

FOOD STAMPS IN RURAL AMERICA:
SPECIAL ISSUES AND COMMON THEMES

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ABSTRACT

The paper examines how well the Food Stamp Program services households in non-metropolitan areas. It concludes that, overall, the program is at least as successful at serving low income households in non-metro as in metro areas. Participation rates among program-eligible households are higher in non-metro than in metro areas. Recent national declines in participation rates are found to have occurred largely in metro areas. Survey data suggest that rates of satisfaction with the program are relatively high overall and are at least as high among non-metro households as they are among households living in metro areas.

A. INTRODUCTION

The Food Stamp Program (FSP) is a federally-administered assistance program and has, since its inception, had a high degree of uniformity in its administration. Given that the program is so centralized and serves a predominantly urban population, an important question is how successfully the program meets the special needs of rural low-income populations. This paper seeks to address this issue by examining rural-urban differences in characteristics of FSP participants, FSP participation rates, and experiences of low-income populations with the FSP. In doing so, it also contributes to the policy debate on the wider question of how best to structure assistance programs when different geographic areas have different needs.

We find that overall the FSP serves rural populations at least as well as urban populations. The participation rate--the proportion of persons eligible for food stamps who receive them--is higher in rural areas than in urban areas. While the food stamp caseload has fallen since 1994 in both rural and urban areas, the sharp decline in participation *rates* that occurred is an urban phenomenon. While the fall in the urban FSP caseloads is due to both a fall in the number of people eligible for the program and the rate at which eligible people participate in the program, the fall in the rural FSP caseloads can be fully explained by the fall in the number of people eligible for the program in those areas.

Evidence from both survey and focus groups suggests that somewhat different issues face rural and urban low-income populations in the decision whether to participate in the FSP. In rural areas, lack of information about eligibility for the program and information about where and how to apply are more significant barriers to participation than in urban areas. On the other hand, more complaints about disrespectful and unhelpful case workers are heard in urban areas than rural ones. A picture emerges from our data of large impersonal urban food stamp offices and smaller, more user-friendly, rural offices. This difference may explain at least some of the rural-urban difference in participation rates. In rural areas, the case workers in the smaller offices may be more likely to ensure that people who are no longer eligible for welfare benefits know that they may still be eligible for food stamps. We find no evidence that transportation difficulties are an important deterrent to participation in either rural or urban areas.

The rest of the paper is organized as follows. We begin in the next section by providing some background on the differences between the FSP and cash assistance programs and how the programs were treated differently in the recent welfare reform legislation. Section C briefly describes our data sources. Section D discusses how the low-income populations served by the FSP are quite different in rural and urban areas. The differences in FSP participation rates in rural and urban areas are described in Section E. Section F presents some evidence from a survey and focus groups on the different barriers to participation in rural and urban areas. We end the paper with some conclusions.

B. BACKGROUND

Since the 1970s, food stamps and welfare have been two of the three cornerstones of America's low income assistance policy (with the third being Medicaid). Interestingly, however, while the FSP and welfare have usually been administered in close coordination at the local level, their overall structures and administrative approaches at the federal and state levels have been very different.

Even prior to welfare reform, states, and some counties, have been allowed high degrees of autonomy in setting major parameters of their welfare systems. Even under the old Aid to Families with Dependent Children (AFDC) system, program benefit levels for similar households could, and did, vary dramatically across states, and states had significant leeway in setting rules for determining such program parameters as benefit level, the countable income construct used in establishing eligibility, and work requirements.

By contrast, since the 1970's, FSP policies have been closely set by federal legislation and regulation. The *Code of Federal Regulations* has more than 400 pages of very fine print, specifying in minute detail the programmatic and operations rules that states and local FSP offices must follow in determining and issuing benefits under the program.

This difference in the level of federal control between the two programs reflected, at least in part, a belief that the uniformity built into the FSP was important because it provided a partial safety net with which to mitigate potential problems caused by state disparities in welfare. This safety net function is readily apparent in available data on benefit levels. For a typical AFDC family in states with relatively generous welfare benefit levels, such as California, food stamp benefits amounted to less than one third of the households' combined AFDC and food stamp benefits, while for a similar family in low-AFDC states, such as Texas, food stamp benefits constituted well over half of the household's combined benefits (U.S. House of Representatives 1998).

