

## **Exploring the Stigma of Food Stamps**

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## **Abstract**

This paper reports on theoretical research into the effect of stigma and social norms on policy outcomes of the Food Stamp program, in particular the effect on the caseload. As a general rule, it is impossible to predict whether norms will amplify or dampen the response of caseloads to any given policy intervention. Sometimes they have an effect, sometimes they do not. Much depends on whether the norms themselves change very much in response to policy changes.

Social feedback (each norm violation encourages more violations) makes policy predictions uncertain. It can translate very small shocks into very large changes in the caseload. Norm systems can collapse abruptly. Norms can alleviate administrative problems involving targeting, since norms can define “true need” in a social sense and allow all of the truly needy to claim benefits. Eligible nonparticipants are viewed as “not needy” in the social sense, though they may be needy according to objective criteria. Norms may also lessen a program’s incentive effects (against work, for example). Norms may exacerbate administrative problems involving resource availability. To the extent that program eligibility differs from socially defined need, the program will be unpopular. Norms also add considerable uncertainty to the environment of policy planning and execution.

Policymakers who hope to reduce the influence of stigma on program resources and administration should consider localizing program eligibility rules, so that the rules correspond more closely to social definitions of need. Intense, broad-based local outreach efforts may also reduce stigma’s power.

## Exploring the Stigma of Food Stamps

### I. STIGMA AND POLICY TRADE-OFFS IN THE FOOD STAMP PROGRAM

In their recent description of the Food Stamp program, Ohls and Beebout (1993) identify several trade-offs in the objectives of the program. Among others, they include: targeting vs. access; benefit adequacy vs. available resources; work incentives vs. other goals; flexibility and administrative costs vs. other goals.

This paper reports on new research into the theory of welfare stigma, showing that the existence of stigma lessens some the dilemmas involved in making these trade-offs. On the negative side, however, stigma creates tension between program eligibility and social definitions of “true need,” and its chaotic nature introduces considerable uncertainty into the policy-making environment.

Two of the terms in the Ohls and Beebout system deserve special attention in the context of welfare stigma. “Targeting” refers to the objective of getting benefits to those who are “truly needy.” Need, however, can be interpreted in two ways. As an objective, scientific concept, it is based on nutritional, residential, and material requirements of human existence, which, because they are objective, can be spelled out precisely in program rules. As a social concept, however, need refers to informal notions of what it takes to “get by” in a given society. It differs from society to society and from case to case and cannot be written down in program rules. As a result, the scientific and the social definitions of need may conflict, and program rules may seem out of step with social notions of need.

Second, “available resources” refers to the constraint of spending only the money that the program has been allocated. Yet program funding will depend mostly on how popular a program is, how successful it seems to be. “Success,” in turn, will depend almost entirely on social definitions of true need, since voters are much more in tune with society’s perceptions of need than are the expert research results behind scientific notions of need.

These nuances matter, because stigma affects social definitions of true need, and policies affect stigma. Stigma makes policies interact with the Ohls and Beebout trade-offs in complex ways, and because very little is known about how stigma works, these interactions need to be explored.<sup>1</sup> Consider, for example, the way that people select themselves for Food Stamp participation. In surveys, some eligible nonparticipants say that shame keeps them away; others say they do not feel they really need the benefit, or that the benefit was too small to be worth obtaining, or that they did not know they were eligible (Ohls and Beebout, 1993, p. 58). Because people are probably ashamed to say they were ashamed, some of these answers may have been caused by stigma. In effect, people compare their own situation to the social definition of true need and rule themselves socially ineligible for the program. Thus we have society applying one set of informal eligibility rules, while the Food Stamp program administers a different set of formal eligibility rules. In such an environment, is targeting better or worse? Does the social eligibility system help the program achieve its objectives?

The research reported on here answers with a qualified “yes.” Stigma improves targeting of benefits on the truly needy (as defined by society); it reduces disincentives to work and other positive behavior; its existence reduces the need for central administration, cutting costs and enhancing flexibility. On the negative side, stigma discourages program access among people not deemed truly needy by society (even if they are needy by scientific standards), and the social eligibility system imposes its own administrative costs—it can respond chaotically and unpredictably to policy changes, and it tends to resist those changes, weakening their impact.

