



# **The Relationship Between SNAP and Work Among Low-Income Households**

By Dorothy Rosenbaum

January 2013

The Center on Budget and Policy Priorities, located in Washington, D.C., is a non-profit research and policy institute that conducts research and analysis of government policies and the programs and public policy issues that affect low- and middle-income households. The Center is supported by foundations, individual contributors, and publications sales.

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## EXECUTIVE SUMMARY

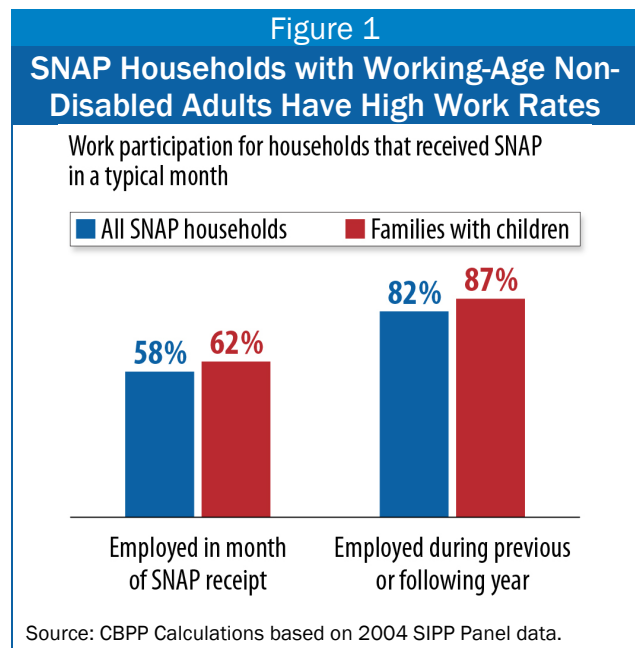
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The Supplemental Nutrition Assistance Program’s (SNAP) primary purpose is to increase the food purchasing power of eligible low-income households in order to improve their nutrition and alleviate hunger and malnutrition.<sup>1</sup> The program’s success in meeting this core goal has been well documented.<sup>2</sup> Less well understood is the fact that the program has become quite effective in supporting work and that its performance in this area has improved substantially in recent years.

### Labor Force Participation Among SNAP Recipients Is High

The overwhelming majority of SNAP recipients who can work do so. Among SNAP households with at least one working-age, non-disabled adult, more than half work while receiving SNAP — and more than 80 percent work in the year prior to or the year after receiving SNAP. The rates are even higher for families with children — more than 60 percent work while receiving SNAP, and almost 90 percent work in the prior or subsequent year. (See Figure 1.)<sup>3</sup>

The *number* of SNAP households that have earnings while participating in SNAP has been rising for more than a decade, and has more than tripled — from about 2 million in 2000 to about 6.4 million in 2011. (See Figure 2.) The increase was especially pronounced during the recent deep recession, suggesting that many people have turned to SNAP because of under-employment — for example, when one wage-earner in a two-parent family lost a job, when a worker’s hours were cut, or when a worker turned to a lower-paying job after being laid off.

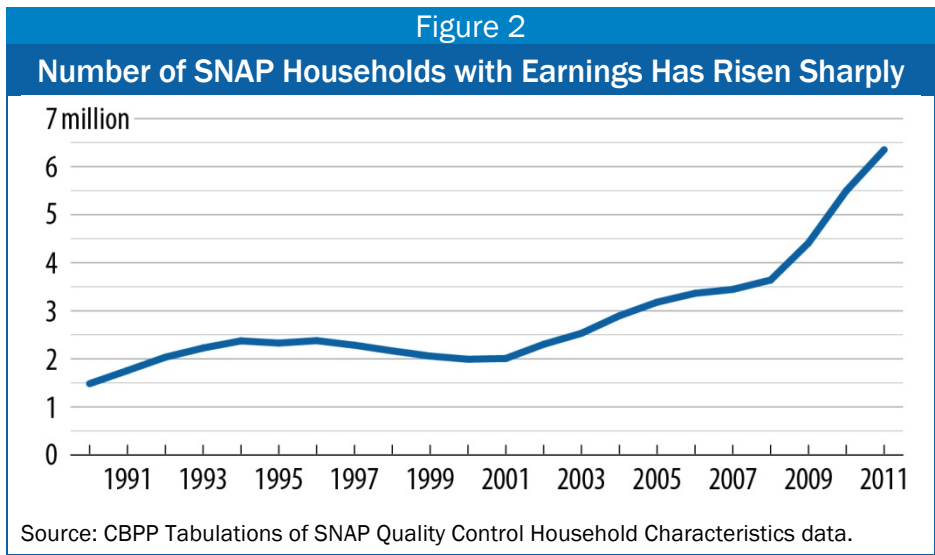


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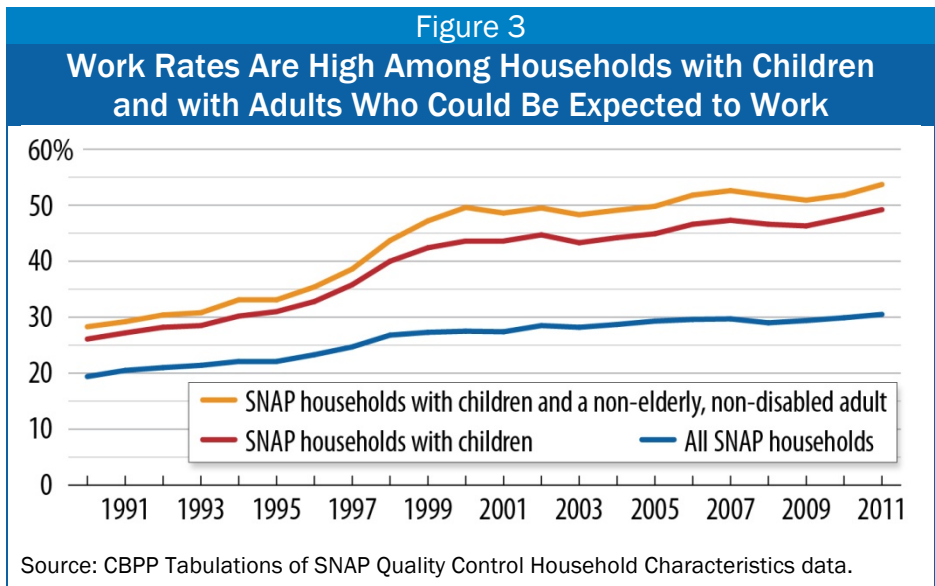
<sup>1</sup> See section 2 of the Food and Nutrition Act of 2008 (7 U.S.C. 2011). SNAP was known as the Food Stamp Program until 2008.

<sup>2</sup> See, for example, U.S. Department of Agriculture, “Building a Healthy America: A Profile of the Supplemental Nutrition Assistance Program,” April 2012; Fox, Mary Kay, William Hamilton, and Biing-Hwan Lin, “Effects of Food Assistance and Nutrition Programs on Nutrition and Health, Volume 4, Executive Summary of the Literature Review,” U.S. Department of Agriculture, Economic Research Service, November, 2004; and additional research available at [http://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-\(snap\)/background.aspx](http://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-(snap)/background.aspx).

<sup>3</sup> The figures are based on data from the Survey of Income and Program Participation (SIPP) for the mid-2000s, before the recent recession, but preliminary analysis finds that they declined only modestly during the recession. For this analysis SNAP household members are considered to be working-age if they are age 18 through 59 and are disabled if they receive a disability-based benefit, such as Social Security or Supplemental Security Income (SSI).

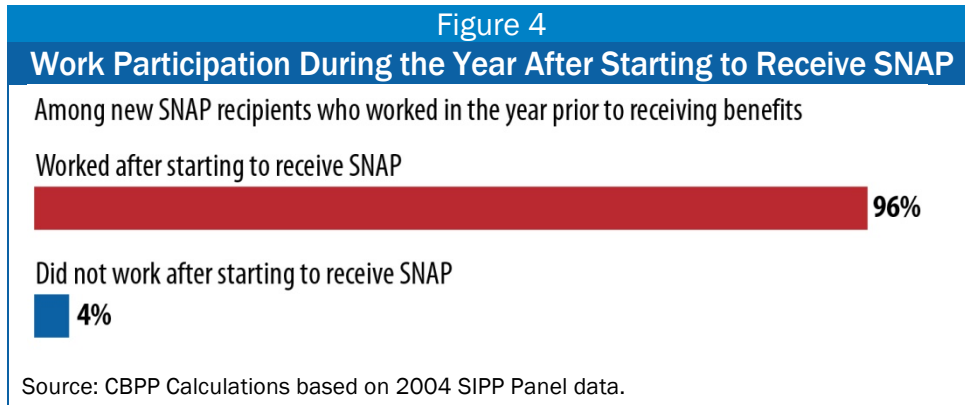


The large increase in the number of working SNAP households in recent years has resulted in the *share* of SNAP households that are working rising, even as the overall number of Americans who are employed declined and the number of long-term unemployed swelled. (See Figure 3.)