In its deliberations on welfare reform, the Congress explicitly decided to preserve the centralization of the FSP while decentralizing the welfare system. The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) block-granted welfare, essentially increasing the discretion afforded to the states in shaping their own welfare systems. However, proposed legislation block-granting food stamps was emphatically rejected. A reading of the policy debate from the time makes it clear that there was a desire by much of the policy community to mitigate any potentially harmful effects of the increased decentralization of welfare policy by retaining federal uniformity in the FSP.

This same tension remains very much present in the policy debate over assistance policies today. In recent years, the states have regularly asked for more control over the FSP, in order to allow them to more thoroughly integrate food stamps and TANF policies, while policy makers at the federal level have reacted to these requests with considerable caution.

This paper contributes to this policy debate by examining how well the FSP serves two quite different low-income populations.

C. DATA SOURCES

We use data from four separate sources to compare how well the FSP serves rural and urban populations. First, data on the number and characteristics of FSP participants are obtained from program administrative data. Second, data on the number of persons eligible for food stamps are obtained from the Current Population Surveys (CPS). Information on reasons for nonparticipation and experiences with the program was obtained both from a survey and from focus groups of low-income persons.

Our estimates of the number and characteristics of food stamp participants are obtained from the Food Stamp Program's Quality Control (FSPQC) sample. The FSPQC is an ongoing review of food stamp cases designed to detect payment errors. It is based on a national probability sample of about 50,000 participating food stamp households. These program data provide better estimates of participation than do household survey data, because there is considerable under-reporting of program participation in household surveys (Ross 1988; Trippe et al. 1992).

Our estimates of the number and characteristics of households that are eligible for food stamps are based on data from the March 1998 CPS. The food stamp eligibility of people and households in the CPS was simulated using information on the demographic and economic characteristics of the household (Trippe et al. 1992).¹

Both the FSPQC and CPS data use definitions of "urban" and "rural" aggregated at the county level and based on Office of Management and Budget definitions of Metropolitan Statistical Areas (MSAs). However, as the FSPQC data do not include data on the place of residence of the food stamp household, we define a household as "urban" if the local office that administers its food stamp case is located in a county that is in an MSA. If the household's food stamp office is outside an MSA, it is defined as a "rural" household. The CPS defines a household as "urban" if its place of residence is within an MSA.

The National Food Stamp Survey (NFSS) was conducted in 1996 and 1997 for the U.S. Department of Agriculture, Food and Nutrition Service. It interviewed national probability samples of more than 2000 FSP participants and approximately 450 nonparticipants to obtain information about their experiences with the program, as well as on other issues. Results are presented in Ponza, et al. 1996 and Ohls et al. 1996.

As part of a recent study examining the reasons for low participation rates among working and elderly people, *Reaching the Working Poor and Poor Elderly* (RWP&PE), 12 focus groups of either food stamp participants (four groups) or low-income persons who did not participate in the program (eight groups) were conducted.² The groups were evenly divided between groups of elderly people and groups of working people. The focus groups occurred in six sites. Of these six sites, two were located in urban areas (Baltimore City, Maryland and Houston, Texas), two in suburban areas (around Baltimore City, Maryland and Eugene-Springfield, Oregon), and two in rural areas (Polk County, Texas and Lincoln County, Oregon). The focus group discussions focused on barriers to participation, reasons why nonparticipants chose not to participate, and reasons why participants could overcome the barriers to participation.

¹This model was constructed under contract to the Food and Nutrition Service of the US Department of Agriculture. It is discussed in more detail in Castner and Cody (1999), Cody and Castner (1999), and Trippe, Doyle, and Asher (1992).

²The design of, and findings from, the focus groups are discussed in Ponza and McConnell (1996).

D. URBAN-RURAL DIFFERENCES IN THE CHARACTERISTICS OF FOOD STAMP PARTICIPANTS

While the FSP serves a predominantly urban population, a significant minority of recipients live in rural areas. Table 1 shows the average monthly number of households and individuals receiving food stamps in fiscal year 1998 and the average monthly value of food stamp benefits paid out by the program. Just less than one-quarter of food stamp participants (measured as either households or individual participants) live in rural areas while just over three-quarters of food stamp participants live in urban areas. About 77 percent of all food stamp benefits are paid to people in urban areas and 23 percent of all benefits are paid to people in rural areas.