The next three sections of the paper describe the theory of stigma behind these findings, focusing on the effect of specific policy changes. Section V makes the connection between this research and the Ohls/Beebout design trade-offs.

## II. STIGMA AND THE UNDESERVING POOR

*Stigma* has been defined in many ways; here, *welfare stigma* refers to the lower utility that some recipients experience when obtaining income support benefits. We know from interviews and econometric studies that welfare stigma exists, and we have well-thought-out theories explaining why society would impose such costs (Moffitt, 1983; Fraker and Moffitt, 1988; Ranney and Kushman, 1987; Rank, 1994; Besley and Coate, 1992; Goffman, 1963). There has been little exploration of the meaning of stigma for public policy, however, although its impacts are probably important. Perhaps the clearest case of a change in stigma having large policy impacts is the “welfare explosion” from 1967 to 1971, for which Moffitt (1987) finds no explanation in terms of program changes or the economy. Recent increases in participation in the Food Stamp and Supplemental Security Income programs may also reflect changes in stigma. Such conclusions will always be tentative, because stigma is hard to measure or even observe.

A credible research program on welfare stigma must therefore rely on theory to some extent. The research reported on here (Bird, 1996a, 1996b) uses common-sense empirical notions about how a stigma system would operate to build an economic theory of stigma that has relevance for policy analysis. First, define a *social norm* as a statement that certain acts are “wrong” under certain conditions (Coleman, 1990; Crawford and Ostrom, 1995). For Food Stamps and other assistance programs, social norms state that it is wrong for certain people to claim benefits. In Bird (1996a), it is wrong for high-wage people to avoid work and claim welfare instead. In Bird (1996b), it is wrong for people with low incomes to become single parents, making themselves eligible for income support. In both papers, society defines when welfare receipt is to be accepted and when it is not. In other words, society defines the truly deserving, the needy poor.

The definition of true need is almost always in tension with a program’s definition of eligibility. For one thing, program administrators cannot observe as much information about applicants as

neighbors and friends can; the neighbors' assessment of the person's true need, which is social rather than scientific, will be able to take advantage of extra information. So, for example, Food Stamp eligibility depends on family income, but social understandings of need are probably based on wages, or more broadly, earnings capacity. People who can support themselves are not needy in the social sense. Yet because the capacity for self-support is hard to write down in specific program rules, program eligibility will at times be given to people that society thinks are not needy.

And some, though not all, of those program-eligible, socially ineligible people will be willing to claim their benefits. This act violates the social norm, and such norm violations are what generate stigma. Such an approach is intuitive; folks on Main Street should bear little or no resentment toward those who receive assistance if they need it, as "need" is socially defined.<sup>2</sup> Rather, they resent the fact that some people who receive income support do not appear to "deserve" it. Thus, stigma erects an extra barrier to benefit receipt for those deemed undeserving by society. The impact of a policy on the poor depends on how high this barrier is. Moreover, policy changes affect its height, and they also may change where it stands. That is, policies are affected by stigma; they change the costs of stigma to the undeserving; and they change the definition of "undeserving."

To explore these policy interactions, it is important to be specific about how stigma costs arise. If we stay within the utility-choice framework of economics, we have to answer two questions. First, what sort of a cost is stigma? Second, where does it come from?

The simplest way to answer the first question is to say that people just do not like to violate social norms; they have a taste for conformity. Putting stigma directly into the utility function in this way, though frequent in the previous literature, has significant weaknesses as a modeling strategy. Primarily, the problem is that this strategy ignores the real-world fluidity of stigma. Unlike tastes, stigma effects change rapidly, and they change in response to changes in policy and politics. Putting stigma directly in utility prevents us from exploring any theoretical connection between stigma and the

external environment; it is equivalent to assuming that policy never changes social standards of right and wrong.

To avoid such difficult assumptions, a theory of stigma must allow some cost outside the utility function to fall upon a recipient when she uses her Food Stamps. That is, stigma has to lower income, raise prices, or generate some other real external cost (such as the psychic cost of being actively scolded in public). Moreover, any such cost has to be imposed by someone, which raises the second question: who does the dirty work of imposing stigma, and why do they do it? Most people do not enjoy scolding others just because they have broken a social norm. People who run businesses certainly have no reason for avoiding the gains of trade with a Food Stamp recipient, just because she has broken a social norm.<sup>3</sup> People who pay taxes have no incentive to be mean to the beneficiaries, because nothing they do will have any impact on the tax burden.

