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Military Personnel and Food Stamps

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ABSTRACT

The report discusses estimates of food stamp program eligibility and participation in the U.S. armed services. Related legislation and policy considerations are also addressed. This report may be updated as needed. For additional information concerning nutritional assistance programs, see Richardson, Joe, *Food Stamps: Background and Funding*, CRS Report 98-59; and Richardson, Joe, *Child Nutrition Programs: Background and Funding*, CRS Report 98-25.

Military Personnel and Food Stamps

Summary

In response to reports that members of the U.S. armed services qualify for and receive food stamps, there have been calls for a policy response to reduce or eliminate member eligibility. The desirability of such a response has been questioned, however, on several grounds, including cost and its potential effects on Department of Defense (DoD) personnel policy. This report examines the possible extent of service-member participation in the food stamp program and provides background information on several aspects of the policy debate.

Quantitative estimates of military participation and eligibility in the food stamp program vary because of limited available data, different methodologies and specific assumptions about the calculation of income. Recent estimates have varied from a few thousand to over twenty thousand. Although the true difference in estimates between eligibility and participation is unknown, assuming an excess of eligibles over participants would be somewhat consistent with the situation in the U.S. population as a whole, where only about two-thirds of eligibles actually receive stamps.

Legislative proposals to reduce military food stamp eligibility in the United States were considered for those stationed in the United States but voted down in the first session of the 106th Congress. In the second session, Sen. McCain introduced S. 2322 which would provide a subsistence allowance for food stamp eligibles.

Major concerns include whether or not participation in the program is primarily a result of inadequate pay or other factors such as household size. Concerns also exist that policy intervention could have unintended social and personnel effects on the military. Available policy options range from including the value of in-kind benefits (most notably housing) in the income/eligibility calculation, to mandating pay raises in every grade. The first approach would arguably equalize conditions for members on and off base by eliminating the relative advantage on-base members have in meeting eligibility criteria, which considers income in cash, but not in-kind benefits. Similarly situated members living off-base receive housing allowances as part of their compensation packages, which may increase their income sufficiently to make them ineligible for food stamps. Pay raises, by contrast, would more directly ameliorate financial pressure on many or all families.

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Military Personnel and Food Stamps

Introduction

For a number of years, it has been reported¹ that certain military personnel are eligible for and receiving food stamps or assistance under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).² The stated need for such assistance is often linked with claims regarding the “inadequacy of military pay.” The true nature of the situation is more complex. The unique and complicated structure of the military compensation system is a source of confusion in determining eligibility and/or need for food stamps. Efforts to remedy the situation often raise larger issues of personal responsibility, family policies, personnel policies and military readiness.

Legislative proposals to reduce food stamp eligibility for those stationed in the U.S. were rejected in the first session of the 106th Congress. However, additional benefits were afforded to those in need who are stationed overseas where food stamps are unavailable.³

This report examines the issues of food stamp eligibility among members of the armed forces. Included in this discussion is a summary of various applicable

¹As an example, “Thousands of American soldiers serving in the world’s most powerful armed forces are so poorly paid they are having to depend on charity to provide their families with basic household necessities.” Wastell, David, U.S. Soldiers Rely on Charity to Support Families, *London Sunday Telegraph*, October 31, 1999. Other recent articles are Connolly, Ceci, *The Washington Post*, Battle for Veterans’ Vote Heats Up, September 9, 1999; Vogel, Steve, Feeling the Pinch of a Military Salary, *The Washington Post*, July 20, 1999. Older examples include Bowman, Tom, Little Appetite for Food Stamps, *Baltimore Sun*, September 8, 1998; Maze, Rick, Senator: Get Military Families Off Food Stamps, *Army Times*, August 24, 1998; Vinch, Chuck, *European Stars and Stripes*, Military Points to Families, January 17, 1997; Maze, Rick, Senate Orders Study on Food Stamp Use, *Navy Times*, August 22, 1994; Nelson, Soraya, Food Stamp Redemption Hits High, *Air Force Times*, April 5, 1993.

² Although military participation in the WIC program is often considered in this context, this report focuses on food stamps alone for simplicity. WIC vouchers offer supplemental nutritional assistance to families that are judged in “nutritional need” by health professionals. WIC eligibles may, in general, not have gross income in excess of 185 percent of the federal poverty guidelines. Aggregate data about military members’ use of this program appear in GAO, Military Personnel, Preliminary Results of DoD’s 1999 Survey of Active Duty Members, Testimony Before the Subcommittee on Military Personnel, Committee on Armed Services, House of Representatives, March 8, 2000. This testimony estimates about 117,000 active-duty service members (10.2 percent) used the program in the twelve-month period ending in September 1999. Data on WIC voucher redemptions at commissaries, an unreliable trend indicator, appear in Table 1.

³ P.L. 106-65, sec. 674, October 5, 1999.

estimates. This report also considers recent legislative efforts to address the issue. Finally, some broader policy considerations are examined.

The Food Stamp Program

The food stamp program provides monthly benefits that increase low-income recipients' food purchasing power.⁴ Eligibility for food stamps is based on several criteria, one of which is gross income (pretax cash income). The primary criterion most people⁵ face for food stamps eligibility is gross income not exceeding 130 percent of federal poverty guidelines.⁶ Additional financial tests set limits on household assets and net income. The nonfinancial tests for the food stamp program include, among others, the stipulation that the applicant meet a variety of work/training requirements. The program is not available to U.S. citizens living abroad. In the case of military members, it is necessary that they be stationed in the continental United States, Alaska, Hawaii, the Virgin Islands or Guam to be eligible.⁷

Eligibility does not equal participation. Of the eligible population, military or civilian, only a fraction actually participates in the program. In the U.S. population as a whole, about 12 percent of individuals were eligible in September 1997, for example. Against this, the proportion of those actually participating was roughly 7.6 percent of the entire population.⁸ Thus, only 63.1 percent of eligibles actually received stamps in September 1997.

