



United States  
Department of  
Agriculture

Food and  
Nutrition  
Service

Office of Analysis,  
Nutrition, and  
Evaluation

## EXPUNGING FOOD STAMP EBT BENEFITS: A CASE STUDY OF THE ELDERLY IN THREE STATES

February 2003

### Central Issue

The widespread implementation of Electronic Benefit Transfer (EBT) of food stamp benefits raises concerns about the ability of elderly food stamp participants to use the technology to access their benefits. Data from three states suggest that EBT may not greatly affect the elderly and their ability to access food stamps.

more likely to allow their benefits to go unused. Similarly, if elderly participants tend to use EBT accounts as savings accounts, accumulating relatively small monthly benefits for special occasions, benefits may at least appear to go unused. In either instance, elderly participants may be more affected by policies that remove unused benefits from dormant accounts.

### Background

The Food Stamp Program is the primary source of nutrition assistance for low-income Americans. The program served more than 19 million people during the average month of fiscal year 2002. Nearly 90 percent of all households receive their benefits through EBT, an electronic system that works like a debit card.

While the elderly have expressed general satisfaction with EBT (Gabor et. al. 2002; Chamberlain Research Consultants 2001), some program officials, advocates and others working with elderly food stamp participants have expressed concern about the ability of seniors to use the new technology. Some are particularly concerned that state and Federal policies that eventually eliminate unused EBT benefits may have more substantial adverse consequences for elderly participants than for others.

Under current guidelines, EBT benefits lying dormant in accounts that have not been accessed for an extended period can be suspended and then permanently removed from the system. While each state develops specific policies for benefit removal within these guidelines, most states permanently remove benefits after 365 days without activity. If elderly participants are intimidated or confused by EBT technology, they may be

### Method

There is little published information on either the frequency of permanent removals of EBT benefits or of the characteristics of affected participants. This analysis uses administrative data from Texas, Arizona, and Wisconsin to obtain characteristics of participants with benefits expunged during August 2002. Data were gathered on all food stamp participants who had not accessed their accounts in over 365 days and whose benefits had been permanently removed due to inactivity

Few states keep information on benefit removal in a way that can easily be merged with demographic information. We selected States, therefore, based in part on the availability of data and their willingness to participate in the data collection. While these States are somewhat dispersed, the percentage of elderly among all participants in their caseloads is less than the national average.<sup>1</sup>

### Findings

- **Permanent removal of food stamp EBT benefits is relatively infrequent in all three States.** In August 2002, Texas

<sup>1</sup> In fiscal year 2001, the elderly accounted for 6.8 percent of all participants in Texas, 4.7 percent in Arizona, and 7.5 percent in Wisconsin, compared to a national average of 9.6 percent (Rosso 2003).

removed the benefits of almost 40,000 participants (about 3 percent of the 1.3 million food stamp participants with open cases), Arizona removed the benefits of about 6,000 participants (slightly more than 1 percent of all participants), and Wisconsin removed the benefits of less than 200 participants (less than 1 percent of all participants).

authorized to redeem participant benefits) to provide assistance.

## Summary

This analysis explores patterns of permanent benefit removal in Texas, Arizona, and Wisconsin, three states where EBT is the primary method of benefit distribution, but where there are low percentages of elderly. The findings suggest that a relatively small number of food stamp participants do not access their benefits for extended periods. Additionally, few elderly lose benefits as a result of inactive accounts.

Though these results do not demonstrate a widespread adverse effect of EBT on the elderly and their ability to access food stamp benefits, further research is needed. It would be useful to collect data from States with a larger percentage of elderly in their caseload to determine if the elderly in those States are more or less likely to experience permanent benefit removal. In addition, it will be useful to explore the cause of elderly benefit loss more closely. To meet this need, FNS is seeking to obtain similar data on elderly participants in states with higher percentages of elderly food stamp populations. Additionally, we plan to further explore the specific causes for permanent benefit removal among the elderly and other populations.

### Frequency of Expunged EBT Benefits<sup>2</sup>

	All Participants			Elderly Participants		
	Active	Removed	%	Active	Removed	%
Texas	1,274,071	39,751	3.1	117,785	1,196	1.0
Arizona	432,154	6,117	1.4	18,524	493	2.7
Wisconsin	273,894	186	0.1	16,391	24	0.1

- Few elderly lose benefits as a result of inactive accounts in all three States.** In August 2002, Texas removed benefits of about 1,200 elderly participants (or about 1 percent of all elderly participants), Arizona removed benefits of about 500 elderly (about 3 percent of elderly participants), and Wisconsin removed benefits of about 25 elderly (less than one-tenth of a percent).
- Based on limited data from one State, most elderly participants with expunged benefits may live alone, and few may have an authorized representative.** Sixty percent of the elderly with expunged benefits in Texas lived in single person households; 90 percent did not have an authorized payee (a person formally

<sup>2</sup> These data provide a snapshot of food stamp participants with expunged benefits in August 2002. The data reflect client characteristics at the time of benefit removal in August 2002 for Wisconsin, in August 2001 for Arizona, and during the 18 months prior to August 2002 for Texas.

## References

- Gabor, Vivian, Susan Schreiber Williams, Hillary Bellamy, and Brooke Layne Hardison, (2002). *Seniors' View of the Food Stamp Program and Ways to Improve Participation- Focus Group Findings in Washington State*. Washington, DC: Economic Research Service, USDA.
- Chamberlain Research Consultants (2001). *DWD EBT Focus Group Study Summer 2001*, Madison, WI: Department of Workforce Development.
- Rosso, Randy (2003). *Characteristics of Food Stamp Households: Fiscal Year 2001*. Alexandria, VA: Food and Nutrition Service, USDA.