

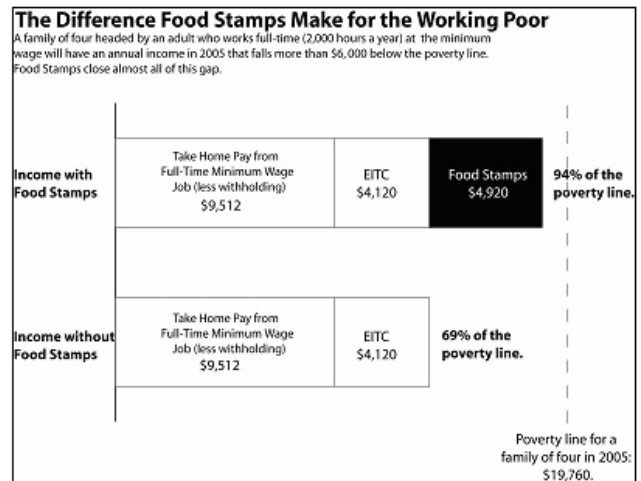
## Make Food Stamps Work Better for More Working People

### ► Food Stamps Are a Vital Work Support

Full time work in California is no guarantee against hunger. Research from UCLA found that over 1.2 million households in California had a full-time worker yet experienced food insecurity.

But as the chart from Center on Budget and Policy Priorities indicates food stamps, can help make work pay.

This chart doesn't reflect the progress made in California to provide better wages. Many workers here will soon be better able to meet basic needs thanks to an increase in the state minimum wage. For many families the gap between low-wages and the poverty line will be shrunk by better wages. But because of high housing, childcare and health costs, many working families will still find it difficult to put food on the table. Food stamps can help.



### ► Working Families Have Low Participation rates, especially in California

California Ranks **48<sup>th</sup>** out of 50 States for Reaching the Working Poor with Food Stamps

	2002	2003
Alabama	23	24
Alaska	10	12
Arizona	29	29
Arkansas	14	13
California	Rank 48	48
Colorado	44	46

While food stamps can help, just *34% of eligible working families participate in food stamps in California*. We have one of the lowest participation rates in the country (see box).

**What are some of the challenges faced by working folks in participating in food stamps?** First, basic program features such as required food stamp office visits during the day, make it challenging for people to work and get food stamps. Second,

folks who are already enrolled in work supports such as health care, subsidized childcare, WIC, and the earned income tax credit, often have to go through redundant processes just to get help with nutrition. Third, current food stamp asset rules require families to hit rock bottom before they can get food assistance. Finally, there is the misconception that food stamps are only for those on welfare or unemployed. These challenges must be addressed.

### ► What Can Be Done to Make Food Stamps Work Better for Working Families?

- Remove asset restrictions in the Food Stamp Program to promote household savings and asset development and to increase opportunities for families to get out of poverty.
- Establish a presumption that working families will apply without a trip to the food stamp office during working hours. Build alternatives to office visits for these households into the program.
- Test approaches that would establish presumptive food stamp eligibility for working households who have already gone through rigorous applications for healthcare, childcare and other government work supports.

## **Build Stronger Links between Food Stamps and Other Programs**

### **► Perception and “Packaging” of Food Stamps are Hurting Participation**

Two million Californians are eligible for food stamps but not participating. While there have been efforts to recast the Food Stamp Program as a work support rather than welfare, the way the program is “packaged” makes recasting difficult. A significant number of eligible families cite “stigma” as a reason for not participating. Families often see food stamps as welfare and this perception may be hurting participation. Often the application entry points, the eligibility workers, even the office locations are the same for cash-aid programs as for food stamps. As the food stamp population is changing (the majority of families do not receive cash welfare), efforts must be made to develop new “packages” of work supports to reflect this reality and the needs of working folks.

### **► Direct Certification Has Been Successful With School Nutrition Suggesting the Value of a Similar Approach with Food Stamps**

The Food Stamp Program has long had a “categorical eligibility” connection with cash aid programs. Recently, states have been able to opt to use an “expanded categorically eligibility” option, which removes a few administrative hassles, but certainly not all of the barriers. Perhaps a more promising approach is adapting the “direct certification” approach where recipients of food stamps and cash-aid are currently “directly certified” for school nutrition programs. In this approach families who have gone through a rigorous eligibility determination for food stamps do not have to endure a redundant process and are certified for free school meals without additional steps, paperwork, or hassles. This approach has been widely embraced as a way to reduce administration costs while increasing participation. Making strong connections from other programs to food stamps through a direct certification or “presumptive” eligibility approach makes sense too.

### **► Exiting Promotional Efforts to Other Work Supports Must Be Utilized**

Throughout the country, advocates and program administrators are actively seeking to increase participation in work supports like the Earned Income Tax Credit, Medicaid, WIC, and in some cases, childcare. The Food Stamp Program could better use these promotional efforts if stronger programmatic connections and application and eligibility alignments were made amongst these programs.

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### **► What Can Be Done to Build Stronger Links to other programs?**

- Establish a pilot that would examine the benefits of presumptive eligibility for food stamps for recipients of public health care assistance, specifically Medicaid.
- Short of presumptive eligibility, more closely align food stamps, medical assistance, EITC, childcare programs, WIC, in income, assets, reporting requirements, and application entry points.