In sum, our requirements for a stigma theory are that stigma must be an external cost, imposed on the “undeserving poor,” who have to be identifiable as such by the imposer; and the cost imposer must find it in his or her self-interest to do the imposing. There may be many theories that meet these requirements. The theory reported on here meets the requirements through a stigma mechanism based on a special kind of one-on-one interaction among neighbors.

These interactions have two characteristics: interdependence and information. Interdependent interactions create an incentive for norm violations to be punished by making A’s best action depend on B’s best action. Consider one such interaction type, the repeated prisoner’s dilemma. In a prisoner’s dilemma, if A cooperates with B, it makes sense for B to cooperate with A. If A does not cooperate, it makes no sense for B to do so. The same reasoning holds for B. In such an environment, cooperation will happen if and only if both parties expect cooperation to happen. Cooperation breaks down if both parties expect cooperation to fail *for any reason*, including things like “A has violated a norm.”

Now suppose society exists in a certain kind of *norm-enforcement* equilibrium which states: “Try to cooperate with everyone, because cooperation is good for you. But if you encounter someone who has violated a social norm, do not cooperate with that person.” To see why this strategy makes sense, note that those who violate the social norm look at this strategy and recognize that no one will cooperate with them; therefore these norm violators cooperate with no one else; *therefore it makes perfect sense for no one to cooperate with them in the first place*. The breakdown of cooperation hurts both the violators (the cost we call “stigma”) and everyone else, yet it is rational because of the interdependence of the decisions involved.

Information also matters because a norm violation has to be seen in order to trigger the breakdown. Only those who see that something has changed—that the neighbor now uses Food Stamps whereas before she did not—can react to the change. Then, if both neighbors share the common knowledge that, usually, people who “go on welfare even though everybody knows they don’t need it” end up isolated, then both neighbors will expect isolation to happen. And because of that expectation, *it will happen*. That is to say, if society creates the expectation that norm violations result in the breakdown of relationships, then norm violations will indeed have that effect.<sup>4</sup> The expectation and the behavior are consistent with one another; norm enforcement is a rational social equilibrium.

This version of stigma fits well with what we know about stigma in the real world. Interviews confirm, in fact, that stigma is not internal, nor is it delivered on a scold’s tongue. It is a sort of pervasive isolation, or anomie (Goffman, 1963; Rank, 1994), as it is in the model. Moreover, this stigma effect is compatible with individual incentives, hence rational; one does not force stigma into the system by assuming it is part of the utility function. Finally, this stigma theory is the first to distinguish between the deserving and undeserving poor, classifications that surely exist in the real world but have not appeared in the literature.



The theory is both rational and realistic, so its characteristics are probably worth exploring. Four particular features stand out.

First, stigma is costly, not just for the stigmatized but for everyone else too. A society that tries to enforce strict norms will require huge sacrifices of everyone, since strict norms will be violated by many people. The sacrifices take the form of increasing separation of society into small groups of conformers and large groups of nonconformers. It should be clear that, eventually, the costs of enforcing norms will either cause the norms to change, or the enforcement system will collapse entirely.

Second, collapse is also a feature produced by the fact that as more people violate the norm, the cost of delivering stigma rises, while the cost of bearing it falls. Violations encourage greater violations. This *social feedback* effect can be quite large. Thus, small changes in the system can at times be amplified without limit, causing the norm system to collapse. Even when norms do not collapse, feedback ensures that policy effects will be amplified.

Third, the theory assumes that the social equilibrium in which we find ourselves includes the expectation that norm violators will be isolated. It need not, however. One could set up highly informed, interdependent interactions and discover that norms never get enforced. This is just an example of the general problem in game theory, that games often have many equilibria. Our evidence points strongly, however, to the conclusion that the equilibria that we see in the real world involve some kind of stigma. That means that real people do expect norm violations to lead to isolation; they do really believe that stigma costs exist.