⁴ Further information on the food stamp and WIC programs is available in Richardson, Joe, *Food Stamps: Background and Funding*, CRS Report 98-59 EPW; and Richardson, Joe, *Child Nutrition Programs: Background and Funding*, CRS Report 98-25 EPW.

⁵ Alaska and Hawaii have their own (higher) income guidelines. Additionally, the rules on income and assets described below, relevant for food stamp eligibility, differ for those who are elderly or disabled.

⁶ Income eligibility for the food stamp program, for service members and civilians alike, is tied to the federal poverty guidelines, set by the Department of Health and Human Services (DHHS). The DHHS poverty guidelines are a simplified version of U.S. Bureau of the Census poverty thresholds, used for statistical estimates of the numbers and characteristics of the poor in the U.S.

⁷ Limited variants of the program operate in Puerto Rico, the Commonwealth of the Northern Mariana Islands and American Samoa, but benefits under them are unlikely to be offered to military personnel, as the income cutoffs for these programs are substantially lower than those for the program in the continental U.S., described above.

⁸ Percentages based on comparison of U.S. Department of Agriculture individual eligibility and participation data for September 1997 with a Census Bureau population estimate for the month. See United States Department of Agriculture, Food and Nutrition Service, *Trends in Food Stamp Program Participation Rates: Focus on September 1997*, Produced by Mathematica Policy Research, Inc., Washington, D.C.: November 1999; U.S. Bureau of the Census, National Population Estimates for the 1990s, Monthly Postcensal Resident Population, September 1, 1997. Available on the Internet; see the web site at [<http://www.census.gov/population/estimates/nation/e90s/e9797rmp.txt>], January 31, 2000.

Military Compensation

The unique nature of the military compensation system can lead to erroneous or misleading conclusions about the relationship between military pay and food stamp eligibility. There are two dangers in particular: underestimating service-member income by focusing on too few components of military pay; and overestimating the actual need for food stamps among members by overlooking the in-kind benefits they receive, which play no role in determining food-stamp eligibility.

In order to provide a better understanding of how the military compensation system works, it is useful to contrast it to the usual means of compensation experienced by civilians. In the civilian labor market, compensation is usually paid on a wage or salary basis. Under this system, compensation is provided based on the number of hours worked and the rate per hour, or on a total salary basis.⁹ Paychecks are usually provided every two weeks or monthly. From the total amount earned or gross pay, certain amounts are removed or deducted. These amounts include taxes, Social Security, possible retirement contributions and health care premiums, to name a few. The remaining amount represents net pay. From net pay, civilian workers pay rent/mortgage, food costs, utilities, and other routine expenses. Thus, for civilians, gross pay is a primary means of determining income.

Military compensation, on the other hand, is based on a number of forms of compensation which may or may not be available depending upon the service member's individual situation at a given place and time. All service members receive military "basic pay" which is based on grade and years of service. This monthly amount ranges from \$1005.60 for enlisted recruits in pay grade E-1 to \$11,318.40 for a 4-star general or flag officer with over 26 years of service in pay grade O-10.¹⁰ From this basic pay are deducted Federal income taxes, Social Security withholdings, etc. In addition, the military provides numerous other benefits in the form of direct compensation or compensation in-kind. For example, housing is provided for service members on-base or aboard ship. When such housing is unavailable, service members are eligible to receive Basic Allowance for Housing (BAH). The amount available depends on the location and presence of dependents. For example, a single Marine sergeant (E-5) living off-base in Charleston, SC, would receive \$589 per month in BAH. Alternatively, the same sergeant living with dependents in Los Angeles, CA would receive \$1123 per month. Should this sergeant receive on-base housing, no BAH would be available. Thus, the receipt of BAH could have a substantial effect on the determination of income (and ultimately on the qualification for food stamps), but not provide a reliable indication of the individual's standard of living.

Furthermore, many military personnel are fed on base or aboard ship. Conversely, some members may be eligible to receive Basic Allowance for Subsistence (BAS). This ranges from \$.85 per day when receiving partial rations in kind to

⁹ Other variation include commissions, tips and bonuses.

¹⁰ Rounding to the nearest dollar. *2000 Uniformed Services Almanac*, 42nd ed.: 14, 30.

\$11.32 per day when under emergency conditions and no mess facilities are available.¹¹ (Both BAH and BAS are non-taxable.)

Service members and their dependents also receive other benefits which are frequently difficult if not impossible to frame in cash terms. These include access to commissaries where prices are, on average, approximately 25 percent lower than those found in civilian supermarkets. Members become eligible for non-contributory retirement after 20 years of creditable service. Members are entitled to no-cost health care while on active duty, and low cost care for their dependents. Members are also eligible to receive generous life insurance and survivor benefit protection. In addition, service members may also receive special payments for unique or arduous duties. These include hazardous duty pay, hostile fire pay, career sea pay, hardship pay, aviation career incentive pay and submarine duty incentive pay. Enlisted members receive their initial uniforms free of charge and are also furnished with uniform allowances. Officers receive a one-time payment after commissioning to buy clothing. Finally, service members with special skills and qualifications may be eligible to receive bonuses.

Often, those looking at the food stamp eligibility of service members consider only basic pay, and in so doing overestimate the number eligible. As noted above, such members may actually be receiving other forms of compensation that would make them ineligible to receive food stamps. Conversely, some members may be eligible for food stamps but arguably not in need, because they are being fed and housed¹² on base or aboard ship.

Estimates of the Need/Eligibility for Food Stamps

Eligibles and Recipients: How Many?

