

Cash vs. Food?

How Does Food Stamp Eligibility Affect the Family Security of SSI Recipients?

Marianne Bitler
University of California at Davis and NBER

Amelia Hawkins
Brandeis University

Lucie Schmidt
Smith College and NBER

Hilary Seligman
University of California, San Francisco

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Introduction to Our Setting

- Supplemental Security Income (SSI) payments began in 1974
 - ▶ SSI replaced state-run programs
 - ★ The elderly (Old Age Assistance (OAA), established in 1935), the blind (Aid to the Blind (AB), established in 1935), and individuals with disabilities (Aid to the Permanently and Totally Disabled (APTD), established in 1950)
 - ★ Before SSI, recipients in most places were eligible for Food Stamps
- With SSI, states could either
 - ▶ Make SSI recipients eligible for the Food Stamp Program (FS)
 - ▶ Make SSI recipients ineligible for Food Stamps but “cash out” the FS benefit
 - ★ Increasing the SSI State supplementation payment by \$10 a month
 - ★ Excluding the SSI recipient/s from the FS unit

Introduction to Our Setting

- Five states chose the cash out option
 - ▶ California (ended 2019)
 - ▶ Massachusetts (ended 1981)
 - ▶ Nevada (ended 1976)
 - ▶ New York (ended 1976)
 - ▶ Wisconsin (ended 1992)
- Had more generous state OAA/AB/APTD benefits than the new Federal SSI program (non-binding states)
- Could take advantage of a “hold harmless” provision and not pay for the cash out payments

Motivation: Cash vs. In-kind Benefits

- Active debate about whether recipients view food benefits in the same way as cash
 - ▶ (e.g. Hastings and Shapiro, 2018; Hoynes and Schanzenbach, 2009; Beatty and Tuttle, 2015)
- Elderly and individuals with disabilities face relatively high rates of food insecurity
 - ▶ (e.g. Coleman-Jensen and Nord, 2013; Ziliak and Gundersen, 2019)
- Little is known about how states' decisions to cash out food benefits affected SSI recipients

Our Project

How Does Food Stamp Eligibility Affect the Family Security of SSI Recipients?

- Study effects of cash out on
 - ▶ FS participation, food and economic security, and health outcomes
- Data sources currently used to study
 - ▶ **Cash out start in 1974:** Survey of Low Income Aged and Disabled 1973–1974 (SLIAD)
 - ▶ **Cash out end:** Food Stamp Quality Control data 1975–1996 (QC)
- Data sources that will be used to study
 - ▶ **WI cash out end in 1992:** Hospitalization data
 - ▶ **CA cash out end in 2019:** Linked California administrative data with Hilary Seligman
 - ▶ **CA cash out end in 2019:** Interviews with CalFresh administrators

Results

- **Cash out start in 1974:** Survey of Low Income Aged and Disabled 1973–1974 (SLIAD), for those on pre-existing programs in '73
 - ▶ Food Stamps Participation
 - ▶ Food Security and Self-Reported Health
 - ▶ Economic Security

With the Start of SSI and Cash Out FS Participation Decreased

	(1) FS Participation	(2) FS Participation
Cash out	-0.389*** (0.129)	-0.394*** (0.121)
Control variables	N	Y
Observations	3,780	10,149
R-squared	0.113	0.140

Notes: Regressions from the SLIAD. Sample includes only non-binding states (states that did not experience an increase in benefit level when SSI was introduced). Control variables include demographics (gender, race, age and age squared, education level, number of children, whether the individual was from the disabled sample) and health conditions in 1973 (mental illness, respiratory conditions, circulatory conditions, cancer, diabetes, digestive issues, and arthritis). Cluster robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Figure In cash out states 50% on SSI report "Used to receive [Food Stamps], but have been cut off"

Map with non-binding states

SLIAD Food Security and Self-Reported Health Questions

- “Do you generally get enough to eat?”
 - ▶ Reported: Only some of the time or never
- “Do you feel you are eating the right kinds of foods?”
 - ▶ Reported: Always or most of the time
- “Generally speaking, would you describe your present health as excellent, good, fair or poor?”
 - ▶ Reported: Poor