Last, the theory presented so far does not identify “true need.” That is, it works for any standard of need. Thus, taking Food Stamps if your wage is \$9.00 could be considered wrong in one state and right in another. To close the circle, then, it is necessary to identify the social processes by which need gets defined. A plausible guess is that various actors in politics, the media, and academia compete with

one another for votes, money, and influence, and that this process of competition proceeds to some extent over definitions of true need. Thus, Party A insists that folks with wages above \$9.00 are not really needy; they should support themselves. Party B says that true need starts lower, when wages are \$6.00. Voters choose which party seems to have the most accurate grasp on reality, as they perceive it. Thus, electoral competition forces the parties to develop official opinions about true need (expressed not as wages rates per se but as slogans about “welfare queens” on the one hand and “les misérables” on the other). In a broader context, involving not just political parties but other cultural actors like media, arts, academia, and religion, cultural competition forces social standards of right and wrong to conform to the values of middle-of-the-road citizens. The winner of the famous debate between Dan Quayle and Murphy Brown about lone parenthood was the person/character whose view came closest to common-sense morality, as defined in the United States in 1992.

Thus it is reasonable to assume that norms always settle so as to maximize the utility of the median voter.<sup>5</sup> Voter utility gives us a point prediction of the location of work norms, out-of-wedlock birth norms, and any other norms that affect Food Stamp eligibility, thus closing the model. Because the median voter’s utility changes when policies change, policies will affect norms. Therefore, it makes sense to analyze policy effects in two steps, first holding norms fixed, and then allowing them to move. This breaks the analysis into two conceptual questions: How does the existence of a norm system influence policy outcomes (Section III), and, How does policy influence the norm system itself (Section IV).

### III. HOW FOOD STAMP POLICY OUTCOMES DEPEND ON NORMS

I consider three policy tools for Food Stamp program administrators: benefits, visibility, and outreach. Benefit policies define the face value of the Food Stamp coupons for which people are eligible, given their incomes. Visibility policies determine the payout method: coupons, cash, or

electronic benefits. Outreach policies involve advertising as well as informal linkages between local Food Stamp program administrators and the local food assistance network. Holding norms fixed, let us consider what a theory of stigma along the lines given above has to say about the impact of policy changes. Suppose society has a norm that everyone with earnings capacity above \$7.00 per hour ought to work, and that any such person who does not work, lowering his income to become eligible for Food Stamp benefits, is doing something wrong.<sup>6</sup> Further, suppose that changes in the Food Stamp program have no effect on the \$7.00 figure that defines where “right” ends and “wrong” begins. How does the existence of stigma costs for wrongdoers affect the Food Stamp program’s impact? For brevity, we will consider only one kind of impact, the size of the caseload. In many ways, this is the most important effect of the program, because it indicates how many people are being helped.

A. Benefits. With norms fixed, an increase in benefits has a direct and an indirect effect on caseloads. The direct effect is the simple economic incentive effect, whereby higher benefits reduce work and bring more people into the program. The indirect effect comes about through the norm system. When the direct effect reduces work, it causes more people to violate the work norm. With more violators, the cost of violating the norm falls, and the cost of enforcing it rises. This induces more norm violations, which further increases the caseload. Thus, the norm system’s feedback effect amplifies the direct effect. The existence of norms makes caseloads more sensitive to benefit changes.

B. Visibility. Increasing the visibility of benefits increases the chances that a Food Stamp client will be publicly observed as such. By strengthening the information component of individual interactions, visibility allows Food Stamp receipt to become part of common knowledge more frequently. This means that, if a stigma system is operating, it will be engaged more often. Cooperation will be lost between folks who would have continued along smoothly had the Food Stamp receipt of one of them not been observed.<sup>7</sup> By increasing the frequency of breakdowns, visibility raises both the

cost of violating the norm and the cost of enforcing the norm. The caseload will fall, and the decline will be amplified by feedback.

C. Outreach. Outreach is the process of informing eligible nonparticipants of their eligibility, and of encouraging their participation. It occurs through public media (billboards, newspapers, television), and through the informal network that links local Food Stamp administrators to the hungry, through local food assistance institutions like soup kitchens and food banks. There are two ways of interpreting outreach activities: as advertising and as norm-management. As advertising, outreach attempts to inform folks that they may be eligible for the program. As norm-management, outreach hopes to convince eligible nonparticipants to claim their benefits, even if they believe they “ought” not to do so.