Over the years, widely varying estimates of the need/eligibility for food stamps among military personnel have been reported. An examination of these reports shows how variations in methodology and/or in assumptions about military member income lead to differing estimates of food stamp eligibility and participation. Among other things, studies have differed with regard to 1) whether they have used income data for the family or the household as a whole; 2) whether they have relied on direct or indirect information about members' incomes and/or status vis-a-vis the food stamp program; and 3) whether or not they have estimated eligibility or actual participation. Comparison of the full range of publicly available numbers is also confusing because media or other reports occasionally do not provide a source or explanation of their

¹¹ 2000 *Uniformed Services Almanac*, 42nd ed.: 33.

¹² On-base housing, the value of which plays no role in determining food stamp eligibility, has in fact been shown to be a key factor facilitating eligibility for many service members. DoD data that appear below and in Table 3 suggest that many members would lose their food stamp benefits were the imputed value of housing used in the calculation. One reason for its continued exclusion has been the applicability of rules that also apply to low-income civilians living in government-subsidized housing. See Maze, Rick, Pentagon: Welfare Estimate Way Off, *Army Times*, October 31, 1994: 21.

methodology.¹³ The following provides an examination of a number of reports regarding food stamps and military personnel. In certain instances, estimates of eligibility are provided. Other reports estimate food stamp usage (i.e., actual food redemption at commissaries). Still others purport to estimate actual food stamp participation rates. Each of these is different, and depend upon differing methods and time frames. These factors help to explain the great variation in the reported numbers.

In the early 1980s, estimates of potential service-member food stamp eligibility ranged from 19,700 to as high as 275,000. In 1980, one estimate suggested between 100,000 to 275,000 were eligible,¹⁴ while the General Accounting Office (GAO) reported that only about 19,700 were eligible at the start of the 1980 fiscal year.¹⁵ In 1982, GAO estimated that the number of eligibles was 23,800, or about 1.3 percent of enlisted active-duty personnel.¹⁶

More recent information on the use of the food stamp program among military members is available from GAO. Testimony provided in March 2000 by GAO before the House Armed Services Committee suggested some 13,500 active-duty members had received food stamps at some point during the twelve-month period ending around September 1999.¹⁷ This number represented about 1.2 percent of the force.

Estimates on military service-member participation in the food stamp program have also been produced yearly by the United States Department of Agriculture (USDA). The most recent USDA estimate that is available, for 1997, suggested only 3,000 households with a military employee received food stamps.¹⁸ (The small size of this number compared to the GAO figure may have been due to differences in methodology. While GAO drew on survey data from military members only, the USDA relied on a sample of the entire food stamp population, military and civilian, where military members may have been under-represented.)

In the past decade, the Department of Defense (DoD) has produced three studies on food stamp eligibility and redemption among service members; and one study on

¹³ For recent examples, see Jaffe, Greg, Military's Food Stamp Problem Seems to be Less Than Feared, *Wall Street Journal*, March 17, 2000; and Armed Forces News, [<http://www.armedforcesnews.com>], Friday January 14, 2000.

¹⁴ "People, Not Hardware: The Highest Defense Priority: Melvin R. Laird, American Enterprise Institute, Washington, D.C., 1980.

¹⁵ "Military Personnel Eligible for Food Stamps" (FPCD-81-27, Dec. 9, 1980).

¹⁶ U.S. General Accounting Office, B-201405, April 19, 1983. Since this percentage is based only on the enlisted population, it is larger than the percentage that would be computed had the total military population been used.

¹⁷ The data reflect member responses to a DoD survey conducted at the end of 1999. GAO, Testimony Before the Subcommittee on Military Personnel, Committee on Armed Services, House of Representatives, March 8, 2000.

¹⁸ These estimates are based on survey data, rather than a comparison of program and personnel records, as are the DoD studies. The sample size for the 1997 estimate was about 50,000. United States Department of Agriculture, Food and Nutrition Service, *Characteristics of Food Stamp Households Fiscal Year 1997*, Submitted by Mathematica Policy Research, Inc., February 1999.

members living at, or below, the poverty line that also contains a limited amount of relevant information.¹⁹ A 1992 study suggested fewer than 17,000 active-duty members (0.9 percent of the total active force) were receiving food stamps in 1991,²⁰ while a 1996 study indicated the number of recipients had fallen to about 11,900 (0.8 percent) in 1995.²¹ The most recent DoD study shows the number of participants to have dropped to 6,300.²²

Eligibility appears to have been higher than participation, but how much higher is unclear due to a number of factors. The 1992 and 1996 studies indicated that the numbers of possible eligibles may have been as much as about two to three times as large,²³ but DoD observed that actual eligibility was probably less, primarily because of the likely existence of additional income earned outside of military service. Not included in the studies, extra income could have disqualified many potential eligibles. Important sources of outside income were moonlighting on the part of members²⁴ and/or jobs held by members' spouses, some 60 percent of whom worked.²⁵ Other

¹⁹ In 1997, Congress directed the military to conduct a study of the number of military personnel and their families at, near, or below the poverty line (P.L. 105-85; 111 Stat 1805; November 18, 1997). In response, DoD analyzed data on the pay and allowances of every military member as well as the imputed value of on-base housing. Secretary of Defense William Cohen reported that the estimated number of active-duty service members living below the poverty line was "extremely small, about 451 in a force of 1.45 million." U.S. Department of Defense, Secretary of Defense, letter to Honorable Strom Thurmond, August 18, 1998. The request for the study on 1995 data appears in P.L. 103-335; 108 Stat. 2649; September 30, 1994.