With the Start of SSI and Cash Out, Food Security Decreased

	(1) Not Enough Food	(2) Not Enough Food	(3) Ate Right Food	(4) Ate Right Food	(5) Poor Health	(6) Poor Health
Cash out	0.039* (0.020)	0.043* (0.021)	-0.055** (0.020)	-0.054** (0.023)	0.019 (0.012)	0.020 (0.012)
Control variables	N	Y	N	Y	N	Y
Observations	3,402	3,389	3,396	3,383	3,356	3,343
R-squared	0.002	0.011	0.003	0.007	0.000	0.009

Notes: See notes from Table 1.

Figures

SLIAD Economic Security Questions

- “How often do you find yourself worrying about your financial situation?” Frequently, once in a while, hardly ever, never
 - ▶ Reported: Frequently

- “Which of the following statements best describes the way that you are getting along on your current income?”
 - ▶ Reported: You really cannot make ends meet

With the Start of SSI and Cash Out, Worry about Finances Increased

	(1) Worry About Finances	(2) Worry About Finances	(3) Can't Make Ends Meet	(4) Can't Make Ends Meet
Cash out	0.080*** (0.027)	0.085*** (0.027)	0.035 (0.045)	0.040 (0.048)
Control variables	N	Y	N	Y
Observations	3,395	3,383	3,383	3,371
R-squared	0.005	0.009	0.001	0.008

Notes: See notes from Table 1.

More

Results

- **Cash out end:** Food Stamp Quality Control data 1975–1996 (QC)
 - ▶ FS Unit Take-up Rate Among SSI Recipients
 - ▶ FS Household Take-up Rate Among SSI Recipients
 - ▶ Average FS Benefits in SSI Households

QC State-month FS *Unit* “Take-up rate” Among SSI Recipients

- SSI recipients *excluded* from FS unit under cash out policy
 - ▶ Numerator: State-month count of FS *units* with an SSI recipient
 - ★ Data from administrative record: Food Stamp Quality Control data 1975-1996
 - ▶ Denominator: State-December count of *persons* receiving SSI
 - ★ Data from SSA Annual Statistical Supplements

Real value of \$10 fell over time

With the End of Cash Out, FS Unit Take-up Rate Among SSI Recipients Increased

	(1) Nevada	(2) New York	(3) Massachusetts	(4) Wisconsin
Cash out	0.304*** (0.020)	0.331*** (0.024)	0.189*** (0.020)	0.267*** (0.009)
Control variables	Y	Y	Y	Y
Drops other cash out states	Y	Y	Y	Y
Observations	5164	5164	5163	5164
R-squared	0.172	0.167	0.169	0.193

Notes: Controls include state-year unemployment rate, the maximum AFDC benefit for a family of three, and the fraction of the year the state had an AFDC waiver in place. Cluster robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Within the same window around the end of cash out

Full Table

Figures

QC State-month FS *Household* “Take-up Rate” Among SSI Recipients

- Starting in 1983, QC data records SSI receipt for all persons *whether or not* included in the FS unit
 - ▶ Numerator: State-month count of FS *households* with an SSI recipient
 - ★ Data from administrative record: Food Stamp Quality Control data 1975-1996
 - ▶ Denominator: State-December count of *persons* receiving SSI
 - ★ Data from SSA Annual Statistical Supplements
 - ▶ State-month average FS benefit amount among FS *households* with an SSI recipient
 - ★ Data from administrative record: Food Stamp Quality Control data 1975-1996

With the End of Cash Out, FS Household Take-up Rate Among SSI Recipients Increased and Average FS Benefits Decreased

	(1) FS Households Take-up Rate	(2) Average FS Benefit (\$1992)
Cash out	0.187*** (0.009)	-96.660*** (1.157)
Control variables	Y	Y
Drops other cash out states	Y	Y
Observations	4882	4873
R-squared	0.140	0.101