Outreach activities are probably not meant to be advertising, however. The existence of local food assistance networks almost certainly ensures that people who are really hungry will find their way to the Food Stamp program. This is especially true of those deemed truly needy by society’s standards. In surveys, many people say they do not know about the Food Stamp program (Ohls and Beebout, 1993, pp. 57–58), but that does not mean that they would not find out about it if they were very hungry and very needy. In other words, one suspects that many of the “don’t know” responses reflect social ineligibility, not the obscurity of the Food Stamp program. Though they do transmit information, then, this aspect of outreach programs may not be their most important effect.

The more important aspect of outreach is its role in managing stigma. Suppose, for example, that the current work norm is \$7.00 per hour, but a Food Stamp ad campaign stresses the theme that even people earning as much as \$8.00 per hour may be sending their kids to bed hungry. Or, more realistically, the theme would be that “today, more people are having trouble making ends meet. Many don’t think they deserve help. Well, help is available.” Such an outreach campaign can be interpreted as

an effort to convince those currently socially ineligible that, in fact, they *are* socially eligible; they *are* needy. Outreach tries to move the norm upward, making it softer and less harsh.

The stigma theory, unfortunately, predicts that an outreach program that softens norms may not get more people into the program. Once again, there are direct and indirect effects. The direct effect is to change Food Stamp participation from “wrong” to “right” for a number of people who were not in the program initially; they join. The indirect effect does the same thing, but for people who were already in the program. That is, some people who used to be norm violators are not any more. But the feedback effect says that the fall in norm violation discourages further violation (just as an increase in violation induces more violation). Feedback, then, tends to increase the cost of violating norms, driving people out of the program. Softening norms brings nonparticipants in, but also drives participants out. One suspects that the first effect is bigger, but it may not be.

#### IV. HOW FOOD STAMP POLICY AFFECTS NORMS

The above assumes that outreach programs can indeed change social norms so that stigma is lessened. As those who design such programs surely know, outreach messages have to compete with messages from other sources that may or may not point in the same direction. Food Stamp outreach is just another voice in the cacophony of cultural competition that ultimately determines where norms settle. Just as it is virtually impossible for a small actor to change the price at which a good is traded, it would be hard for a small outreach program to have much of an effect on norms. Moreover, outreach programs targeting the client population alone will not work, because norms will not change unless everyone in society alters their opinions about true need. For outreach to work, it has to dominate the cultural competition.

Fortunately, outreach is not the only way for Food Stamp administrators to change norms. One can take as a constraint the competitive process that pushes norms toward common sense, as socially

defined, and then ask how policies affect the common sense definition, the middle-of-the-road understanding of true need. In other words, if a policy changes the benefits and costs of norms to middle-class citizens, norms will move.

A. Benefits. For example, if Food Stamp benefits are increased, the program imposes a larger tax burden on the average citizen. Higher taxes raise the benefit of having a norm against behaviors that cause Food Stamp receipt. Therefore, norms against these behaviors become harsher. In the work norm example, a benefit increase would lower the norm below \$7.00 per hour. Before, folks earning \$6.00 per hour were considered to be automatically needy; if they quit work and lived off Food Stamp coupons and other forms of assistance, no one would be upset. Now, the higher benefit levels cause society to expect these folks to leave the rolls and work.

As with outreach, the direct and indirect effects of the norm change work in opposite directions. The harsher norms drive some participants out, but the rise in violations makes norm violation easier, and brings some nonparticipants in. If the direct effect is bigger—as one would suspect—the harsher norm reduces caseloads.

So, a benefit increase causes a harsher norm, which reduces caseloads. But we saw in III.A, above, that a benefit increase, norms held constant, has a positive effect on caseloads, and that this effect is amplified by social feedback. Overall, then, a benefit increase may or may not raise caseloads. If norms do not become much more harsh, the benefit increase will definitely raise the caseload. If, however, norms react strongly and become quite harsh, they may drive so many people out of the program that the caseload falls.

In general, one would assume that the norm response would not be that large. Even so, norms move so as to weaken policy effects. Policies designed to raise caseloads will cause a harshness in the norm system that resists the desired caseload increase. Policies hoping to reduce caseloads will create softer norms that encourage participation.

B. Visibility. Similarly, making Food Stamps more visible engages the stigma system more often. We saw above that visibility discourages participation if norms are held constant. Yet it also raises the costs of enforcing norms. For the middle-class citizen, higher enforcement costs make norms less valuable; he wants them to be softer. If norms can move, then, they will become softer, and softer norms lead to higher participation. Once again, the direct effect of visibility is to discourage participation, but the effect is weakened by the norm system, which responds with more tolerance.