²⁰ Three sources refer to the 1992 study. U.S. Department of Defense, Office of the Secretary of Defense, personal e-mail, August 31, 1999; U.S. Department of Defense, Directorate of Compensation, Food Stamp Program and the Military, 1996; and Maze, Rick, Pentagon: Welfare Estimate Way Off, *Army Times*, Oct 31, 1994. The 1992 study used data from California, Hawaii, Texas and Virginia. The 1996 used these four states as well as Florida and represented about a third of the active-duty population. The number of program participants in each of the states was determined by comparing the social security numbers of recipients, recorded by the USDA, with the personnel records of the Department of Defense. This type of comparison was necessary because the department itself does not monitor service member participation in the program.

²¹ U.S. Department of Defense, Directorate of Compensation, Food Stamp Program and the Military, 1996. In the same interval, from 1991 and 1995, the active duty worldwide force strength went from 1,986,259 to 1,518,224. Active duty force strength in U.S. territories and special locations dropped from 1,538,687 to 1,280,160. U.S. Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, data on September 30, 1991 and 1995.

²² Maze, Rick, Fewer Troops on Food Stamps, *Navy Times*, April 3, 2000.

²³ The studies state that eligibility may have been 55,900 in 1991 and 23,181 in 1995. The 55,900 figure, with reference to the 1991 DoD data, appears in Maze, Rick, Pentagon: Welfare Estimate Way Off, *Army Times*, October 31, 1994.

²⁴ For a press account of moonlighting by service members, see, for example, Vogel, Steve, Feeling the Pinch of a Military Salary, *The Washington Post*, July 20, 1999. The Department of Defense has suggested moonlighting would reduce eligibility. See Maze, Rick, Living on the Poverty Line, *Army Times*, July 7, 1997.

²⁵ U.S. Department of Defense, Directorate of Compensation, Food Stamp Program and the
(continued...)

sources could have been interest income or rent collected on property owned by a member's household. In addition, DoD's use of data on the size of families, rather than households, may have worked in the opposite direction, increasing actual eligibility.²⁶

And finally, the existence of a gap between eligibility and participation would have been consistent with data on the population as a whole.²⁷ Non-participation of eligibles could have been due to a lack of information about the food stamp program or to an aversion to accepting the stamps.

References have been made to the value of food stamps used at military commissaries as a means of determining food stamp usage. But this method also has its shortcomings, since commissary access is not limited to active duty personnel. Military reservists (including members of the National Guard) and military retirees have commissary privileges. Such individuals may be eligible for and use their food stamps at these facilities.²⁸ There is no current effort to identify the users of food stamps at commissaries. Furthermore, service members can and do shop in stores other than commissaries. Therefore, it is not possible to determine reliably the level of food stamp usage by active duty personnel by this method. (Data on commissary redemption appear in Table 1.)

In sum, the various estimates presented in this section reflect the complexity, inconsistency, and the limitations of calculating food stamp eligibility, participation and usage. No single estimate is based on complete information about all members. In addition, each relies on differing methodologies to estimate this population. Therefore, a wide variation exists in estimates of service-member eligibility, participation and usage of food stamps.

(...continued)

Military, 1996: 1-3.

²⁶ The food stamp program uses household, not family, size to determine eligibility. Household size and family size need not be the same, as households might include persons outside of the nuclear family, such as parents, for example. The Department of Defense personnel database, however, contains data on numbers of dependent family members, not household size. U.S. Department of Defense, Directorate of Compensation, Food Stamp Program and the Military, 1996: 4.

²⁷ Turning to information specific to population groups roughly comparable to military members, September 1997 data show that only an estimated 70 percent of individuals in households without able-bodied working adults without dependents (ABAWDS) or aliens were in the food stamp program at that time. Individuals in married-couple households with earnings showed a participation rate of 61 percent in September 1997, while individuals in single-parent households with earnings and without AFDC/TANF had 68 percent. United States Department of Agriculture, Food and Nutrition Service, *Trends in Food Stamp Program Participation Rates: Focus on September 1997*, Produced by Mathematica Policy Research, Inc., Washington, D.C.: November 1999: 13, 17-18. AFDC refers to Aid to Families with Dependent Children; TANF stands for Temporary Assistance for Needy Families.

²⁸ For a reference to a defense official saying that many redeemers are indeed such persons, see Maze, Rick, Food Stamp Usage in Commissaries Drops, *Navy Times*, May 11, 1998:

Table 1. Food Stamps and WIC Vouchers Redeemed at Commissaries
(in \$ millions)^a

| Fiscal Year | Food Stamps | WIC |
|-------------|-------------|--------|
| 1992 | \$24.5 | \$12.4 |
| 1993 | \$27.4 | \$15.2 |
| 1994 | \$25.2 | \$16.7 |
| 1995 | \$24.6 | \$17.6 |
| 1996 | \$26.4 | \$20.0 |
| 1997 | \$19.1 | \$21.7 |
| 1998 | \$15.1 | \$21.2 |

^a Based on information from the Defense Commissary Agency (DeCA). August 13, 1999.

Eligibles and Recipients: Characteristics

The service members who qualify for food stamps are typically in the junior enlisted pay grades (see Table 2). Many eligible or participating members live on base or aboard ship, suggesting that the omission of housing value from the gross income calculation helps facilitate eligibility. It has been pointed out that on-base housing benefits are not considered as income, thereby affecting food stamp eligibility. Conversely, those living off-base have higher cash income thereby making many of these families ineligible for food stamps (see Table 3). A 1992 DoD study showed that of those military personnel participating in the food stamp program, 40 percent lived on base. The percentage of military food stamp program participants living on base was 58 percent in 1996.²⁹ About 93 percent of recipients were in or below pay grade E-5. The average family size of the participating military members was 3.7 individuals in 1995.³⁰

The concentration of affected members in the junior enlisted grades suggests that poverty and/or federal program eligibility need not be considered persistent conditions for military families. Rather, DoD notes, the few affected members are likely to be promoted out of their temporary condition, given the pace of promotions in the junior grades (see Table 2).