The data also indicate that SNAP receipt does not create work disincentives. The overwhelming majority of non-disabled, working-age households that start receiving SNAP do not stop working. In the mid-2000s, only 4 percent of SNAP households that worked in the year before starting to receive SNAP did not work in the following year.<sup>4</sup> (See Figure 4.)

<sup>4</sup> The sample sizes for this analysis are small so the results should be viewed with caution, but they strongly indicate that SNAP does not cause people to leave the labor force.



### SNAP Is Designed to Support Work

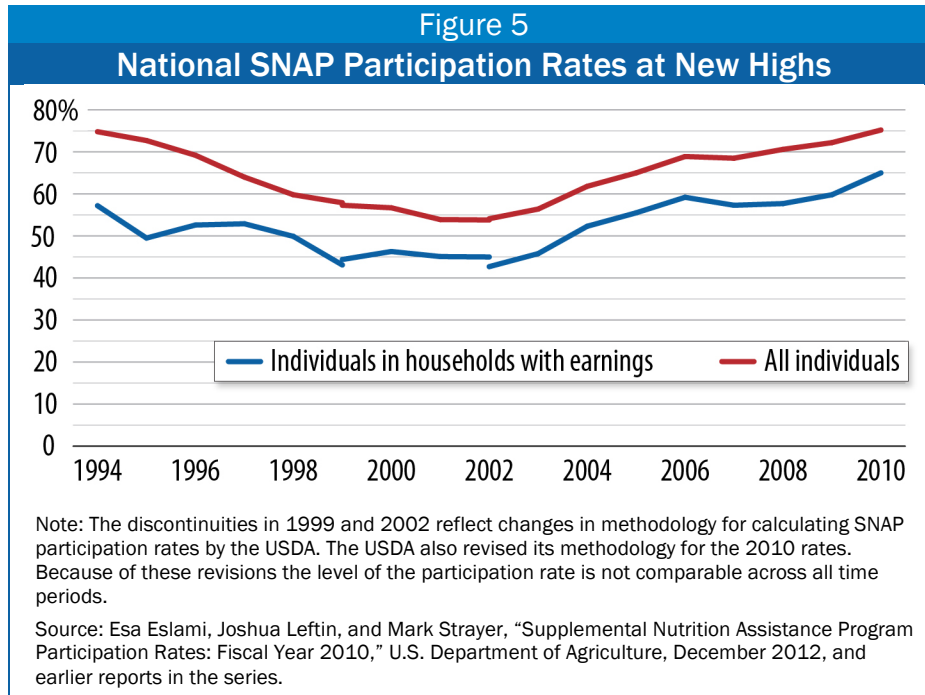
The high labor force participation rate among SNAP recipients is not accidental — SNAP is designed to act both as a safety net for people who are elderly, disabled, or temporarily unemployed *and* to supplement the wages of low-income workers.

- **SNAP’s basic structure supports work.** Households that meet the program’s eligibility rules and requirements can qualify for benefits and be served if they apply. As a result, SNAP is able both to respond quickly and effectively in recessions and to act as a longer-term support for low-wage workers. SNAP typically boosts low-wage workers’ income by 10 percent or more.
- **The SNAP benefit formula includes work incentives.** SNAP targets benefits based on a household’s income and expenses, including a deduction for earned income to reflect the cost of work-related expenses and to function as a work incentive. As a result of the SNAP benefit calculation rules, SNAP households are financially better off if they are able to secure employment or increase their earnings.
- **SNAP cushions the effects of weaknesses in the labor market.** SNAP plays important roles in helping workers who lose their jobs during recessions as well as in supporting low-income workers who are impacted by broader adverse trends in the low-wage labor market. SNAP was the most responsive of all means-tested benefit programs during the recent deep recession and ensuing weak recovery. It also helps workers who struggle to make ends meet when they cannot find higher paying jobs or jobs with sufficient hours.

### SNAP’s Effectiveness in Serving Workers a Focus in Recent Years

SNAP’s performance in reaching eligible working households has improved over the past decade as a result of bipartisan efforts at the federal, state, and local levels to respond to previous weaknesses in this area. The efforts have paid off, with estimated participation rates (i.e., the portion of eligible households that actually receives benefits) hitting highs in recent years; the SNAP participation rate among eligible low-income working families, which fell after enactment of the

1996 welfare law (although that was not what the authors of the law intended), rose from 43 percent in 2002 to about 65 percent in 2010. (See Figure 5.)





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## I. LABOR FORCE PARTICIPATION AMONG SNAP RECIPIENTS IS HIGH

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SNAP benefits supplement the earnings of low-wage workers and help them afford an adequate diet for themselves and their families. SNAP also serves as a safety net for people whose primary source of income is employment but who experience economic setbacks — such as a job loss or divorce — by helping them put food on the table for themselves and their children while they get back on their feet.

One would thus expect to find many SNAP recipients who are working but have low incomes, as well as SNAP recipients who are unemployed. This section examines SNAP administrative data and national surveys to assess the labor force and work status of SNAP recipients, first in a typical month while they are receiving SNAP and then over the year before and the year after a month in which they received SNAP.

The overwhelming majority (almost 70 percent) of SNAP recipients are not expected to work — primarily because they are children, elderly, or disabled. Among those who reasonably could be expected to work, however, we find strong labor force participation:

- More than half of SNAP households with children with a non-disabled, working-age adult in the household are working while receiving SNAP.
- The number of individuals who work while receiving SNAP has risen substantially over the past decade and even during the recent recession and ensuing weak recovery.
- Using data on SNAP receipt and earnings over time, we find that the overwhelming majority of households that include a working-age, non-disabled adult and receive SNAP in a typical month — 82 percent of these households — have earnings during the two-year period surrounding the month of SNAP receipt. Among families with children with a working-age, non-disabled adult, 87 percent work within the two-year period surrounding a month of SNAP receipt.
- The analysis finds no evidence that SNAP discourages work. When we examine new SNAP households who had earnings in the year before receiving SNAP, we find that only 4 percent did not have earnings the following year.

### A. Work Among SNAP Recipients While They Receive SNAP

This subsection examines the work rates of SNAP participants in 2011, the most recent year for which detailed SNAP caseload characteristics are available.<sup>5</sup> It also examines trends over the past two decades. The subsection after this one explores work effort in the year before and after SNAP receipt for households with working-age, non-disabled adults.

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<sup>5</sup> The source of the data is the SNAP Household Characteristics data assembled from the SNAP Quality Control review process. The SNAP Household Characteristics data are a representative sample of SNAP recipients that include information on their household members, income, and other factors used in determining SNAP eligibility and benefit levels. (See Appendix.)

To evaluate the extent of work activity among SNAP participants, it is important to understand who receives SNAP. Historically, SNAP has been the only major federal program serving virtually all categories of low-income people based on need, without regard to age, work history, disability, or family relationships.<sup>6</sup> It thus has served a much broader range of the low-income population than cash assistance through Temporary Assistance for Needy Families (TANF, or the former AFDC program) or Unemployment Insurance (UI), and it fills important gaps in the safety net for low-income working households.

- SNAP serves low-income childless adults, people with disabilities, and the elderly. This is in contrast to cash assistance (state TANF welfare grants), which generally is limited to very low-income families with children.<sup>7</sup> Because SNAP serves the elderly and disabled, a significantly larger share of SNAP recipients are people who are not expected to work. In addition, SNAP has higher income eligibility limits than most states' cash assistance programs — which generally have income limits far below the poverty line — allowing SNAP to serve a broader segment of the low-income population, including low-income working families whose wages make them ineligible for cash assistance.
- SNAP is available to unemployed workers who do not qualify for UI. UI limits coverage to unemployed individuals who have recently worked in covered employment and earned a certain level of earnings. Many low-wage workers who are laid off didn't earn a sufficient amount to qualify for UI. SNAP often is the only support available to out-of-work low-wage workers who don't qualify for UI, qualify for only small UI benefits, or have exhausted their UI benefits before finding a new job.<sup>8</sup>

### Work Among SNAP Recipients in 2011

**Most SNAP participants are either not expected to work or *are* working.** In a typical month of 2011, the most recent year for which data are available, almost 70 percent (68 percent) of SNAP recipients were not expected to work because they were children, elderly, disabled, or were caring for a disabled family member in their home or for a child under six where another household member was working.<sup>9</sup> (See Figure 6.)