Notes: Controls include state-year unemployment rate, the maximum AFDC benefit for a family of three, and the fraction of the year the state had an AFDC waiver in place. Cluster robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Within the same window around the end of cash out

Full Table

Figures

Initial Themes from Interviews with CalFresh Administrators

- Some SSI recipients disappointed with a low CalFresh benefit
- Transitional and Supplemental Nutrition Benefits are challenging to explain
- Refresher staff training has been important
- A strong relationship with the county SSA field offices has been important for some CalFresh offices

Conclusions

- Cashing out Food Stamp mattered for SSI recipients
- The **start** of SSI and cash out led to:
 - ▶ A 40 pp reduction in Food Stamp participation among the elderly and individuals with disabilities
 - ▶ An decrease in reported food and economic security
- The **end** of cash out led to:
 - ▶ A 19-33 pp increase in the Food Stamp take-up rate among SSI recipients
- The **end** of cash out in Wisconsin led to:
 - ▶ A decrease in the average Food Stamp benefit amount among households with SSI recipients: **Change in composition** and **change in benefit formula households faced**

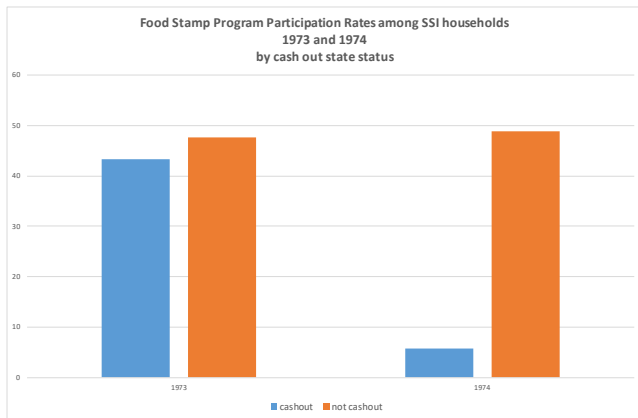
Next Steps

- Historical analyses:
 - ▶ **WI cash out end in 1992:** Healthcare Cost and Utilization Project data pooled with WI hospitalization data
- Contemporary analyses:
 - ▶ **CA cash out end in 2019:** Linked California administrative data with Hilary Seligman
 - ▶ **CA cash out end in 2019:** Interviews with CalFresh administrators

Thank you

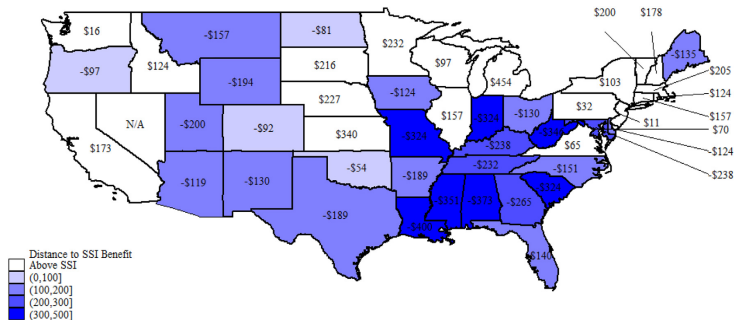
Feedback: aaehawkins@brandeis.edu

With the Start of SSI and Cash Out, FS Participation Decreased



Notes: Authors' calculations from the Survey of Low Income Aged and Disabled 1973–1974, for those on pre-existing programs in 73.

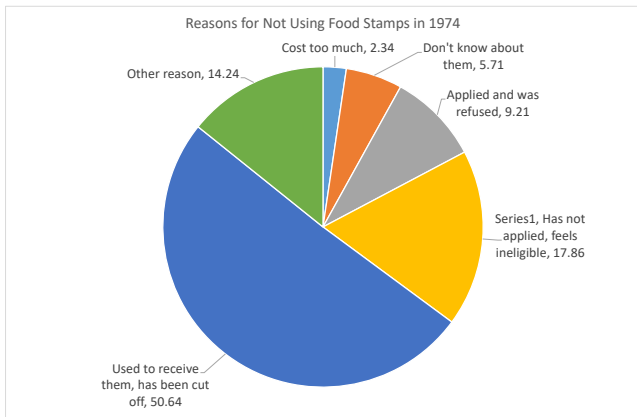
Non-binding States, Including Cash Out States, in White