Rural and urban food stamp participants differ both in terms of demographic composition and economic characteristics (see Table 2). Rural households are less likely to contain children (54 percent of food stamp households in rural areas contain children compared with 60 percent of food stamp households in urban areas). In addition, urban food stamp households with children were more likely to be single-parent households as compared to rural food stamp households. Rural food stamp households are more likely to contain an elderly person. Approximately 23 percent of food stamp households in rural areas contain an elderly person compared with 17 percent in urban areas.

The racial and ethnic composition of food stamp households also varies between urban and rural areas. The majority (66 percent) of food stamp households in rural areas are White and not of Hispanic origin, compared with only 39 percent of food stamp households in urban areas. In contrast the majority of food stamp households in urban areas are Black or Hispanic (57 percent), compared with less than one-third of food stamp households in rural areas (30 percent).

On average, food stamp households in rural areas are slightly better off financially than their counterparts in urban areas. Average income before any deductions for expenses (gross income) is 62 percent of the poverty threshold in rural food stamp households compared with 60 percent in urban households. A slightly higher proportion of households in rural areas have gross income above the poverty threshold (11 percent in rural areas compared with 10 percent in urban areas). Rural FSP households are more likely to receive income from the employment of a household member (29 percent of rural FSP households receive earned income compared with 25 percent of urban households).

Average food stamp benefits are lower in rural areas. Average monthly benefits are \$65 per person in rural areas compared with \$70 per person in rural areas. Rural food stamp households have lower average food stamp benefits because they have higher average income and larger average households.³

Shelter expenses are on average 25 percent higher in urban areas than rural areas for food stamp households. As eligibility for food stamps is determined by income net of shelter and other expenses as well

³Based on an assumption of economies-of-scale in food purchases, household food stamp benefits are set so that benefits per person fall as the number of people in the household increases.

as gross income, households in urban areas are, on average, eligible for food stamp benefits at higher levels of income than households in rural areas.

E. URBAN-RURAL DIFFERENCES IN FSP PARTICIPATION RATES

The FSP was designed to provide food assistance to all people that need it, irrespective of where the person lives. An important indication of how well the program is fulfilling this mission is the participation rate--the rate at which persons eligible for the program participate in the program. Low participation rates suggest that the FSP may not be meeting the needs of the low-income population. Table 3 presents estimates of the average number of food stamp participants and the average number of persons eligible for food stamps by rural and urban location.⁴

1. Rural-Urban Differences in 1998

The figures in Table 3 suggest that use of food stamp benefits among the FSP-eligible population is greater in rural areas. Compared with an overall participation rate of 65 percent, 73 percent of people who are eligible for food stamps in rural areas participate in the program compared with only 63 percent of persons who are eligible for food stamps in urban areas.

The higher participation rates in rural areas is somewhat surprising given the differences in demographic characteristics of low-income households in urban and rural areas. It is well documented that participation rates are lowest among households containing elderly persons, households containing working persons, and households without children (Castner and Cody 1999, McConnell and Nixon 1996). But, as seen above, these populations with low participation rates--the elderly, the working, and people without children--are

⁴Estimates of FSP eligibles are derived from the Current Population Survey (CPS) data using methods that essentially parallel those used in producing official USDA estimates of participation rates. These methods include corrections for the use of annual income data in the CPS and imputations for factors such as shelter costs and assets that are not available in the CPS. The figures differ slightly from the official participation rates reported by the Food and Nutrition Service (Castner and Cody 1999) because they are calculated from the *average* number of participants and the *average* number of eligibles over the year, rather than the number of participants and eligibles for a particular month. The official rates are also adjusted for payment errors and adjusted so that the number of households and participants are the same as reported in program operations data.

more highly concentrated in rural areas. Thus, on the basis of demographic characteristics alone, we might expect rural areas to have *lower* participation rates, rather than the Table 3 findings of *higher* rates in rural areas.

The urban-rural difference in participation rates is primarily due to participation rates for households with children being much higher in rural areas. Table 4 reports the participation rates of people in three different types of households. While the FSP participation rate is higher in rural areas for people in *each* type of household, the largest urban-rural difference is in the participation rate for people in households with children. The participation rate for people in households with children is 90 percent in rural areas; it is only 72 percent in urban areas.