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<sup>6</sup> There are some exceptions. Notably, all undocumented immigrants and certain legal immigrants are ineligible for SNAP, and, as discussed elsewhere in this paper, unemployed childless adults are generally limited to three months of SNAP over every three-year period. In addition, workers on strike, most college students, people in institutions (such as prisons or nursing homes), boarders, certain people convicted of drug felonies, and people who have committed SNAP fraud or failed to comply with SNAP work requirements are ineligible for SNAP.

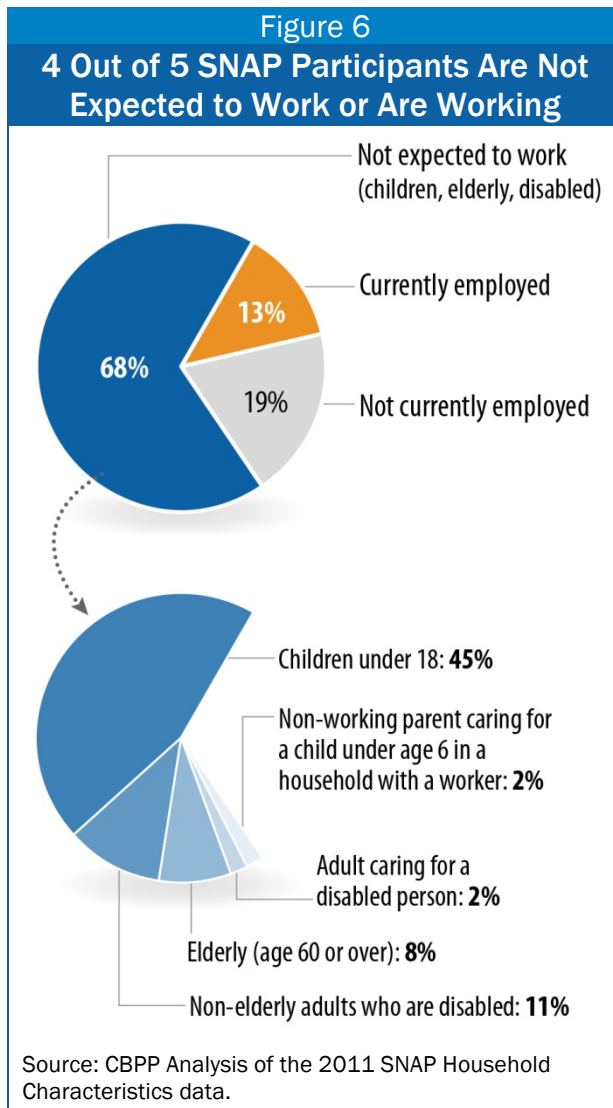
<sup>7</sup> In the past, many states used state funds to provide cash assistance, known as General Assistance (GA), to childless adults, but states have cut back on those programs, and the programs have considerably less reach than in the past. See Liz Schott and Clare Cho, "General Assistance Programs: Safety Net Weakening Despite Increased Need," December 2011, <http://www.cbpp.org/cms/?fa=view&id=3603>.

<sup>8</sup> States operate and set eligibility and benefit rules for both TANF and Unemployment Insurance within broad federal parameters.

<sup>9</sup> Under SNAP law, most adults who are 18 to 59 years of age are required to register for work and can be subject to work requirements (7 U.S.C. 2015(d)). Adults who are caring for children under 6 years old or for an incapacitated person are exempt from these requirements. For purposes of this section, we use this SNAP definition for determining which SNAP participants are expected to work, except that we only exclude adults who are caring for a child under 6 if there is another adult in the household who is working.

**Not expected to work.** Those not expected to work fall into the following categories:

- Almost half (45 percent) of SNAP recipients were not expected to work because they were children under age 18.
- Eight percent of SNAP recipients were elderly.<sup>10</sup>
- Eleven percent were non-elderly disabled adults. For this analysis, disability is defined using the SNAP program’s definition, which is a stringent definition. A person must be receiving a benefit such as Social Security Disability Insurance benefits, Supplemental Security Income (SSI), or veteran’s benefits based on total disability to be considered disabled. (Some SNAP recipients who do not work and are not classified here as disabled may have less severe disabilities or may not yet have received a disability determination from another program.)
- Four percent were adults who were caring for a disabled family member in their home or were the parent of a child under age six in a household where another adult is working. (SNAP work requirements exempt all parents caring for a child under 6, but for this analysis we included them as generally expected to work unless another adult in the household was working. Many SNAP parents with children under 6 work while receiving SNAP — about 40 percent of both single and married parents.)



**Working while receiving SNAP.** In a typical month of 2011, 5.7 million SNAP recipients were working while receiving SNAP benefits. These workers represented 13 percent of all SNAP recipients — and 40 percent of recipients who might reasonably be expected to work (i.e., who are not in the “not expected to work” category). The number of people who work and receive SNAP has increased significantly in recent years despite the recession (see below).

**Not Currently Working While Receiving SNAP.** The remaining one in five SNAP recipients were adults who might be expected to work but were not currently working. The SNAP Household Characteristics administrative data used for this analysis does not provide detailed information on why these individuals were not working — for example, whether they recently lost a job or have a

<sup>10</sup> In SNAP, elderly is defined as age 60 or older.

disability that prevents them from working but that is not severe enough to qualify for a disability benefit. Some may be in the process of applying for disability benefits or awaiting a determination on a pending application; disability applications often take many months to process.

Nonetheless, some of the characteristics we can glean from the SNAP Household Characteristics data are informative:

- **Labor force participation.** Almost 60 percent of such SNAP recipients were “unemployed and looking for work,” while 40 percent were “not in the labor force.” This finding is supported by another variable in the SNAP Characteristics data that shows that half were “exempt from work registration requirements,” which may indicate a disability or other factor that precludes work. (These two labor force findings should be viewed with caution, however, as the data in this area are not sufficiently reliable to draw firm conclusions.)
- **Demographic.** The individuals who might be expected to work but are not working at a point in time are slightly more likely to be women (59 percent). Almost half (47 percent) are white, 32 percent are African American, and 13 percent are Hispanic.<sup>11</sup> Not surprisingly, they have very low incomes: more than three-quarters have cash income below *half* of the poverty line while they are receiving SNAP. Only one-sixth (16 percent) have any postsecondary education. About half (54 percent) have only a high school diploma or GED, while nearly one-third (30 percent) have not completed high school.

### Work Among SNAP Households Has Risen

The preceding discussion examined work among SNAP participants. The remainder of this section examines work among SNAP *households* — that is, people who live together and purchase food and prepare meals together.

The overall number of SNAP households that are working while receiving SNAP has been rising for more than a decade and has more than tripled, from about 2 million in 2000 to about 6.4 million in 2011.<sup>12</sup> (See Figure 7.) The increase was especially pronounced during the recent recession.

- During the early to mid-2000s, the number of SNAP households with earnings climbed gradually for two reasons. First, poverty continued to grow during the weak recovery after the 2001 recession as income for low-wage workers fell in real (i.e., inflation-adjusted) terms.<sup>13</sup>

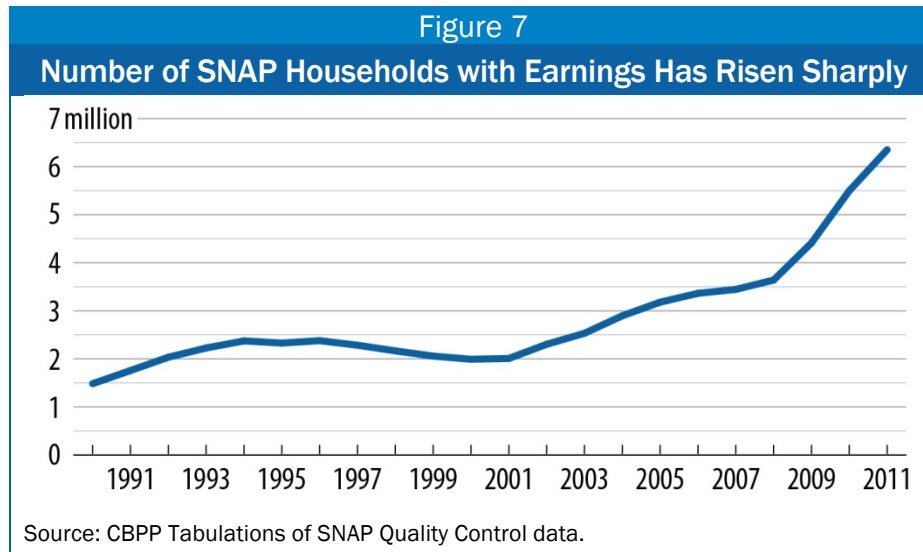
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<sup>11</sup> The share for race and education level is among those for whom the information is available. Racial information is not reported for about 20 percent of SNAP participants, and education level is not reported for about 10 percent.