²⁹ U.S. Department of Defense, Directorate of Compensation, *Food Stamp Program and the Military*, 1996: 4.

³⁰ *Ibid.*: 4. Data for household size were unavailable. As to the military poverty population, DoD found that over half of the poverty population was in or below E-3, while an estimated 96 percent were in or below E-5. This population's average family size was eight. Significantly, these numbers reflected an imputed value for housing received in-kind. U.S. Department of Defense, Secretary of Defense, attachment to letter to Honorable Strom Thurmond, August 18, 1998.

Table 2. Estimated Food Stamp Recipients By Grade
(based on sample of about one-third of active-duty personnel in 1995)^a

| Grade | % of Grade in Sample | % of Total Sample^b |
|-----------------|-----------------------------|--------------------------------------|
| E-1 | 1.42 | 8.60 |
| E-2 | 1.63 | 11.69 |
| E-3 | 1.31 | 21.20 |
| E-4 | 1.39 | 33.72 |
| E-5 | .78 | 17.44 |
| E-6 | .30 | 4.78 |
| E-7 | .13 | 1.24 |
| E-8 | .05 | 0.14 |
| E-9 | .05 | 0.06 |
| Officers | .00^c | 1.13 |

^a Data from DoD's 1996 study, which estimated that 11,900 members were food-stamp recipients. The numbers in the table reflect the distribution in the department's five-state sample, which represented about one third of the active-duty force.

^b The upward trend in this column through the grade E-4 is positively correlated with two factors: 1) greater numbers of service members in each grade; and 2) increasing numbers of children in member families.

^c The precise number in the sample was 41 officers.

The average member is usually promoted from the grade E-1 to E-2 after less than half a year of service and from E-2 to E-3 after a year. The grade E-4 is usually reached after two to three years, and E-5 is attained, on average, after five.³¹

³¹ U.S. Department of Defense, *Military Careers: A Guide to Military Occupations and Selected Military Career Paths 1995-1998*, Washington D.C.: U.S. Department of Defense, July 1995: 24.

**Table 3. Household Size and Food Stamp Eligibility:
Members On and Off Base**
(1995 data)^a

| Grade | Average Cash Income for Members Living off Base (Gross) ^b | Household Size Needed to Qualify | Average Cash Income for Members w/o Housing Allowances (Gross) ^b | Household Size Needed to Qualify |
|-------|--|----------------------------------|---|----------------------------------|
| E-1 | \$17,450 | 4 | \$12,363 | 2 |
| E-2 | \$19,239 | 4 | \$14,039 | 3 |
| E-3 | \$20,357 | 5 | \$14,877 | 3 |
| E-4 | \$22,963 | 6 | \$17,038 | 4 |
| E-5 | \$27,128 | 7 | \$20,331 | 5 |

^a Based on U.S. Department of Defense, Directorate of Compensation, Food Stamp Program and the Military, 1996.

^b The report explains:

“For the purpose of this estimate of the number of potential eligibles, we assumed cash pay per grade to be the sum of basic pay (assuming the average years of service per grade) plus the Basic Allowance for Quarters (BAQ) for that grade at the with-dependent rate, plus the average Variable Housing Allowance (VHA) again for the corresponding grade at the with-dependent rate [CRS note: BAQ and VHA have since been combined into the Basic Allowance for Housing, or BAH] and the Basic Allowance for Subsistence for that grade. Members who live on base receive housing in lieu of housing allowances and, consequently, their cash pay will be correspondingly lower. Members living in higher housing cost areas would receive substantially higher VHA (and possibly CONUS COLA) and would therefore have higher cash pay. One could argue that the tax advantage accruing from the allowances should be included in these calculations but they are not.”

Legislation in the 106th Congress

Legislative proposals on food stamps for military personnel were introduced in the 106th Congress. The first would provide additional compensation for individuals who were eligible to receive food stamp assistance. The Senate inserted its proposal in the FY 2000 National Defense Authorization Act that contained a provision (sec. 603) “that would authorize a special subsistence allowance of \$180 per month payable to enlisted personnel in grades E-5 and below who can demonstrate eligibility for food stamps....” This provision was dropped in the final conference.³² Arguments for dropping the Senate provision included the belief that providing the additional \$180 per month would not be an adequate and efficient means of removing military

³² U.S. Congress, House, Conference Committee, National Defense Authorization Act for Fiscal Year 2000, 106th Cong., 1st Sess., S. 1059, H.Rept. 106-301, August 6, 1999: 763.

personnel from the food stamp rolls. Policymakers also decided that increasing other forms of military compensation, including basic pay and BAH, would better serve all service members, including those facing financial challenges.

In its review of this language, as contained in another bill, the Congressional Budget Office stated:

Special Subsistence Allowance. Section 103 would create a new allowance through 2004 for military personnel who qualify for food stamps. Eligibility for the allowance would terminate if the member no longer qualified for food stamps due to promotions, pay increases, or transfer to a different duty station. In addition, a member would not be eligible for the allowance after receiving it for 12 consecutive months, although they would be able to reapply. CBO estimates that the allowance would increase personnel costs by roughly \$13 million in 2000 and \$26 million through 2004, based on information from DoD on the number of military personnel who currently receive food stamps.