Main

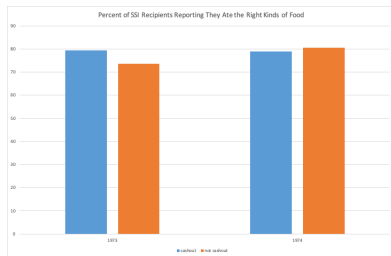
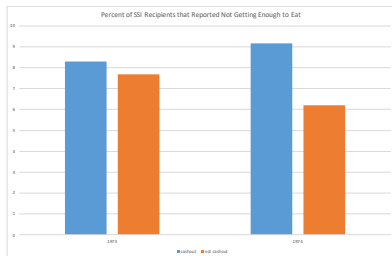
“Why don’t you use food stamps now [1974]?”

In Cash Out States 50% Said “Used to receive [Food Stamps], but have been cut off.”



Notes: Authors' calculations from the Survey of Low Income Aged and Disabled 1973–1974, for those on pre-existing programs in '73.

With the Start of SSI and Cash Out, Food Security Decreased



Notes: Authors' calculations from the Survey of Low Income Aged and Disabled 1973–1974, for those on pre-existing programs in '73.

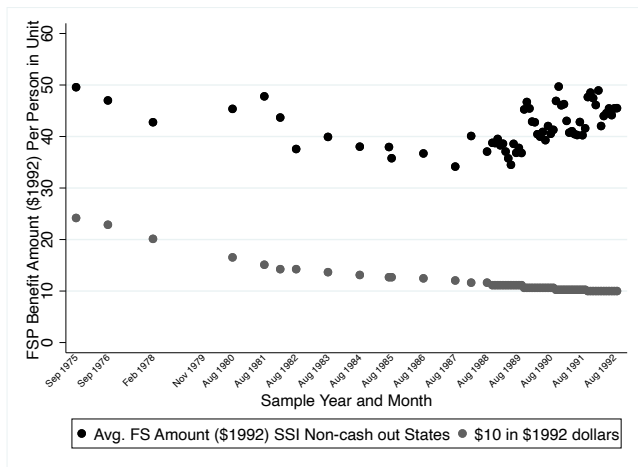
Main

Results: Differences Across Disabled Sample / Elderly Sample

- Slightly larger participation declines in the elderly sample (not significantly different).
- Disabled sample more likely to report not enough food, less likely to say they ate the right food.
- To do: Expand to sample in SLIAD not on predecessor programs.

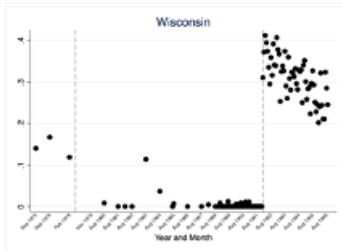
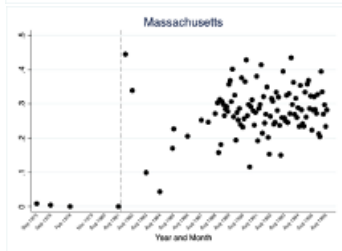
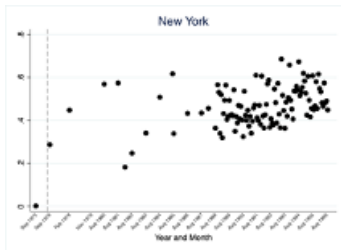
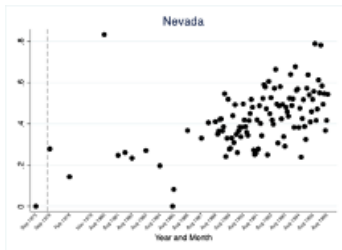
Main

As the Real Value of the \$10 Fell, the Per Person FS Amount in SSI Units in Non-cash Out States Stayed Flatter



Notes: Authors' calculations from the Food Stamp Quality Control data.