<sup>12</sup> The number of *households* receiving SNAP that have income from wages or self-employment (6.4 million in 2011) is larger than the number of *individuals* with earnings reported in the previous section (5.7 million in 2011) because some SNAP households include members who are working but who are ineligible for SNAP (for example, ineligible immigrants, people who failed to comply with work requirements, or ineligible college students.) The income of these ineligible household members is taken into account in determining the eligibility and benefit level of the SNAP-eligible household members.

<sup>13</sup> See Robert Greenstein, Sharon Parrott, and Arloc Sherman, “Poverty and Share of Americans Without Health Insurance Were Higher in 2007 — And Median Income for Working-Age Households Was Lower — Than at the

Second, the SNAP *participation rate* among individuals in working households increased from 43 percent in the early 2000s to 57 percent in 2007,<sup>14</sup> as states and USDA worked to raise awareness of SNAP’s availability and benefits among families that work but are still poor (see section III).



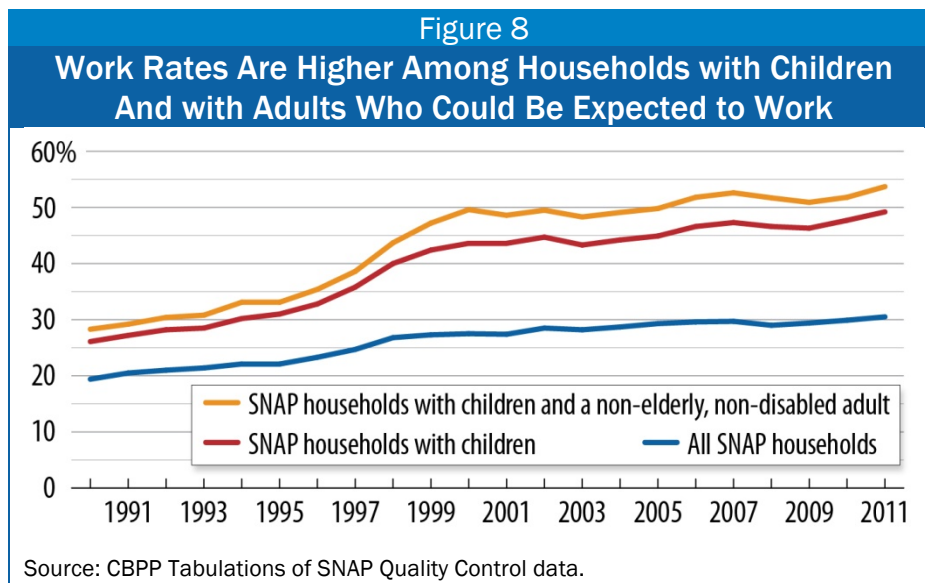
- In the last several years, amidst the recession and lagging recovery, the number of families with children receiving SNAP while working has grown by more than 50 percent despite very high levels of long-term unemployment. This finding suggests that many families have turned to SNAP because of *under-employment* during the economic slump — for example, when one wage-earner in a two-parent family has lost a job, a worker’s hours were reduced, or he or she turned to a lower-paying job after being laid off.

The large increase in the number of working SNAP households in recent years has resulted in the *share* of SNAP households that are working continuing to increase, even as the overall number of employed Americans declined and the number of poor unemployed people rose. In 2011, 31 percent of all SNAP households had earnings, as did almost half (49 percent) of SNAP households with children. And, a majority (54 percent) of SNAP households with children that contained an adult who is not elderly or disabled were working in 2011 even through the unemployment rate averaged 9.2 percent that year. (See Figure 8.)

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Bottom of the Last Recession,” Center on Budget and Policy Priorities, August 26, 2008, <http://www.cbpp.org/cms/?fa=view&id=621>.

<sup>14</sup> Esa Eslami, et. al., “Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2010,” U.S. Department of Agriculture, Food and Nutrition Service, July 2012. The participation rate for individuals in working families continued to rise after 2007, to 60 percent in 2009 and 65 percent in 2010, the most recent year for which estimates are available.



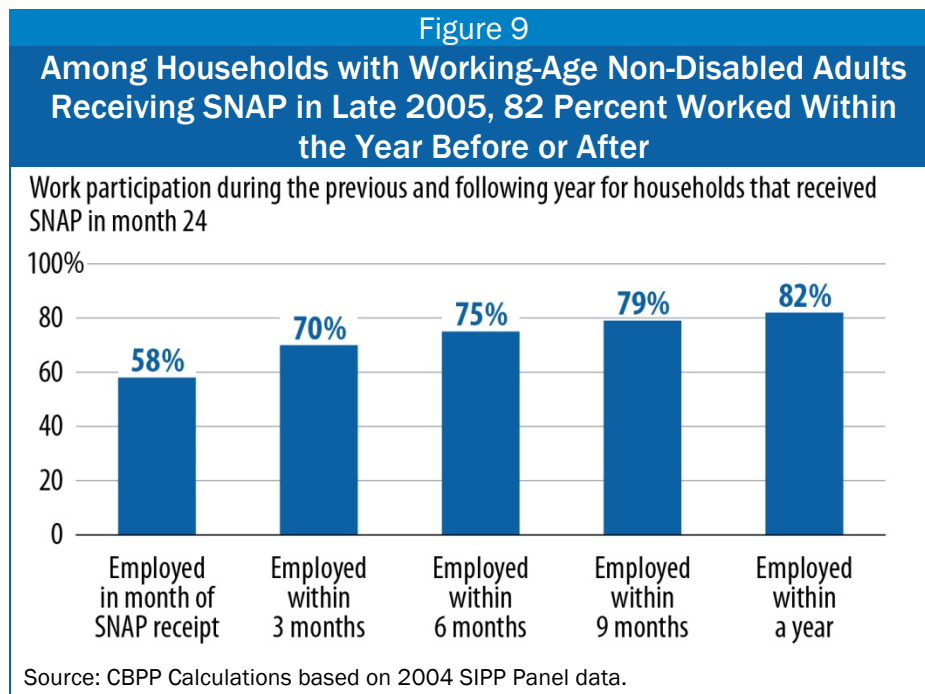
## B. Work among SNAP Households Over Time

Because the SNAP Household Characteristics data address participants' work only in months in which they receive SNAP, and it is well documented that workers turn to SNAP during periods of unemployment, we used data from the Census Bureau's Survey of Income and Program Participation (SIPP) to examine the work of SNAP households in the year before and the year after a typical month of SNAP receipt.<sup>15</sup> The SIPP is a longitudinal data set that surveys the same households over a multi-year period; it collects information about household members, their income and other characteristics, and their participation in public benefit programs such as SNAP. (See Appendix.) As a result, we can use the SIPP to investigate the work effort of SNAP recipients over the year before and the year after a month of SNAP receipt. For this analysis, we use data from the 2004 SIPP panel, which covers the period from 2004 through 2007. Preliminary data (presented below) from the most recent SIPP panel, which covers 2008 to 2010, show only a slight decline in labor force participation among SNAP recipients (relative to the 2004 to 2007 period) despite the onset of the recession.

<sup>15</sup> For the analysis we consider households' SNAP participation in month 24 of the four-year SIPP panel, which includes the period September 2005 through December 2005 depending on the respondent's survey rotation group, and then examine work effort in the previous and subsequent year. The households in this analysis may or may not be receiving SNAP in the months before and after the "anchor" month for the analysis (month 24) when they did receive SNAP. We chose month 24 of the survey panel because it allowed us to follow the same household for a year in both directions relative to a month of SNAP receipt. We define SNAP households to include all individuals who live at the same address and are covered by the same SNAP benefit. If two families are living at the same address but receiving SNAP benefits separately, they would be counted as two SNAP households.