CBO estimates that most of the 11,000 personnel in grades E-5 or below will remain on food stamps and apply for the special subsistence allowance. However, the additional \$180 of monthly income would reduce the average household's monthly food stamp benefit by \$54, resulting in savings of about \$7 million each year in the Food Stamp program over the 2001-2004 period. The special subsistence allowance might also serve as an incentive for eligible but nonparticipating military personnel to apply for food stamps. CBO estimated that 1,500 additional service members would participate in the Food Stamp program in an average month at an annual cost of \$2 million. Thus, this provision is estimated to result in a net savings to the Food Stamp program of \$3 million in 2000 and \$5 million each year over the 2001-2004 period.³³

On March 29, 2000, Senator John McCain introduced S. 2322. This legislation again proposes to provide \$180 to certain food stamp-eligible military personnel in grades E-5 and below. The potential costs of this proposal can be roughly estimated using two sets of numbers from the Department of Defense. First, in 1996, DoD estimated that up to 23,000 may have been eligible to receive food stamps. Providing \$180 to this population each month for an entire year would cost approximately \$49.7 million. If the more recent estimate of 6,300 participants is adjusted to determine possible eligibles, it can be estimated that between approximately 10,000 and 12,000 personnel would be eligible.³⁴ From these data, the costs of providing all eligibles with \$180 for 12 months would range from \$21.6 million to \$25.9 million. Lastly, if \$180 is provided for 12 months only to the 6,300 who are estimated to be participating, the cost of this legislation is approximately \$13.6 million annually. These costs would

³³ U.S. Congressional Budget Office, Cost Estimate, S. 4, Soldiers', Sailors', Airmen's, and Marines' Bill of Rights Act of 1999, As reported by the Senate Committee on Armed Services on February 2, 1999: 6-7.

³⁴ In the first instance, it is noted that actual participation rates in the civilian population are estimated to be 63.1 percent. Adjusting 6,300 by this percentage suggests that 9,984 would be eligible. Conversely, according to earlier DoD data, it was believed that of approximately 23,000 eligibles, only 11,900 were actually participating, or 51.7 percent. On the basis of this ratio, it is estimated that given 6,300 participants, slightly more than 12,000 may have been eligible.

partially be offset by reductions in the use of food stamps. While these estimates are based on assumptions that may or may not represent actual participation or behavior, they do provide a rough indication of the range of potential costs of providing such relief. For these reasons, the actual costs of such legislation remain very rough estimates.

Also on March 29, 2000, Rep. Tillie Fowler introduced a non-binding resolution to the 2000 emergency supplemental appropriations bill. "It proposes the president and Congress 'take action' to provide military income high enough so that no one in the military qualifies for Federal assistance."³⁵ The amendment was passed by voice vote.

Other proposals in DoD authorizing legislation were aimed at concerns that military families overseas were denied access to state administered programs such as food stamps and WIC.³⁶ Responding to these concerns, the conference report included the following language:

The Senate bill contained a provision (sec. 698) that would mandate that the Secretary of Defense implement the special supplemental nutrition program overseas and allocate Department of Defense funds to carry out this program.

The House amendment contained a provision (sec. 673) that would mandate the Secretary of Defense to implement that program and allocate Department of Defense funds to carry out the program, and would require the Secretary of Agriculture to provide technical assistance to the Secretary of Defense.

The Senate recedes with a clarifying amendment.³⁷

The Act was signed into law on October 5, 1999.³⁸

On April 6, 2000, an amendment recommending an increase in defense funding concerning personnel and food stamps was introduced to the Budget Resolution (S. Con. Res. 101): "This amendment increases the defense budget by \$28 million over five years—an average of less than \$6 million per year—to pay for an additional

³⁵ Maze, Rick, Hope still alive for Hill aid to food stamp recipients, *The Times*, April 17, 2000: 21.

³⁶ The number of overseas military community WIC eligibles has been estimated at 11,000. The number of would-be overseas food stamp eligibles was estimated to be 62 in a 1998 DoD report. Maze, Rick, Defense, Agriculture at Odds Over WIC, *Army Times*, November 17, 1997; U.S. Department of Defense, Secretary of Defense, attachment to letter to Honorable Strom Thurmond, August 18, 1998.

Three additional nutrition programs also are of note. The School Lunch and School Breakfast programs operate in DoD's Overseas Dependents' Schools. These programs offer free school meals to children from families with income below 130 percent of the federal poverty guidelines (the same income cutoff as in the Food Stamp program). The Child and Adult Care Food program operates in on-base DoD child care centers and offers free meals and snacks to children with family income below 130 percent of the poverty guidelines. While child free meal participation numbers could be collected, none are immediately available.

³⁷ FY 2000 Authorization Act, Conference Report, sec. 674: 760.

³⁸ Jowers, Karen, Overseas families wait for food plan, *The Times*, October 18, 1999: 20.

allowance of \$180 a month to military families who are eligible for food stamps.”³⁹ The amendment passed by a unanimous vote (99 yeas). On April 12, 2000, the conference agreement adopted the “Senate amendment assumption regarding enlisted military personnel on food stamps.”⁴⁰

In addition to the above legislation, H.R. 1055⁴¹ was offered in the House during the first session of the 106th Congress that would provide a \$500 refundable credit to certain low-income members of the uniformed services. Although this bill would assist many in uniform by providing tax relief at filing time, it would unlikely address the daily nutrition needs of those who are struggling financially. In addition, such tax relief would not be considered by food stamp administrators in determining income eligibility because income eligibility depends on pretax income. Such income would in fact be considered as an asset and would be unlikely, therefore, to remove many from the definition of “food stamp eligible.” Only those who would exceed the liquid asset limitations of the food stamp program upon receipt of the credit would become ineligible, and their ineligibility would last only as long as their assets were not spent down back below the limit.

Social and Policy Implications of Food Stamp Eligibility

Proposals to reduce or eliminate service member eligibility for the food stamp program remain controversial. The disagreement raises questions as to the purpose of military pay, the effects of the present situation on morale, and the financial costs of a policy response, among other things.