## V. SUMMARY AND IMPLICATIONS FOR DESIGN TRADE-OFFS

Our theoretical predictions about policy and stigma depend critically on whether norms change very much in response to policy changes.

A. When norms are fixed: (1) Raising benefits leads to an increase in the caseload, amplified by a decrease in the amount of stigma imposed by norms; (2) raising visibility leads to a decrease in the caseload, amplified by an increase in the amount of stigma imposed by norms; (3) direct outreach efforts to soften norms probably will increase the caseload, but may not; they will have no effect at all if the message does not permeate society as a whole.

B. When norms are not fixed: (1) Raising benefits leads to an increase in the caseload, dampened by an increase in the harshness of norms; (2) raising visibility leads to a decrease in the caseload, dampened by a decrease in the harshness of norms. Norms weaken policy.

C. The presence of social feedback effects makes all policy predictions uncertain. Feedback can translate very small shocks into very large changes in the caseload. Norm systems can abruptly collapse.

In broad terms, these findings contain good news and bad news for administrators of the Food Stamp and other antipoverty programs. Consider the first Ohls/Beebout trade-off, involving benefit targeting. In the model, society defines “true need,” that is, the population of people who “ought” to get

benefits. In effect, society takes over part of the job of determining eligibility. Moreover, society does this job perfectly. This is because, first, it makes no underpayment errors, at least with respect to social eligibility standards. All of the truly needy are allowed to claim benefits. Second, though society makes overpayment errors (giving benefits to people not socially needy), it only makes a socially optimal number of them. Society sets the norm, and hence the overpayment rate, to maximize the net benefits for the median citizen; the overpayment rate is positive but socially efficient. Thus, *there is no trade-off between targeting and access, because stigma ensures optimal targeting with respect to social eligibility criteria.* With respect to scientific need criteria, of course, targeting remains a problem.

Stigma confronts program administrators with a dilemma: if they choose to adopt society's standards, they will be relieved of the burden of worrying about targeting. That is, all those who arrive at the office and are eligible for the program "deserve" the benefits in the social sense; those who stay away do so because society holds them ineligible. But those who stay away may be hungry. Efforts to reach the nonparticipating hungry automatically put the program at odds with social notions of need. The norm system will resist.

This consideration leads directly to the second trade-off, between benefit adequacy and available resources. In the short run, resources are fixed, but in the long run they depend to a large extent on the consistency of program eligibility and the social definition of true need. Much of the recent welfare backlash can probably be traced to perceptions that folks who are not "truly needy" have been receiving public assistance. Whether such perceptions are true or not depends again on the weight of expert opinion versus social opinion. If social definitions are all that matter, then the perceptions *are* the reality. Unfortunately, in the political process social definitions probably hold more weight than expert opinion, and that means that program resources depend mostly on its success in targeting benefits by social need. A program that relies mostly on scientific opinion will see its resources shrink.



There is no easy way out of this problem; administrators may often feel a conflict between their perceptions of hunger and those of society, which ultimately provides program funding.

The third trade-off involves work incentives and other incentives to good behavior. Here the stigma system unambiguously helps the administrator, since it reinforces incentives in the right direction. In the absence of stigma, the impact of programs in discouraging work would be far greater.

Finally, the presence of stigma also ameliorates the trade-offs related to flexibility and administrative cost. Costs can be held down simply by recognizing society's role in determining program eligibility. If the stigma system is doing a good job of targeting, fewer administrative resources need to be devoted to eligibility determination. With less administrative oversight, programs can be more flexible. Indeed, society will make different determinations in different localities, so decentralized decision-making is very desirable.

Finally, stigma creates a new problem, not mentioned in the Ohls-Beebout framework, for administrators: norm systems are chaotic. Small shocks can cause norm systems to break down entirely. Feedback makes prediction difficult. The uncertainty makes all efforts to design program changes that much more difficult. Executing them is also more difficult, because of the disruption caused by abrupt changes in social definitions of right and wrong.