**Work among households with working age, non-disabled adults.** The SIPP data show that 60 percent of SNAP households contain at least one adult who is working-age and not disabled.<sup>16</sup> Among such SNAP households, 82 percent worked in the year prior to the SNAP-receipt month or in the following year, which indicates substantial labor force attachment. (See Figure 9.)<sup>17</sup> Work rates among SNAP households fell only slightly during the recession.<sup>18</sup>

Looking at the data another way, nearly nine out of ten SNAP households (89 percent) contain members who worked within the year before or after the month of SNAP receipt or consist entirely of people who are not expected to work due to age or disability. (To recap: 40 percent of SNAP households have only elderly or disabled adults, and 82 percent of the other 60 percent — or 49 percent of the total — work within the two-year period around a typical SNAP-receipt month. This adds up to 89 percent of all SNAP households.)

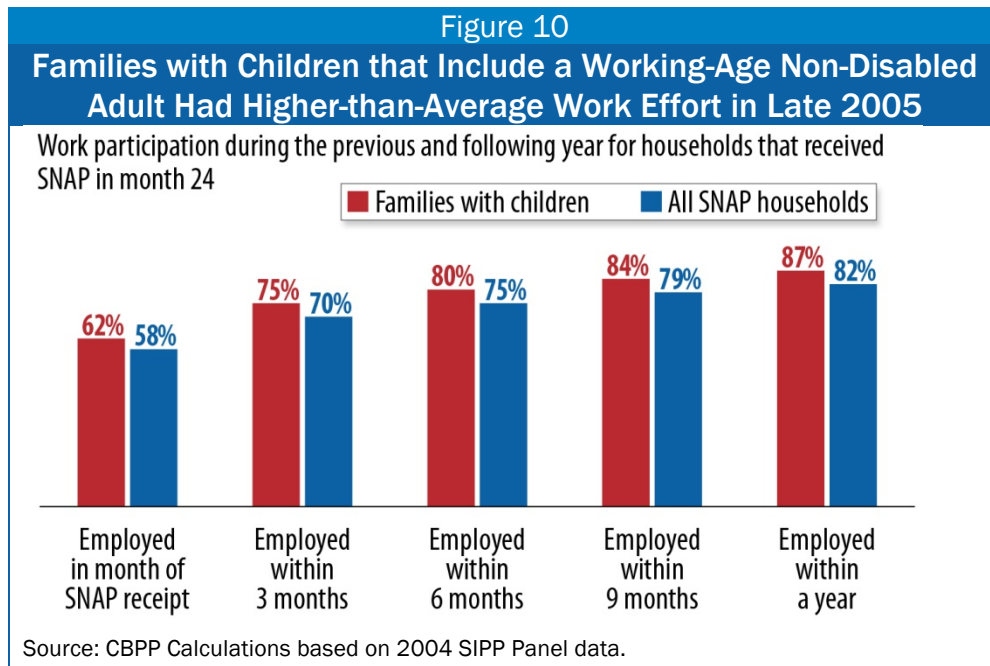


<sup>16</sup> Individuals are considered to be non-elderly and non-disabled if they are younger than 60 and do not receive disability income from SSI, SSDI, workers’ compensation, or VA benefits.

<sup>17</sup> The share of SNAP households with a non-elderly, non-disabled adult that were working while receiving SNAP in 2005 is about half, according to both the SIPP (58 percent) and the SNAP Household Characteristics data cited in the previous subsection (43 percent). The SNAP Household Characteristics data may be somewhat lower for several reasons. First, SIPP is a household survey, which means that respondents must have a fixed residence. SNAP, on the other hand, reaches many homeless households and other more transient households who may be less likely to be employed while receiving SNAP. In addition, work that is not required to be reported for SNAP purposes may be captured by the SIPP but not the SNAP Characteristics data. Some work may not be required to be reported for SNAP either because the work is irregular or not expected to continue into the future, or because, under SNAP’s “simplified reporting” rules, changes in circumstances that do not result in household income exceeding 130 percent of the poverty level need only be reported to the state at six-month intervals.

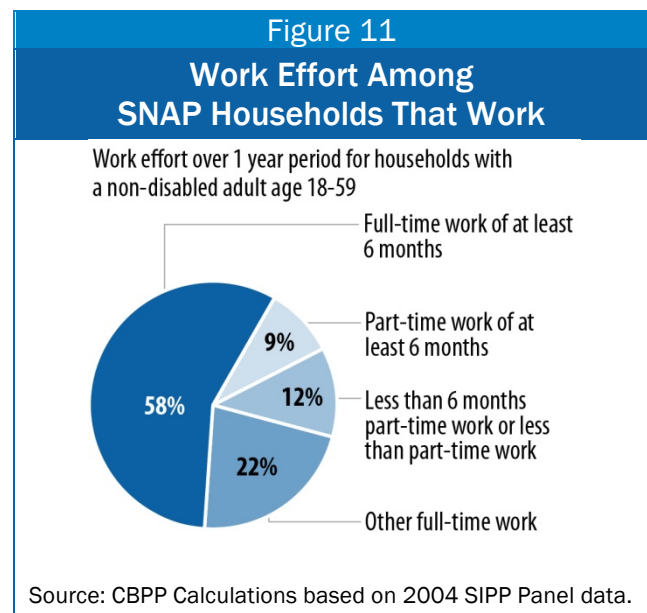
<sup>18</sup> A preliminary analysis of the 2008 SIPP data covering May 2008 to July 2010 indicates that SNAP households continued to have a strong attachment to the labor force during the recession. Among non-disabled, working-age SNAP households, the percentage that worked in the year before or after a typical month of SNAP receipt decreased by only 3 percentage points (from 82 percent to 79 percent) despite the sharp rise in the unemployment rate.

**Work rates are modestly higher among families with children.** Individuals in families with children have modestly higher work rates than other SNAP households. (See Figure 10.) Among families with children with a non-disabled, working-age adult in the household, 62 percent were working in a typical month of SNAP receipt, and 87 percent worked in the prior year or the succeeding year.



**Most work among SNAP households is full time for at least part of the year.** In defining a SNAP recipient as a “worker” for the above analyses, we counted work over the period without specifying the number of hours per month or number of months per year of work. We also analyzed the *extent* of work over the year following the typical month of SNAP receipt.<sup>19</sup> We find that most SNAP households that worked had substantial full-time work. (See Figure 11.)

Among SNAP households that worked in a typical month while receiving SNAP or worked at some point during the following year, nearly three-fifths (58 percent) worked full time (at least 35 hours a week) for six months or more



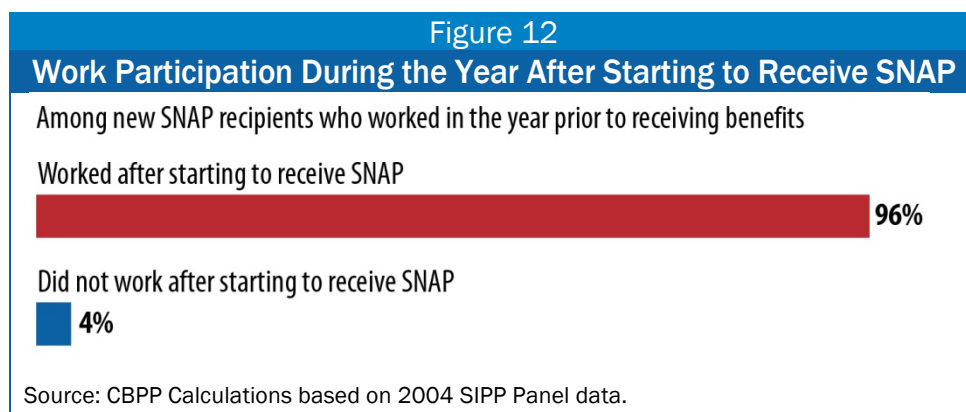
<sup>19</sup> Because it is more intuitive to think about the amount of work over a one-year period, we present findings on work effort in the year following a month of SNAP receipt, rather than a year prior and after. The findings about work effort in the year prior are similar — more than half of households with a non-disabled adult age 18 to 59 that worked in the year prior to a month of SNAP receipt worked full-time for at least six months.



of the following year. Nine percent had substantial part-time work — at least 20 hours per week for six or more months. Another 22 percent worked full time in at least one month over that period. Only about 12 percent worked 20 or more hours per week for less than six months or worked fewer hours than that. The findings are similar for households with and without children, as well as for work in the year *prior* to SNAP receipt.