2. Changes Over Time in Rural and Urban FSP Participation Rates

Table 5 presents estimates of the number of food stamp participants, the number of persons eligible for food stamps, and the FSP participation rates in urban and rural areas in 1996 and in 1998.⁵ The differences between the rural and urban areas in the changes over time are quite striking.

As we had anticipated on the basis of data on overall caseloads, the FSP participation rate in urban areas fell dramatically between 1996 and 1998, from 72 percent to 63 percent. However, the FSP participation rate in rural areas actually *increased* slightly from 71 percent to 73 percent. Hence, whatever has caused the decrease in FSP participation rates in urban areas has apparently not affected participation rates in rural areas.

We found this result sufficiently surprising that we spent considerable effort checking its accuracy. Since the participation rates are determined by combining estimates derived from two separate data bases, the FSPQC and the CPS, we initially were concerned that some subtle difference or change over time in how these datasets defined “urban-rural” could be affecting the results. However, a careful review of the relevant documentation revealed no evidence of this. More convincingly, in order to further examine the robustness of the participation rate results, we redid the analysis dividing the data into two groups of states—the 19 most urban states and the 31 remaining most rural states. The logic of this is that this state-based analysis makes no direct use of the urban-rural variables in the datasets and could therefore not be sensitive to changing urban-rural definitions. Again, in this version of the analysis (not shown), the finding remains that the overall decrease in participation rates is essentially an urban phenomenon.

While we lack a complete understanding of the mechanisms causing the overall decline in the FSP participation rate, it has frequently been attributed to either the strong economy or factors related to welfare reform (Dion and Pavetti 2000). FSP caseloads have declined steadily since 1994, and FSP participation rates historically have fallen as the economy improved (Castner and Cody 1999). However, this cannot

⁵Comparisons of 1994 and 1998 data show larger changes in the same direction in the number of FSP-eligible people and the FSP participation rates.

explain the urban-rural difference in FSP participation rates as the number of persons in poverty has fallen faster in rural areas. While the rate of poverty is still higher in rural areas than in urban areas (the 1998 poverty rate was 14 percent in rural areas compared with 12 percent in urban areas), between 1996 and 1998 the number of people in poverty decreased by 10.1 percent in rural areas compared with only 4.3 percent in urban areas.

We have also considered the possibility that the larger fall in the number of food stamp eligible people in rural areas might be due to the changes in FSP eligibility rules introduced by PRWORA. However, the available data do not support this hypothesis. PRWORA made two major changes in FSP eligibility rules: (1) most permanent resident aliens became ineligible for food stamps and (2) most able-bodied adults without dependents (ABAWDs) were limited to only three months of benefits in a 36-month period unless they worked or participated in a workfare or other approved employment and training program.⁶ Table 6 presents estimates of the number of aliens and ABAWDs in 1994 who were potentially affected by welfare reform.⁷ A greater proportion of the people affected by the changes in eligibility rules live in urban areas. In 1994, nearly 14 percent of food stamp eligible people in urban areas were aliens compared with less than 4 percent in rural areas. The urban/rural difference in the number of people affected by the ABAWD provision is smaller but in the same direction--a slightly smaller proportion of people eligible for food stamps were affected by the ABAWD provision in rural areas.⁸

Welfare reform may have affected FSP participation rates in three ways. First, food stamp participants leaving welfare because they find work, hit the time limit, or are sanctioned may think they are no longer eligible for food stamp benefits or feel it is not worth the hassle to continue to receive only food stamp benefits. Second, diversion programs that discourage people from applying for welfare may also discourage applications for food stamps. Third, welfare reform, by placing a greater emphasis on self-

⁶Eligibility was restored to some permanent resident aliens in the 1998 Agricultural Research, Extension, and Education Reform Act. The Balanced Budget Act of 1997 increased the availability of exemptions for ABAWDs.

⁷As the neither the FSPQC nor the CPS contains all the information necessary to model the complex eligibility rules for these two groups of people, these estimates are based on a substantial number of assumptions that are not fully tested.

⁸The estimates in Table 6 do not take into account that states can apply for waivers from the ABAWD provision for areas that have unemployment rates greater than 10 percent or are considered to have insufficient jobs. It is possible that states applied for more waivers for the urban areas, although this is not obvious from a casual observation of the list of waivers.

sufficiency, may have increased the stigma of receiving food stamp benefits. Evidence concerning each of these hypotheses is displayed below.