With the End of Cash Out, FS Unit Take-up Rate Among SSI Recipients Increased



With the End of Cash Out, FS Unit Take-up Rate Among SSI Recipients Increased

	(1) Nevada	(2) Nevada	(3) Nevada	(4) New York	(5) New York	(6) New York
Cash out	0.256*** (0.025)	0.268*** (0.026)	0.260*** (0.027)	0.271*** (0.025)	0.274*** (0.031)	0.254*** (0.028)
Control variables	N	Y	Y	N	Y	Y
Drops other cash out states	N	N	Y	N	N	Y
Observations	165	165	150	165	165	150
R-squared	0.549	0.554	0.616	0.550	0.555	0.602
	(7) Massachusetts	(8) Massachusetts	(9) Massachusetts	(10) Wisconsin	(11) Wisconsin	(12) Wisconsin
Cash out	0.205*** (0.021)	0.217*** (0.039)	0.205*** (0.040)	0.257*** (0.007)	0.259*** (0.008)	0.259*** (0.008)
Control variables	N	Y	Y	N	Y	Y
Drops other cash out states	N	N	Y	N	N	Y
Observations	417	417	381	5045	5045	4649
R-squared	0.342	0.344	0.372	0.132	0.134	0.139

Notes: Panels within 56 months of the end of cash out. Controls include state-year unemployment rate, the maximum AFDC benefit for a family of three, and the fraction of the year the state had a AFDC waiver in place. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

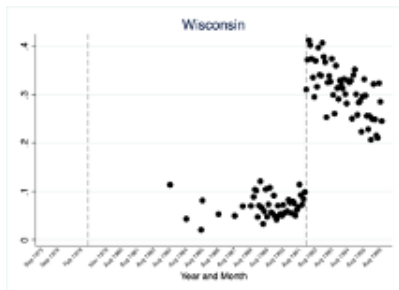
With the End of Cash Out, FS Unit Take-up Rate Among SSI Recipients Increased

	(1) Nevada	(2) Nevada	(3) Nevada	(4) New York	(5) New York	(6) New York
Cash out	0.292*** (0.021)	0.294*** (0.020)	0.304*** (0.020)	0.331*** (0.021)	0.322*** (0.023)	0.331*** (0.024)
Control variables	N	Y	Y	N	Y	Y
Drops other cash out states	N	N	Y	N	N	Y
Observations	5607	5607	5164	5607	5607	5164
R-squared	0.164	0.166	0.172	0.165	0.166	0.167
	(7) Massachusetts	(8) Massachusetts	(9) Massachusetts	(10) Wisconsin	(11) Wisconsin	(12) Wisconsin
Cash out	0.189*** (0.015)	0.182*** (0.019)	0.189*** (0.020)	0.260*** (0.007)	0.266*** (0.009)	0.267*** (0.009)
Control variables	N	Y	Y	N	Y	Y
Drops other cash out states	N	N	Y	N	N	Y
Observations	5607	5607	5163	5607	5607	5164
R-squared	0.165	0.166	0.169	0.189	0.191	0.193

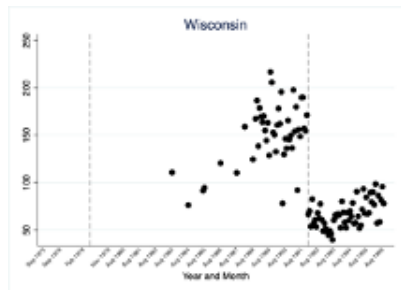
Notes: Controls include state-year unemployment rate, the maximum AFDC benefit for a family of three, and the fraction of the year the state had a AFDC waiver in place. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

With the End of Cash Out, FS Household Take-up Rate Among SSI Recipients Increased and Average FS Benefits Decreased

(a) FS Households Take-up Rate



(b) Average FS Benefit Amount (\$1992)



Main

With the End of Cash Out, FS Household Take-up Rate Among SSI Recipients Increased and Average FS Benefits Decreased