A detailed examination of why various SNAP recipients do not work more hours per week, more weeks of the year, or at higher wages is beyond the scope of this paper. For some individuals, the labor market does not provide consistent work for people with their limited level of education, skills and training, or physical abilities. For others, work barriers, such as lack of affordable child care or family obligations such as caring for a disabled family member, may reduce the amount of work. Others may be in school or training.<sup>20</sup> This research suggests there are not large numbers of SNAP recipients who could be engaged in work but are not over a several year timeframe.

**There is not evidence that SNAP receipt creates work disincentives.** To investigate whether SNAP receipt discourages work, we conducted a separate analysis of *new* SNAP recipients who worked in the year *before* receiving SNAP to see whether a substantial number of them failed to work *after* receiving SNAP. If receiving SNAP caused people to stop working, we would expect a large number of working households who started participating in SNAP to stop working.



As Figure 12 shows, most non-disabled, working-age households that start receiving SNAP do *not* stop working.<sup>21</sup> One would expect some decline because a job loss is likely to be the reason that a person’s income fell and they qualified for and began to receive SNAP in the first place. A worker may also start receiving SNAP due to an injury or the onset of a disability or a major disruption in family responsibilities that prevents that person from working, such as needing to care for a disabled

<sup>20</sup> The SNAP Household Characteristics data does not have reliable information about whether individuals are in education or training.

<sup>21</sup> In this analysis, a household that participated in SNAP during a temporary period of unemployment but worked in the year following initial receipt of SNAP would be counted as not “stopping work.”

family member. Nonetheless, despite such understandable reasons for not working, only *4 percent* of SNAP households that worked in the year before starting to receive SNAP did not work in the following year. (The sample sizes for this analysis are small so the results should be viewed with caution, but they strongly indicate that SNAP does not cause people to leave the labor force.) This analysis is for the mid-2000s, a period when the economy was not in recession. During and after a recession, unemployed workers likely have a harder time finding a new job.

The conclusion that SNAP has little impact on work effort is corroborated by a recent review and synthesis of the research on the effects of the safety net on poverty and work effort. The study was conducted by some of the field's leading scholars and published by the National Bureau of Economic Research. In it, the scholars examined the research in the field on the impact of the safety net on the amount that people work. The study reported that the research literature shows the effects of SNAP on work effort and earnings to be "small" and often statistically insignificant.<sup>22</sup> These findings differ significantly from those regarding the welfare program (Aid to Families with Dependent Children) in place prior to welfare reform.

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<sup>22</sup> Yonatan Ben-Shalom, Robert A. Moffitt, and John Karl Scholz, "An Assessment of the Effectiveness of Anti-Poverty Programs in the United States," NBER Working Paper 17042, May 2011.

## II. SNAP IS DESIGNED TO SUPPORT WORK

In addition to its primary roles as an anti-hunger and nutrition assistance program, SNAP is designed to support low-income working families. SNAP is targeted to people with the lowest incomes and least ability to afford an adequate diet, including people temporarily out of work as well as people working at low wages or with insufficient hours of work that leave them and their family below the poverty line. Because SNAP is available to all households that meet the program's eligibility rules and other requirements, it can expand and contract as the economy goes through hard times and good times.

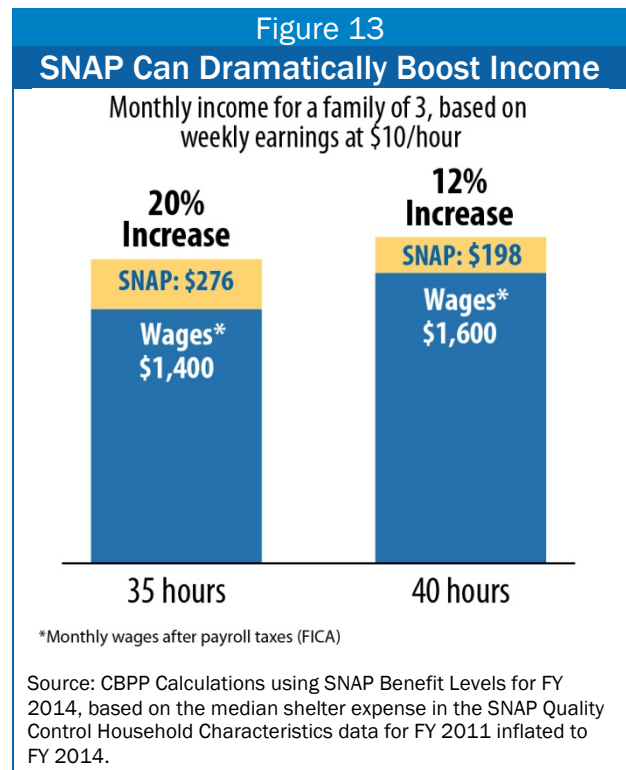
### A. The Relationship Between SNAP Rules and Work

SNAP is an important support for families that work in low-wage jobs. For a family of three with one wage-earner who works full time or close to it at \$10 an hour, SNAP increases the family's take-home income by 10 percent or more. (See Figure 13.) For workers who are in low-wage jobs, or are forced to reduce their hours of work when their employer experiences slumping sales, SNAP plays an important role in helping the worker provide an adequate diet for his or her family.

#### SNAP Benefit Formula Includes Work Incentives

The amount of a low-income household's SNAP benefits is based on its income and expenses. SNAP expects participating families to spend 30 percent of their net income on food; SNAP is designed to make up the difference between the household's expected contribution and the monthly cost of the "Thrifty Food Plan," a bare-bones diet plan formulated by USDA that is intended to provide adequate nutrition at low cost. All unearned income — such as cash assistance grants, UI, child support, and Social Security — is counted. SNAP rules deduct 20 percent of a household's gross earnings before SNAP benefits are computed, to account for work-related expenses and payroll taxes and act as a work incentive.<sup>23</sup>

A concern among many economists and policymakers is that public benefits designed to reduce hardship among unemployed workers can unintentionally create a "trap" where the worker may not want to accept a low-wage job (or an



<sup>23</sup> For a description of SNAP eligibility and benefit calculation rules see CBPP, "A Quick Guide to SNAP Eligibility and Benefits," January 9, 2012, <http://www.cbpp.org/cms/index.cfm?fa=view&id=1269>.

increase in income from work) because his or her earnings net of taxes will not be much larger than the benefits received when *not* working (or because the increase in earnings will not be much larger than the reduction in benefits). Because of SNAP’s earnings deduction and benefit calculation rules, however, people who receive SNAP are financially *better off* if they are able to secure employment or increase their earnings.

As can be seen in the example below, when a SNAP recipient increases her earnings, her SNAP benefits decline modestly and gradually, rather than precipitously. Benefits decline by 24 to 36 cents for each additional dollar earned (substantially less than in many other means-tested programs).<sup>24</sup> As a result, families that receive SNAP have strong incentive to work longer hours, improve their skills through education and training, or search for better-paying employment. This can be seen in Table 1 for a hypothetical family of three.<sup>25</sup>

Family of Three	Recently Unemployed, No Income	Work: \$10/hour, 20 hours/week	Work \$10/hour, 30 hours/week	Work \$10/hour, 40 hours/week
Wages, after payroll taxes	\$0	\$800	\$1,200	\$1,600
SNAP	\$505	\$485	\$354	\$198
Total monthly resources	\$505	\$1,285	\$1,554	\$1,798

Notes:  
 1) SNAP calculations are for fiscal year 2014, after the Recovery Act SNAP benefit increase expires, and assume shelter costs equal to the national median for three-person households with children and earnings in 2011, adjusted for three years of inflation.  
 2) For purposes of this table we include SNAP benefits as income in calculating total monthly resources, even though they are not provided as cash. In the scenarios with earnings, the families also would qualify for the Earned Income Tax Credit and Child Tax Credit, which they would receive in a lump sum the following year based on their tax return.

### **SNAP Supports Families Transitioning from Welfare to Work**

Similarly, for families moving from cash assistance, or “welfare,” to work, the monthly food benefits from SNAP provide a significant boost to a household’s wages. This can be especially important during a transition that includes uncertainty about when the first paycheck will begin to arrive or periods with irregular work hours. If a family moving from welfare to work loses its SNAP benefits in the process (as was common in the years immediately following enactment of the 1996

<sup>24</sup> The 24 to 36 percent range is a result of the interaction between the deduction SNAP allows for households whose shelter expenses consume a large share of their income and other features of the SNAP benefit calculation. Households *without* earnings face a 30 to 45 percent benefit reduction rate.