The existence of members who qualify for food stamps has led to claims that military pay is inadequate. Whether or not military employment helps or hurts individuals who choose to enter the armed services is disputed. On the one hand, reports concerning food stamp eligibility among U.S. military personnel often portray the military compensation system as one that is insufficient and thereby *puts* individuals “on welfare.” On the other hand, some view the military as serving to *lift* individuals out of poverty by providing pay, training, housing, health care and retirement benefits superior to those available to similarly situated young people in other occupations or professions.⁴²

Some have suggested that the perceived military compensation problem is limited to some recruits and young personnel with relatively large families. (See Table 4 and the Appendix.⁴³)

³⁹ *Congressional Record*, Senator John McCain, S2286, April 6, 2000.

⁴⁰ *Congressional Record*, H2224, April 12, 2000.

⁴¹ Rep. Walter B. Jones, Jr., March 10, 1999.

⁴² See the related discussion of the military-civilian pay gap debate in Burrelli, David, *Military and Civilian Pay: Is There a Gap?*, CRS Report 95-492 F, April 12, 1995; Congressional Budget Office, *What Does the Military “Pay Gap” Mean?*, June 1999.

⁴³ Note that it is at the present time impossible for members without dependents to make the income cutoff for food stamps at any time in their military career, even in the grade of E-1

Table 4. Food Stamps Eligibles by Grade and Family Size
(Estimate based on 1996 study)^a

| Rank | Total Members | FAMILY SIZE ^b | | | | | | | | | |
|--------------|---------------|--------------------------|------|------|------|-----|-----|----|----|----|----|
| | | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 14 |
| E-1 | 536 | 463 | 63 | 8 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| E-2 | 1729 | 1486 | 204 | 28 | 9 | 2 | 0 | 0 | 0 | 0 | 0 |
| E-3 | 1331 | | 1083 | 197 | 44 | 5 | 1 | 1 | 0 | 0 | 0 |
| E-4 | 2457 | | | 1980 | 360 | 91 | 24 | 2 | 0 | 0 | 0 |
| E-5 | 2296 | | | | 1737 | 423 | 102 | 25 | 8 | 1 | 0 |
| E-6 | 982 | | | | | 752 | 170 | 44 | 13 | 3 | 0 |
| E-7 | 231 | | | | | | 164 | 47 | 19 | 0 | 1 |
| E-8 | 12 | | | | | | | 7 | 3 | 2 | 0 |
| Total | 9574 | | | | | | | | | | |

^a Reproduced from U.S. Department of Defense, Directorate of Compensation, *Food Stamp Program and the Military*, 1996. See the DoD report for details on the methodology.

The total of 9,574 represents a maximum estimate of the number of off-base food stamp eligibles. Multiplied by a factor of 2.42, this estimate yields the high-end estimate of 23,181 potential eligibles for the active-duty forces that appears in the text of this report. The number 2.42 represents the multiple necessary to convert the off-base estimate to an all-member one, for those on and off base alike. The calculation $((100 / 41.3) * 9,574 = 23,181)$ flows from the assumption that 41.3 percent of eligibles live off base, reflecting the finding that 41.3 percent of recipients live off base.

^b No families in the department's sample had a size of 13.

This debate raises the question as to purpose of military compensation: Should military pay reflect the skills and service experience of the member or should it reflect the financial requirements such a member may generate? To a certain extent the current system does both. As noted above, military basic pay is determined on the grade and years of service. Conversely, BAH is determined on the grade of the member, but also on the location and number of dependents of the member. Health care benefits are available regardless of the number of dependents.

Proposals to reduce active-duty food-stamp eligibility would create a distinction between the treatment of military members and civilians. Arguably, nutritional assistance programs were created to meet income and nutrition problems facing both military and civilian eligibles. Since food stamps fulfill that need, it could be questioned why a separate or new benefit should be created solely for military

⁴³ (...continued)

(see Table A-2, Appendix). This is significant because the majority of active-duty members in grades E-1 through E-4 do not have children. Over half of the members in E-5, by contrast, do have children (see Table A-1, Appendix).

personnel. The creation of a unique benefit provided to those overseas, however, can be justified without necessarily confronting this issue. Such an initiative could be made on the basis of the unavailability of food stamps at their location.

A third point concerns the potential impact of taking special action to reduce food stamp eligibility on military personnel policy. Several approaches to reducing military food stamp eligibility have been proposed, and DoD has highlighted possible adverse effects related to a number of them. One option, counting the value of in-kind housing in the income and eligibility calculation, would simply disqualify members without providing additional real income.⁴⁴ The advantages here would arguably be greater fairness and more closeness between need and eligibility. Other proposals would aim to augment the incomes of food stamp recipients. Income-boosting scenarios include some kind of general raise, targeted raises for food stamp participants, equal-dollar raises for all members and differential pay raises, which favor junior members. In an effort to reduce the cost of such actions, it has also been suggested that the number of beneficiaries could be limited by targeting married members only. Objections to these options by DoD center on their disruption of the military pay incentive structure. The consequences of the several options could include various degrees of pay compression, decreases in career force retention and reduced productivity, the department has said.⁴⁵

A fourth focus of discussion has been the relationship between food stamps, on the one hand, and morale and retention on the other. Proponents of providing additional benefits for military members point to the “stigma” of food stamp eligibility and suggest that if the military is to attract high quality personnel it should offer a living wage. Some advocates additionally suggest the participation of some members in the program undermines morale. Conversely, critics argue that providing such benefits can reinforce what some view as imprudent behavior. Such a policy, it is argued, would not attract high quality people.