F. URBAN-RURAL DIFFERENCES IN EXPERIENCES WITH THE FOOD STAMP PROGRAM

While the participation rate is one good measure of how well the program is serving those in need of food assistance, the opinions and experiences of its clientele are also important indicators of program performance. Table 7 shows the responses of FSP participants in the National Food Stamp Survey to questions about their experiences with the FSP. The participants are separated into those residing in urban areas, those residing in rural areas, and those residing in areas that have both rural and urban components.⁹

The most striking finding in Table 7 is the high degree of overall satisfaction with the program in all areas. More than 85 percent of respondents were satisfied with the overall program, and similarly high rates of satisfaction were expressed with the application and recertification procedures. Satisfaction is at least as great in rural areas as it is in urban areas. For each of the three measures of satisfaction examined in the top panel of the table, the percent of respondents who were satisfied was at least as high in rural areas as it was in rural areas.

FSP participants in rural areas seem to be more satisfied with their treatment by case workers than in urban areas. In rural areas, 96 percent of respondents said that their case workers treated them respectfully compared with 90 percent of respondents in urban areas. Similarly, a higher proportion of rural respondents said they thought that the case workers provided the needed services.

These survey results confirmed our findings from focus group discussions among low-income working and elderly people conducted for the RWP&PE study. Focus group members in the urban areas emphasized problems with food stamp office staff attitudes and the rude and disrespectful way they often treated food stamp clients. The following comment was typical of the comments made by members of the urban focus groups: *“It’s the attitude of the people that work there. You know.... they act like they don’t really care whether they help you or not.”* Members of the focus groups in rural and suburban

⁹The urban-rural variable in these tabulations is defined somewhat differently from that in the other data sources examined above. In particular, survey respondents were classified as to urban-rural status based on the percentage of households living in Census-defined “urbanized areas” in the postal zip code areas where the respondent households lived. Households were assigned urban or rural status, respectively, if at least 90 percent of the households in their zip code areas did or did not live in urbanized areas, according to Census data; the remainder were classified as “mixed.”

areas complained much less about the food stamp office staff. According to focus group members, the food stamp offices that people in rural and suburban areas locations dealt with were smaller operations where staff were more personable and had a greater sense of community.

We also examined whether people in rural areas are more affected by the stigma of receiving food stamp benefits than people in urban areas; however the evidence is mixed. NFSS respondents in rural areas perceived less stigma associated with receiving food stamp benefits than those in urban areas. In rural areas, 37 percent of respondents replied “yes” to one of six stigma-related questions, compared to 40 percent in urban areas. On the other hand, stigma-related issues were brought up by members of the working and elderly focus groups more often in rural areas. Words typically used by rural food stamp participants as reasons for not applying for food stamps included “*it’s pride,*” “*I want to be independent,*” “*I would find it very embarrassing,*” “*I would feel a failure.*” The reported sources of embarrassment were mainly related to *using* food stamps in grocery stores. While in urban areas, people could use food stamps in stores where they would probably not know anyone, in rural areas, people felt there was not a store in town that they could go to without it being likely that they would meet someone they knew. As one focus group member in Lincoln County, Oregon said “*You go to the grocery store behind somebody that uses food stamp and the clerks and all the other people around you kind of look down on you because you are using food stamps.*”

Members of the rural focus groups suggested that they would be more likely to use food stamps if the benefits could be accessed by using an Electronic Benefit Transfer (EBT) card—a card that looks like a credit card and automatically debits the customer’s food stamp account. In Polk County, Texas, where EBT was used, focus group members said using an EBT card did make it less embarrassing to use food stamps benefits, although they noted that people can still tell it is a way of obtaining food stamp benefits. The use of EBT, which is now mandated by law, is increasing rapidly.

To shed additional light on the rural-urban differences in the FSP participation rates, we examined differences in the reasons given for nonparticipation by both NFSS survey respondents and RWP&PE focus groups members who were not receiving food stamps at the time they participated in the data collections. In the analysis of both the survey and focus groups, we examined four main groups of reasons were important reasons for not participating in the program.

1. Some people lack information about the program. They may think they are ineligible or do not know how or where to apply.
2. Some people say that they do not need food stamp benefits. A frequent response given by non-participants when asked in focus groups or surveys why they do not participate is “*I can get by without them.*”
3. Problems related to the administration of the program may deter participation. Problems cited in surveys and focus groups include difficulty getting to the food stamp office, an application process that is too long and complicated, the need to provide too much personal information, food stamp

staff who are perceived to be disrespectful, and a food stamp office that is viewed as unpleasant or unsafe.

