
- 38 Fast Food Growth Boosts Frozen Potato Consumption**
—Biing-Hwan Lin, Gary Lucier, Jane Allshouse, and Linda Scott Kantor