Suggestions by the U.S. Marine Corps leadership, in the early 1990s, that recruitment of young people with dependents should be limited, in part to address the strain put on young families by the military as well as recognizing the strain put on the service by young families, was met with substantial criticism and quickly withdrawn.⁴⁶

⁴⁴ This kind of change in the determination of eligibility would equalize conditions for members on and off base by eliminating the relative advantage on-base members have in meeting eligibility criteria. Currently, some families, ineligible while living off base, may become eligible on base solely because they lose the cash housing allowance (BAH) that off base members receive, even though they gain housing in kind on base. See Table 3 for a related point.

⁴⁵ See U.S. Department of Defense, Secretary of Defense, attachment to letter to Honorable Strom Thurmond, August 18, 1998: 6.

⁴⁶ “The message went out the morning of Aug. 11 to all Marines: Too many first-term enlisteds were rushing into marriage and the Corps has to do something about it.

“First-term marriages face long odds on survival, the message read. The Corps should be taking a long view by preaching the benefits of delaying marriage until couples are older, more mature and financially for secure.

“The message was not intended as a surprise. But it may have been the shot heard
(continued...)

The continued acceptance of recruits with families means that the services will need to continue to provide substantial resources for “safety net” and family quality-of-life benefits as a matter of personnel policy. Such a reality is consistent with a popular military saying, “We recruit individuals, we retain families.”

Finally, potential policy action has opened debate about the budgetary cost of reducing food stamp eligibility and/or participation. Obviously, cost is tied to the specifics of a proposal. Other considerations aside, it appears safe to say that decisive action to eliminate entirely the need for food stamps in the military would carry substantial financial costs. Using 1995 data, DoD has estimated costs of scenarios doing away with the need for food stamps at congressional request. Working with two possible approaches, the department estimated the high-end cost to be over \$20 billion, versus a low-end estimate of \$73 million.⁴⁷ All else equal, these amounts represent yearly expenditures. The large difference between the figures has to do with whether or not supplemental cash benefits are limited to the few service members on food stamps. The low estimate reflects the cost of providing aid to members who were receiving food stamps only. The high-end figure is an estimate of the cost of providing supplemental income to all members – to those who were on food stamps as well as the many more who were not – partly for reasons of fairness. On one hand, the high estimate is so extreme that some might say it is entirely an unrealistic option. But on the other hand, some suggest that the more costly approach, by applying changes across the board, would preserve to a greater degree the current structure of incentives within the military compensation system.

(...continued)

around the world.

“By midday, the new policy was caught up in a whirlwind of political turmoil. It had caught the attention of Congress, the president and the defense secretary. By sundown, it was nullified.” Fuentes, Gidget, For better or worse: Marines and marriage, *Navy Times*, August 23, 1993: 3.

⁴⁷ In general, the reason the numbers differ by such a large margin has to do with the department’s assumptions about how raises for the food stamp population would affect those members who do not receive food stamps. The low-end figure, for example, assumes that only the members receiving food stamps would gain additional income, sufficient to disqualify them from program benefits. The high-end figure, on the other hand, assumes that all members in each grade would receive a raise equal to the amount necessary to disqualify the member with the largest family in that grade. Details are available in U.S. Department of Defense, Directorate of Compensation, Food Stamp Program and the Military, 1996. The department has also created estimates of the cost of eliminating poverty among service members, based on a threshold of poverty reflecting the value of in-kind housing as well as cash pay. This estimate ranges from \$1.6 million to \$15 billion. See U.S. Department of Defense, Secretary of Defense, attachment to letter to Honorable Strom Thurmond, August 18, 1998.

Appendix

Table A-1. Members With Children, By Grade
(March 1999) ^a

| | Members in grade with children (%) | Members in grade with children | Total members in grade |
|------------|---|---------------------------------------|-------------------------------|
| E-1 | 7.5 | 4,346 | 57,959 |
| E-2 | 9.1 | 8,955 | 98,114 |
| E-3 | 16.4 | 30,649 | 186,645 |
| E-4 | 34.6 | 91,589 | 264,752 |
| E-5 | 62.3 | 145,027 | 232,838 |

^a Data obtained at CRS request from the Active-Duty Family Database of the Defense Manpower Data Center (DMDC). September 2, 1999.

**Table A-2. Basic Pay Versus Gross Income Eligibility Criteria
for Food Stamps, 1999**

| Pay Grade | E-1 | E-2 | E-3 | E-4 | E-5 |
|---|-----------------------|------------|------------|------------|------------|
| Annual basic pay, rapid promotion | \$11,513 ^a | \$12,910 | \$13,414 | \$14,231 | \$16,610 |
| Yrs. service at promotion (rapid promotion) | <2 | <2 | <2 | <2 | 2-3 |
| Annual basic pay, average time in grade | \$11,513 | \$12,910 | \$13,414 | \$15,034 | \$18,176 |
| Yrs. service at promotion (average) | 0 | 0.5 | 1 | 2 | 5 |
| Food stamp income cutoff, household size of 1 | 10,465 | 10,465 | 10,465 | 10,465 | 10,465 |

Note: Data is valid through September 1999. Recall from Table 3 that basic pay alone underestimates cash compensation. This disparity is evident even from a comparison of the 1995 data presented in Table 3 with 1999 basic pay data. The above data on basic pay are from *1999 Uniformed Services Almanac*, 41st ed. The data on time in grade appear in Department of Defense, *Military Careers: A Guide to Military Occupations and Selected Military Career Paths 1995-1998*, Washington D.C.: U.S. DoD, July 1995: 24. The data on income cutoffs reflect 130% of the 1998 poverty guidelines, effective for food programs from October 1998 to September 1999. The guidelines themselves are given in *Federal Register*/Vol. 63, No. 36/Tuesday, February 24, 1998/Notices.

^a An annualized figure. Members do not remain in the grade E-1 for a year, however.

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