4. People frequently cite the feelings of embarrassment related to applying for and using food stamp benefits.

Table 8 presents the reasons given by NFSS respondents for not applying for food stamps. The most important reason given by far for not applying for food stamps was that the respondent did not think they were eligible. And this perception of ineligibility was more prevalent in rural areas than in urban areas. A perception of ineligibility was the reason given for not applying for food stamp benefits by 79 percent of respondents in rural areas compared with 70 percent of respondents in urban areas.

Reasons for nonparticipation related to a lack of information were more frequently discussed in the RWP&PE focus groups in rural and suburban areas than in the urban areas. Several members of an elderly nonparticipant focus group in a rural county in Oregon reported that although they knew about food stamps they did not know how to go about applying for them and many thought, erroneously, that they were ineligible because they did not receive welfare. This was also true for members in working and elderly focus groups in suburban areas. In contrast, in urban areas, the members of the nonparticipant focus groups were very aware of food stamps, and knew where the office was; and many had previously either applied or received benefits. It is important to note that both the survey and focus groups were conducted prior to the implementation of PRWORA, and the proportion of persons who think they are ineligible may now have increased in urban areas.

A second common reason given for nonparticipation is that the respondent does not need food stamp benefits. This reason was given slightly more frequently by respondents in urban areas than in rural areas. To the extent that the nonparticipants really do not need assistance, a low participation rate should not be a concern. However, discussions in the RWP&PE focus groups suggested that at least some people who said they did not need food stamp benefits exhibited signs of food insecurity such as visiting food banks and having to go to friends or relatives for meals.

It is commonly stated that transportation difficulties in rural areas are barriers to FSP participation. However, problems with transportation were rarely brought up in either the rural or urban focus groups. Also, in the NFSS, transportation problems were rarely given as reasons for not applying for food stamps in either rural or urban areas. Transportation problems were cited slightly more frequently as reasons for not applying for food stamps in *urban* areas.

G. CONCLUSIONS

Several useful conclusions about how the FSP is operating in rural areas emerge from our analysis. We review them here and then attempt to generalize to the larger issues of public assistance strategy mentioned in the introduction.

1. Some Specific Conclusions

First, our analysis suggests that the characteristics of the urban clientele differ quite significantly from the rural clientele.

Second, contrary to what one might expect, it appears that participation rates are actually *higher* in rural areas than in urban areas. The differentials vary substantially according to household characteristics, with the largest differential observed for households with children.

Third, the recent fall in FSP participation rates occurred primarily in urban areas. In studying the fall in FSP participation rates, it may be useful to researchers to focus on urban-rural differences. An understanding of why the FSP participation rates did not fall in rural areas may suggest ways to raise the participation rates in urban areas.

Fourth, the focus group and survey data that we have examined suggest a number of reasons why rural participation rates may not have fallen in line with those in urban areas. Although lack of program knowledge seemed to be greater in rural areas in 1996, this may no longer be the case. The confusion about FSP eligibility may have increased in urban areas given the changes in welfare programs. The confusion may be lesser in smaller rural offices where the overall quality and “user-friendliness” of administration may be better and where a smaller proportion of the clients are affected by the changes in the welfare programs.

Fifth, it appears that transportation is not as strong a barrier to participation as might have been expected in either rural or urban locations. While distances to the offices are clearly greater in rural areas, most eligible households appear to be able to find the necessary transportation, either through their own cars or by finding a ride.

2. Some Generalizations

So how do these observations relate to the broader issues which we outlined at the start of the paper, concerning appropriate levels of centralization in public assistance programs? Our interpretation is that the FSP, with its relatively centralized structure and policy setting process, has been quite successful at meeting the needs of different types of localities as reflected in the urban-rural distinction. Our data suggest that, overall, the program appears to be meeting the needs of the *rural* low-income populations at least as well as those of the urban low-income populations.

To be sure the FSP has well-known limitations in both rural and urban settings. In both types of locations, there is concern about participation rates and levels of program access. And issues around administrative error rates are present in both types of locations. Further, there may well be unique problems associated with the FSP in rural areas. For instance, there may be households for whom transportation barriers posed by rural distances are very significant. And there does seem to be a lack of understanding of the FSP eligibility rules in rural areas. However, our general point is that, *overall*, the

apparent obstacles to operating the program successfully appear to be no worse in rural than in urban areas.