Overall, these results are not good news. The Food Stamp program exists in an unstable normative environment. Its popularity and its effectiveness depend on social concept-forming processes that are beyond its control. The effect of those processes is difficult to predict theoretically; often, the norm system seems to resist the policy. There is some support for the view that informal norm systems can help the Food Stamp program, since it does improve targeting. Yet the unpredictability of norms probably makes them more of a headache for administrators than a help.

What to do? Perhaps the most practical policy recommendation is to maintain an appreciation of the power of norm systems during the policy design and execution process. If policymakers desire to

reduce the impact of stigma on the Food Stamp program, they can do so in several ways. Certainly, decentralization of eligibility standards would make it easier to match local program criteria to local notions of social eligibility. Serious, broad-based outreach programs in local areas can perhaps make the local norm system fit better with the program (and also with scientific nutrition studies). Once aware of the phenomenon, local administrators will, over time, develop intuition about the way that norm systems respond to policy changes in their area, which will help them predict the impact of future policies. Moreover, an awareness of stigma can help administrators better identify the sources of caseload changes.

If, on the other hand, policymakers hope to use stigma to good ends, they may do so. For example, it may be the case that recent upward trends in benefit receipt involve community problems rather than economic problems. In theory, a breakdown in the enforcement equilibrium can cause caseloads to spurt upwards, even though there has been no change in the underlying economic distress. Under such conditions, to respond by raising benefits would be counterproductive, because it would erode the norms still further. A better response would be to restore the previous practices of norm enforcement, by, for example, enhancing opportunities for community interactions. For example, neighborhoods could be given control over common-use resources, like parks and pools. Because this may enhance norm enforcement, the Food Stamp administration may want to consider supporting efforts by other governmental units to develop programs that restore shattered communities in this way.

**Notes**

<sup>1</sup>Besley and Coate (1992) give a theory of stigma without attention to policy effects. Moffitt (1983), Ranney and Kushman (1987), and Fraker and Moffitt (1988) give empirical evidence for the existence of stigma, again without exploring policy effects.

<sup>2</sup>The approach here is in contrast to previous work, in which stigma is applied to all welfare recipients. As a modeling strategy, such a practice is too heavy-handed. It precludes the existence of a class of deserving poor, which we know exists even though it is often overlooked. In fact, not all recipients report shame, nor should they (Rank, 1994).

<sup>3</sup>Besley and Coate's (1992) two models illustrate nicely the problem of giving someone the incentive to impose stigma. In one model, employers use welfare receipt to infer something about productivity. This causes welfare reciprocity to be associated with lower wages. It makes sense for employers to do this, but the phenomenon being studied is not stigma, it is information asymmetry. In the second model, taxpayers resent having to pay for welfare, and their resentment makes welfare recipients unhappy. Besley and Coate do not explain how resentment translates into this unhappiness, however. And there is a tough collective action problem at the point of transmission. Even if I, taxpayer, resent you, welfare recipient, for claiming benefits, any act I might do to convey my resentment would have no significant impact on my tax burden. So I would not do anything, and you would be no less happy.

<sup>4</sup>The importance of expected breakdowns explains why a subculture theory of norms is inadequate. If everyone could sort into friendship groups that fully support their decisions, then stigma would never be observed in the real world. The fact that interviews reveal stigma requires us to consider models in which people at times have interactions with others outside of their subcultures. In other words, subcultures are important for explaining the prevalence of behaviors that seem at odds with mainstream behavior, but they do not explain why people in those subcultures also feel bad about

their behavior. Policy cannot change the subcultures, but it can do something with the bad feelings.

<sup>5</sup>In Bird (1996b), this is shown, not assumed.

<sup>6</sup>This example is from Bird (1996a), which looks at work norms. Bird (1996b) looks at out-of-wedlock birth norms. The analysis will continue to use the work norm example to deliver the intuition of the results, but they apply to any behavior that increases poverty.

<sup>7</sup>To put a very practical face on this: Food Stamp coupons increase the probability that a client, standing in line at the grocery store, will be judged by the others in line as being “not really needy.” Goffman (1963) stresses that such moments are awkward and costly for everyone in line, and the cashier as well. The author has collected much anecdotal evidence that this “stigma-in-line” phenomenon happens all the time, and that its costs are felt far up in the income distribution. Thus, norm enforcement costs appear to be very real, and they do appear to be related to breakdowns in ordinary social interactions.

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