## Ensure Food Stamp Benefits Are Adequate to Support a Healthy Diet

### ▶ While Food Stamps Can Significantly Supplement a Household's Food Budget, Current Benefit Levels Do Not Adequately Meet Household Needs.

Research has shown that food stamps increase food spending and raise household income. Close to 2 million people in California participate in food stamps and can enjoy the benefits of increased food resources. But participation in the Food Stamp Program does not necessarily eliminate household food struggles. Data from UCLA's California Health Interview Survey show that about half of the families receiving food stamps still experienced food insecurity.

This suggests that not only is the level of need in food stamp households in California great but also that the food resources provided by the program are inadequate. While reducing food insecurity is a valuable attribute of the Food Stamp Program, more should be done in the 2007 Farm Bill to provide adequate benefits to eliminate food insecurity in more households.

UCLA CHIS Data	Able to afford enough food (food secure)	Not able to afford enough food (food insecure)
Food Stamp Recipients	<a href="#">48.4%</a>	<a href="#">51.6%</a>

### ▶ Many Families Perceive the Costs of Participating Outweighing the Benefits.

Over the last several years, CFPA has attempted to quantify the costs of participating in the Food Stamp Program in California. While we have been successful in documenting the time spent and numbers of trips made by applicant households, we have yet to calculate lost wages, transportation, childcare, paperwork, and other costs. Based on focus groups responses, we know that many families do their own calculations and feel that the benefits aren't worth the costs. While efforts to simplify the Food Stamp Program will reduce the costs, the 2007 Farm Bill must also address the benefit side by making levels substantial in comparison.

### ▶ Greater Nutrition Resources are Needed to Meet Dietary Guidelines

The 2005 Dietary Guidelines for Americans encourage the consumption of a variety of nutrient dense foods. However, research shows that more nutrient-dense lean meats, fish, fresh vegetables, and fruit generally cost more. In addition, the University of California examined the costs of the Thrifty Food Plan (the plan on which the food stamp benefits are based) market basket compared to a market basket of healthier substitutes. The healthier basket was significantly more expensive than the Thrifty Food Basket, as much as 22% higher. Current food stamp benefit levels do not reflect the costs of eating a healthier diet

## ▶ What Can Be Done To Ensure Food Stamp Benefit Levels Support a Healthy Diet?

- ▶ Return Food Stamp Benefit calculations to 103% of the Thrifty Food Plan and to 106% by 2010 to reflect the higher costs of healthy eating.
- ▶ Raise the food stamp minimum benefit to \$35, provide an annual cost-of-living adjustment to the level, and extend it to all families, not just one and two person households.

## **Utilize Food Stamps in Efforts to Improve Public Health**

### **► Food Insecurity is a Health Problem**

Hunger and Food Insecurity have health related consequences: The Food Stamp Program must continue its important public health role of reducing hunger and food insecurity. Health costs are on the rise and two primary drivers are nutrition and tobacco. Food Stamps can help address the former

### **► Food Stamps Play a Role in Efforts to Improve the Weight and Health**

Though hunger and food insecurity persist as problems in California, the state is also attempting to address the emerging public health crisis of obesity. Already, the state has sought to use the Food Stamp Program to help Californians by increasing the number of Farmer's Markets that accept EBT Cards, by utilizing food stamp nutrition education efforts to promote health eating, by connecting the goal of a healthy California with the goal of increasing food stamp participation. The flexibility the Food Stamp Program allows recipients the opportunity to purchase balanced, healthy diets since food stamps can be spent on fresh produce, low-fat dairy, whole grain products and other recommended items.

### **► Food Stamps Have the Potential to Do More to Improve Nutrition and Health**

Myths and misconceptions have led some to suggest that food stamps are part of the overweight problem, not part of the solution. But based on the available research, food stamps are not consistently associated with overweight or obesity and they are certainly not a proven cause of obesity. Recognizing this, efforts should be focused on making food stamps an important part of the solution to this health crisis. California has been leading the way.

Research suggests that of the many factors in the crisis, the local cost of fresh produce was shown to be connected to higher rates of overweight among children. It may not be surprising then that surveys of food stamp recipients report that the cost of fresh produce is the primary barrier to produce consumption. The Governor and the State Legislature in California believe that the Food Stamp Program can play a role in helping families eat more fruits and vegetables and demonstrated that with the passage of AB 2384.

### **► Many MediCAL Recipients in California are eligible for food stamps.**

Over 1 million MediCAL recipients may be eligible for food stamps but not participating in California. While recasting the Food Stamp Program as a health program would help, making structural changes so that these 1 million recipients can easily get food stamps would help even more. The MediCAL program in California has already determined these families need health assistance; why should families have to prove their need once again for nutrition support? There are differences in the eligibility requirements for the two programs. Given the large number of non-participants eligible for food stamps, the potential for good nutrition to reduce future health care costs, and the potential for administrative savings, presumptive food stamp eligibility for MediCAL recipients is an idea worthy of exploration.

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## **► What Can Be Done to Better Utilize Food Stamps in Improving Public Health?**

- Support and evaluate efforts to make healthy foods, especially produce, more affordable to food stamp recipients.
- Connect Food Stamps and to health care programs like MediCAL.