It is arguable that parsing the data by urban versus rural location represents a strong test of whether a single assistance program can meet the diverse needs of many different local areas, since the urban-rural distinction would appear to be one of the most significant in differentiating localities across the country. Our argument is that the relatively centralized structure of the FSP passes this test.

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TABLE 1

FOOD STAMP PARTICIPATION IN FY1998: BY URBAN/RURAL LOCATION

Location	Households		Individuals		Total Value of Monthly Benefits	
	Number (000s)	Percent	Number (000s)	Percent	Dollars (\$000s)	Percent
Urban	6,243	75.7	15,087	75.5	1,048,969	76.9
Rural	1,992	24.2	4,858	24.3	313,382	23.0
Unknown ^a	11	0.1	25	0.1	1,828	0.1
Total	8,246	100.0	19,969	100.0	1,364,179	100.0

SOURCE: Fiscal year 1998 Food Stamp Program Quality Control Sample.

^a The rural/urban location is unknown either because we were unable to identify the county in which the local office was located in the FSPQC data or because the urban/rural status is coded as “unknown” in the CPS data.

TABLE 2
CHARACTERISTICS OF 1998 FOOD STAMP HOUSEHOLDS,
BY URBAN/RURAL LOCATION

Characteristic	Urban	Rural	All Households
Percent Distributions			
Household composition			
Households with children	59.7	54.0	58.3
Households with elderly	16.6	23.0	18.2
Other	24.8	24.5	24.7
Households with children and single parent	41.7	33.1	39.6
Race/ethnicity of household			
White Non-Hispanic	38.9	65.8	45.6
Black Non-Hispanic	38.8	23.8	35.1
Hispanic	18.6	6.6	15.6
Asian or Pacific Islander	2.9	1.1	2.5
Other	0.7	2.8	1.2
Gross income as percentage of the poverty guideline			
Below 50%	38.4	34.3	37.4
50% to 100%	52.0	55.1	52.8
Above 100%	9.5	10.6	9.8
Households that have income, by type			
Earned income	25.4	28.9	26.3
Unearned income	79.8	75.5	78.8
No income	8.6	9.3	8.8
Average Values			
Average household size	2.42	2.44	2.42
Average gross income as a percent of the poverty threshold	59.9%	61.8%	60.3%
Average shelter expense	\$322	\$258	\$307
Average monthly benefit	\$168	\$157	\$165
Average monthly benefit per person	\$70	\$65	\$68
Sample Size	31,430	15,666	47,145 ^a

SOURCE: Fiscal year 1998 Food Stamp Quality Control Sample.

^a The metropolitan status of 49 households was unknown.

TABLE 3

FOOD STAMP PARTICIPATION RATES, BY URBAN/RURAL LOCATION, 1998

	Urban	Rural	All Persons
Number of food stamp participants	15,087	4,858	19,969
Number of persons eligible for food stamps	23,493	6,580	30,586
Participation rate	63.1%	73.3%	65.3%

SOURCE: Fiscal year 1998 Food Stamp Program Quality Control Sample and the March 1998 Current Population Survey.

TABLE 4

FOOD STAMP PARTICIPATION RATES, BY HOUSEHOLD COMPOSITION AND BY
URBAN/RURAL LOCATION, 1998

	Urban	Rural	All Areas
Individuals in households with children	72.4%	90.0%	75.9%
Nonelderly individuals in households without children	53.7%	58.8%	54.8%
Elderly individuals in households without children	28.6%	34.0%	30.0%

SOURCE: Fiscal year 1998 Food Stamp Program Quality Control Sample and the March 1998 Current Population Survey.