<sup>25</sup> Households that receive other benefits in addition to SNAP may experience higher marginal tax rates. See Congressional Budget Office, *Effective Marginal Tax Rates for Low- and Moderate-Income Workers*, November 2012. It is important to note that for low-wage workers, the SNAP benefit reduction rate works in tandem with the Earned Income Tax Credit and the Child Tax Credit. When a SNAP recipient who has been out of work part of the year takes a low-wage job, her SNAP benefits decline modestly, but as her earnings increase she becomes eligible for more tax-based support. A single mother with two children will receive additional levels of EITC and CTC as earnings rise, until her annual earnings surpass \$17,530.

welfare law before Congress, the Administration, and states addressed this problem on a bipartisan basis), the family may have lower total resources as a result of going to work.

Eric M. Bost, who served as President George W. Bush's Undersecretary of Agriculture for Food, Nutrition, and Consumer Services, described the role of the Food Stamp Program (as it then was called) in supporting work and welfare reform goals in testimony at a June 2001 congressional hearing:

“The Food Stamp Program has also contributed to the success of welfare reform by supporting the transition from welfare to work. The reasons are easy to understand — if you are worried about your family's next meal, it is hard to focus on your future. For many households, food stamps can mean the difference between living in poverty and moving beyond it. And for many, it has.”<sup>26</sup>

## SNAP Supports Employment and Training Programs

States are required to operate employment and training (E&T) programs for SNAP participants who are not working or are underemployed. States receive federal funding for such activities as well as federal matching funds for state-funded expenditures.

SNAP E&T activities fill a serious gap in job training by targeting low-skilled and unemployed individuals who are not eligible for, or otherwise not served by, other employment or training programs. States have a fair amount of flexibility in designing their SNAP E&T programs and identifying which SNAP participants must participate in which E&T activities. Federal funding for SNAP E&T equaled \$360 million in fiscal year 2012, consisting of \$110 million in federal grant funds and \$250 million in funds matched by states for E&T expenditures.

SNAP E&T is often the sole source of funding for work programs and job-related services for SNAP participants, many of whom are very poor, have limited education and work experience, and face significant barriers to employment. Other federal job training programs like those funded under the Workforce Investment Act (WIA) and traditional occupational training programs are generally ill-equipped to help many SNAP recipients gain jobs. In a 2003 Government Accountability Office report, a number of state agencies reported that “many [SNAP] participants are not ready for many program services such as training classes offered by programs at the [WIA] one-stops because they lack basic skills, such as reading and computer literacy, that would allow them to use those services successfully.”<sup>a</sup>

The resources available for employment and training for SNAP recipients are modest in comparison to other state and federal resources available for such activities, and so the reach of SNAP E&T is necessarily limited.

<sup>a</sup> General Accounting Office, “Food Stamp Employment and Training Program: Better Data Needed to Understand Who Is Served and What the Program Achieves,” GAO-03-388, March 2003.

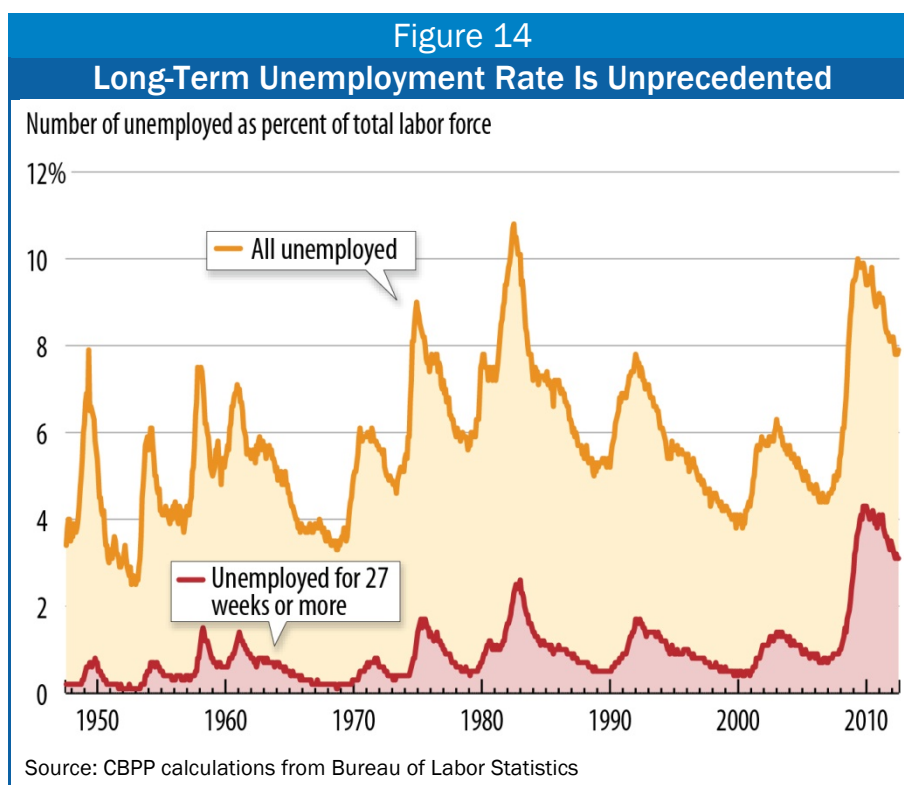
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<sup>26</sup> Testimony of Eric M. Bost, Under Secretary, Food, Nutrition and Consumer Services before the House Committee on Agriculture, Subcommittee on Department Operations, Oversight, Nutrition and Forestry, June 27, 2001, <http://www.fns.usda.gov/cga/speeches/ct062701.html>.

## B. SNAP Helps Out-of-Work Families During Recessions

SNAP plays an important role in helping workers (and their families) who are temporarily out of work due to economic downturns or local developments such as plant closings. SNAP is the most responsive of all means-tested benefit programs to economic changes, expanding automatically to serve the newly unemployed during recessions and contracting during recoveries.

Only UI, which does not base benefits on need, responds more sharply to changes in economic conditions.<sup>27</sup> Between late 2007, when the Great Recession began, and late 2009 the number of households receiving SNAP rose from about 27 million to about 38 million, an increase of about 42 percent, while the number of unemployed workers receiving UI rose from 2.5 million to 9.7 million, or by almost 300 percent.<sup>28</sup>



<sup>27</sup> Other programs either cannot respond to increased need because of their funding structures (they are either capped mandatory programs or subject to annual appropriations) or, like Medicaid and SSI, serve a more disproportionately disabled population than SNAP or UI and hence are not as sensitive to changes in the labor force.

<sup>28</sup> See <http://ows.doleta.gov/unemploy/docs/persons.xls> for data on the number of UI recipients. The recession officially ended in the summer of 2009, but we show the growth through the last quarter of 2009 to avoid distortions from seasonal patterns. The number of UI beneficiaries grew for two reasons during the recession: first, the structure of the program has permanent countercyclical features, meaning it responds automatically during economic downturns, and second, Congress and Presidents Bush and Obama enacted legislation to temporarily expand the number of weeks of UI benefits people could receive. The 2009 Economic Recovery Act also included a temporary boost in benefits by \$25 per week and included enactment of the Unemployment Insurance Modernization Act, which provided states with financial incentives to expand UI eligibility modestly.

The increase in SNAP households reflected the unusual severity of the recession, during which 7 million jobs were lost (more than in any other recession since World War II) and long-term unemployment hit record high levels, both in absolute terms and as a share of the labor force.<sup>29</sup>

Moreover, need has remained high in the subsequent weak recovery. As of 2012, some 12.5 million people remained out of work, and two-fifths of the unemployed have been looking for work for a half year or longer, often much longer.<sup>30</sup> (Under the previous high, which occurred in the 1980s, just 26 percent of the unemployed had been out of work for more than half a year; see Figure 14.) Further, the number of involuntary part-time workers — that is, workers who would prefer to work full time but can only find part-time work — remained at 8.1 million in 2012, far above its pre-recession level.

Recent research provides further evidence of the substantial role that SNAP has played in meeting the needs of unemployed workers during the deep, prolonged recession and ensuing weak recovery.