	(1) FS HH Take-up Rate	(2) FS HH Take-up Rate	(3) FS HH Take-up Rate	(4) Average FS Benefit (\$1992)	(5) Average FS Benefit (\$1992)	(6) Average FS Benefit (\$1992)
Cash out	0.186*** (0.007)	0.189*** (0.008)	0.188*** (0.008)	-102.501*** (1.097)	-102.656*** (0.955)	-101.699*** (0.882)
Control variables	N	Y	Y	N	Y	Y
Drops other cash out states	N	N	Y	N	N	Y
Observations	5045	5045	4649	5038	5038	4642
R-squared	0.124	0.126	0.128	0.099	0.105	0.100

Notes: Panels within 56 months of the end of cash out. Controls include state-year unemployment rate, the maximum AFDC benefit for a family of three, and the fraction of the year the state had a AFDC waiver in place. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Main

With the End of Cash Out, FS Household Take-up Rate Among SSI Recipients Increased and Average FS Benefits Decreased

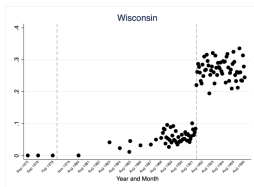
	(1) FS HH Take-up Rate	(2) FS HH Take-up Rate	(3) FS HH Take-up Rate	(4) Average FS Benefit (\$1992)	(5) Average FS Benefit (\$1992)	(6) Average FS Benefit (\$1992)
Cash out	0.183*** (0.007)	0.187*** (0.008)	0.187*** (0.009)	-96.650*** (1.154)	-97.425*** (1.157)	-96.660*** (1.157)
Control variables	N	Y	Y	N	Y	Y
Drops other cash out states	N	N	Y	N	N	Y
Observations	5298	5298	4882	5288	5288	4873
R-squared	0.138	0.140	0.140	0.099	0.106	0.101

Notes: Controls include state-year unemployment rate, the maximum AFDC benefit for a family of three, and the fraction of the year the state had a AFDC waiver in place. Robust standard errors in parentheses.
 *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Main

With the End of Cash Out, the Fraction of FS Households with an SSI Recipient Increased

(a) Frac. Has SSI Recipient

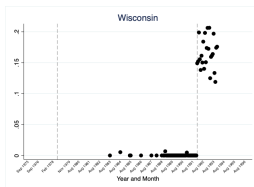


Cash out	0.186*** (0.006)
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Control variables	Y
Drops other cash out states	Y

Observations	4649
R-squared	0.243

(b) Frac. SSI-only

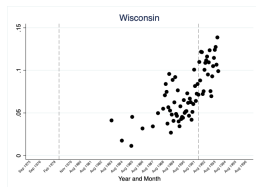


Cash out	0.176*** (0.004)
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Control variables	Y
Drops other cash out states	Y

Observations	3102
R-squared	0.169

(c) Frac. Mixed



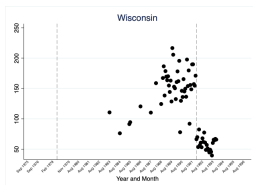
Cash out	0.033*** (0.002)
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Control variables	Y
Drops other cash out states	Y

Observations	3102
R-squared	0.067

With the End of Cash Out, the Average FS Benefit for Households with an SSI Recipient Decreased

(a) Has SSI Recipient

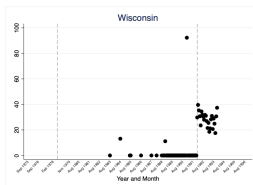


Cash out -101.699***
 (0.882)

Control variables Y
Drops other cash out states Y

Observations 4642
R-squared 0.100

(b) SSI-only

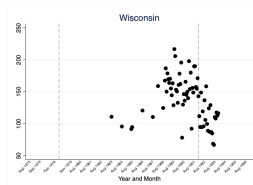


Cash out 21.118***
 (1.212)

Control variables Y
Drops other cash out states Y

Observations 3097
R-squared 0.170

(c) Mixed



Cash out -58.416***
 (2.799)

Control variables Y
Drops other cash out states Y

Observations 3097
R-squared 0.043