TABLE 5

NUMBER OF FOOD STAMP PARTICIPANTS, INDIVIDUALS ELIGIBLE FOR FOOD STAMPS,
AND PARTICIPATION RATES, 1996 AND 1998, BY URBAN/RURAL LOCATION

	1996	1998	1996-1998 Change
Urban			
Food stamp participants (000s)	20,002	15,087	-24.6%
Food stamp eligibles (000s)	27,947	23,898	-14.5%
Participation rate	71.6%	63.1%	-8.5 percentage points
Rural			
Food stamp participants (000s)	5,857	4,858	-17.1%
Food stamp eligibles (000s)	8,211	6,627	-19.3%
Participation rate	71.3%	73.3%	+2.0 percentage points
All Areas			
Food stamp participants (000s)	25,874	19,969	-22.8%
Food stamp eligibles (000s)	36,239	30,586	-15.6%
Participation rate	71.4%	65.3%	-6.1 percentage points

SOURCE: Fiscal years 1996 and 1998 Food Stamp Program Quality Control Sample and the March 1996 and 1998 Current Population Surveys.

TABLE 6

NUMBER OF ALIENS AND ABAWD FOOD STAMP ELIGIBLES, 1994,
BY URBAN/RURAL LOCATION

	Urban	Rural	All Areas
Overall Population			
Food stamp eligibles (000s)	27,682	9,036	36,926 ^a
Aliens			
Food stamp eligibles (000s)	3,768	319	4,096 ^a
Percent of all eligibles in group	13.6%	3.5%	11.4%
ABAWDs			
Food stamp eligibles (000s)	1,224	371	1,600 ^b
Percent of all eligibles in group	4.4%	4.1%	4.3%

SOURCE: March 1994 Current Population Survey.

^a The number of eligibles in the urban and rural areas do not add up to the total in all areas because the urban/rural location is unknown for some people.

TABLE 7

PARTICIPANTS' EXPERIENCES WITH THE FOOD STAMP PROGRAM,
BY RURAL AND URBAN LOCATION
(Entries are percentages of participants)

	Location of Participant		
	Urban	Mixed Urban- Rural	Rural
Satisfaction with Food Stamp Program			
Satisfied with application process	84.5	85.9	84.5
Satisfied with recertification process	85.8	88.8	87.3
Satisfied with overall program	86.7	88.5	88.9
Participants Indicating Perception of Stigma			
Avoided telling people that they received food stamps	22.1	25.0	18.2
Perceived disrespectful treatment by store clerks, others	24.4	22.3	17.2
Replied "yes" to at least one of six stigma-related questions	39.9	40.5	36.6
Participants Satisfaction With Case Workers			
Believed case worker treats them respectfully	90.1	91.8	96.2
Believed case worker provides the needed services	86.4	91.1	91.7
Sample Size	1,234	728	325

SOURCE: 1996 National Food Stamp Survey, weighted data; see Ohls, et al. 1999.

^a Survey respondents were classified as to urban-rural status based on the percentage of households living in Census-defined "urbanized areas" in the postal zip code areas where the respondent households lived. Households were assigned urban or rural status, respectively, if at least 90 percent of the households in their zip code areas did or did not live in urbanized areas, according to Census data; the remained were classified as "mixed."

TABLE 8

REASONS FOR NOT APPLYING FOR FOOD STAMPS GIVEN BY ELIGIBLE
NONPARTICIPANTS, BY RURAL AND URBAN LOCATION
(Entries are percentages of nonparticipants)^a

Reasons for Nonparticipation	Location of Eligible Nonparticipants		
	Urban	Rural	All
Informational Problems			
Not aware that they may be eligible	69.6	79.2	71.7
Do not know where or how to apply	1.8	0.0	1.4
Perceptions of Need			
Do not need food stamps	7.9	7.4	7.8
Program Administration			
Too much paperwork	2.9	2.4	2.8
Transportation is a problem	1.6	1.2	1.5
Benefit too small for effort required	2.9	2.4	2.8
Psychological/Stigma			
Do not like to rely on government assistance	5.3	1.2	4.4
Do not want to be seen shopping with food stamps	0.9	0.0	0.7
Do not want peers to know need help	0.9	0.0	0.7
Too proud to ask for assistance	0.5	0.0	0.4
People treat you badly	0.9	0.0	0.7
Questions too personal	0.6	0.0	0.5
Previous bad experience with the program	2.4	2.4	2.4
Other Reasons			
Never got around to applying	1.4	0.0	1.1
Don't feel like it	2.1	3.6	2.4
Other	3.3	0.6	2.7
Missing Data	2.0	1.2	1.8
Sample Size	325	125	450

SOURCE: 1996 National Food Stamp Program Survey, weighted data. See Ohls, et al., 1999.

^a Percentages may sum to more than 100 percent because respondents could give more than one reason for applying.