- A recent analysis by the Joint Economic Committee found that in 2010, over 20 percent of those who had been unemployed for more than six months received SNAP benefits. The study also found that nearly 25 percent of households in which a worker's unemployment benefits ran out before he or she found a job were enrolled in SNAP.<sup>31</sup>
- Similarly, another recent study found that among low-income *non*-SNAP families with children in which the household head experienced a job loss between the late 1990s through 2009, almost 20 percent entered SNAP within four months of losing a job. (A similar proportion entered SNAP within four months of experiencing a marital dissolution.)<sup>32</sup>

SNAP's role in helping working families through bouts of unemployment is particularly important because of gaps in other programs.

- **Unemployment Insurance is not available to all unemployed workers.** Many unemployed workers are not eligible for UI, and in normal times, much less than half of the unemployed receive UI. That percentage increases during recessions as a larger percentage of the unemployed have the necessary work history to qualify for benefits. However, even at the peak of job losses in early 2010, about one in every four unemployed workers was *not* receiving UI.<sup>33</sup> For unemployed workers who cannot receive UI, SNAP may be the sole program available to help them make ends meet while they search for a new job. There are a number of reasons that

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<sup>29</sup> See Legacy of the Great Recession chartbook: <http://www.cbpp.org/cms/index.cfm?fa=view&id=3252>.

<sup>30</sup> The Pew Charitable Trusts, "Addendum: A Year of More: The High Cost of Long-Term Unemployment," May 2012.

<sup>31</sup> U.S. Congress Joint Economic Committee, *Lifeline for Families, Support for the Economy: The Supplemental Nutrition Assistance Program*, November 22, 2011.

<sup>32</sup> H. Luke Shaefer, "The Final Thread of the Public Social Safety Net? The Responsiveness of the Supplemental Nutrition Assistance Program to Economic Shocks Experienced by Low-income Households with Children," Draft for presentation at the fall research meeting of the Association for Public Policy Analysis and Management, October 2011.

<sup>33</sup> Department of Labor data at <http://ows.doleta.gov/unemploy/docs/persons.xls> show that the number of people claiming federal UI benefits averaged about 11.7 million in January 2010. The number of unemployed at that time was 15 million on a seasonally adjusted basis (16 million on a non-seasonally adjusted basis).

an unemployed worker may not qualify for UI:

- Some unemployed workers worked in jobs that are not covered in the UI system, for example because they are self-employed or worked at a place of worship that did not choose to participate in the UI system;
  - Others lacked sufficient earnings (or earnings distributed over calendar quarters in the required manner) during the qualifying period to be eligible for UI;
  - Some unemployed workers are new to the labor force (such as recent high school or college graduates) or recently re-entered the labor force (such as mothers of school-aged children). These workers likely will not have the recent work history needed to qualify for UI;
  - Workers who need to separate from employment to care for an ill family member, relocate to follow a spouse to a new job, or escape domestic violence are often ineligible for UI;
  - Still other unemployed workers exhausted their UI benefits before they can find new work.
- **Cash assistance through TANF responded only modestly to increased need during the recession.** In contrast to the SNAP program, which expanded to meet increased need during the downturn, TANF did not prove especially responsive to meeting the needs of poor unemployed workers. Between December 2007 and December 2009, TANF caseloads increased by only 13 percent nationally, while the number of unemployed people doubled (and SNAP caseloads increased by 42 percent).

In addition to helping low-income households afford food during economic downturns, SNAP provides hard-hit communities with an important stream of purchasing power and income. SNAP helps maintain overall demand for food during slow economic periods. SNAP benefits are one of the fastest, most effective forms of economic stimulus, because they get money into the economy quickly. Moody's Analytics estimates that in a weak economy, every \$1 increase in SNAP benefits generates about \$1.70 in economic activity, more than any type of tax cut or any other spending increase that Moody's examined.<sup>34</sup> Similarly, the Congressional Budget Office rated an increase in SNAP benefits as one of the two most cost-effective of all spending and tax options that it examined for boosting growth and jobs in a weak economy.

### C. SNAP Plays an Important Role in the Context of the Low-wage Labor Market

In addition to easing the effects of recessions on families and communities, SNAP responds to longer-term challenges faced by workers in the lower and middle rungs of the labor market — challenges that started long before the recent recession and are likely to continue for some time.

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<sup>34</sup> Mark Zandi, "An Analysis of the Obama Jobs Plan," September 9, 2011, [http://www.economy.com/dismal/article\\_free.asp?cid=224641](http://www.economy.com/dismal/article_free.asp?cid=224641).



For workers with limited education and skills, other than during a brief period in the late 1990s, the labor market has been characterized by stagnant wages and a dearth of jobs that can provide long-term stability or an opportunity for advancement.

As a result, many workers with limited education and skills find that their earnings are insufficient to meet nutritional and other basic needs. For some workers, wages are so low that even if they worked full time all year, their income would not be adequate to keep their family out of poverty. Even before the recession, the share of workers with below-poverty wages was rising, from 23.9 percent in 2001 to 26.4 percent in 2007. (The figure reached 28 percent by 2011.) About 40 percent of all wage earners have hourly pay that would be too low on a full-time, year-round basis to keep a family of four above 125 percent of the poverty line, which is close to the SNAP eligibility level. This figure has changed relatively little in the last four decades (it was 44 percent in 1973).<sup>35</sup>

For others, many available jobs are part-time or short-term and episodic, leading to low annual earnings. These problems are compounded during periods of economic weakness but are evident even when the job market is relatively strong. For many workers and families affected by these problems, SNAP serves as a vital work support.

### **Slow Growth Expected for the Labor Market**

Unless economic growth and job creation accelerate markedly, it will take a long time to restore full employment, and low-wage workers will face a difficult labor market for at least the next several years.

The Congressional Budget Office has documented the effects of high unemployment in recessions, especially on the long-term unemployed, who can have a harder time finding employment because of skill deterioration once the economy recovers, and even after finding a job have an increased likelihood of reduced earnings.<sup>36</sup>

Urban Institute economist Harry Holzer and a team of coauthors from the National Science Foundation, the University of Chicago, and the U.S. Treasury Department recently concluded that, over the long term, “good jobs are not disappearing for everyone, but that they are largely disappearing for less-educated workers.”<sup>37</sup>

In addition, early evidence suggests that a substantial share of jobs created thus far in what has been a sluggish recovery pay low wages, and many individuals who want to work full time continue to be unable to do so.

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<sup>35</sup> Economic Policy Institute, *The State of Working America*. (Washington, D.C.: Cornell University Press, November, 2012).

<sup>36</sup> Congressional Budget Office, “Understanding and Responding to Persistently High Unemployment,” February 2012.

<sup>37</sup> Harry J. Holzer, Julia I. Lane, David B. Rosenblum, and Fredrik Andersson, *Where are All the Good Jobs Going?* (New York: Russell Sage Foundation, 2011), p. 17.

- The share of workers paid below-poverty wages (hourly wages too low to support a family of four at the poverty line even with full-time, year-round work) rose from 25.5 percent in 2009 to 28 percent in 2011.<sup>38</sup>
- The National Employment Law Project finds that lower-wage occupations — those that pay median hourly wages from \$7.69 to about \$14 in 2012 dollars (such as retail sales and food preparation) — constituted 21 percent of recession job losses, but account for 58 percent of job growth during the recovery (through the first quarter of 2012). By contrast, mid-wage occupations — those that pay hourly wages between about \$14 and \$21 (such as construction, manufacturing, and state and local government employment) — constituted 60 percent of recession job losses but account for only 22 percent of job gains during the recovery.<sup>39</sup>
- The number of workers whom the Labor Department classifies as “part-time for economic reasons” — workers who want to work full time but can only find part-time work — more than doubled during the recession, from 4.4 million in 2007 to 8.9 million in 2009; by 2012, three years after the recession officially ended, the number of such workers remained very high, at 8.1 million.<sup>40</sup>

These trends suggest that over the coming years, many working individuals are likely to need the support that SNAP provides to help make ends meet.

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<sup>38</sup> Economic Policy Institute, *The State of Working America*, op. cit.

<sup>39</sup> National Employment Law Project, “The Low-wage Recovery and Growing Inequality,” August 2012. High wage jobs constituted 19 percent of job losses during the recession and 20 percent of job gains during the recovery.

<sup>40</sup> Economic Policy Institute, *The State of Working America*, op. cit. and Bureau of Labor Statistics.

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### III. SERVING WORKING HOUSEHOLDS HAS BEEN A SNAP PRIORITY IN RECENT YEARS

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SNAP's performance in reaching eligible working households has improved over the past decade as a result of bipartisan efforts at federal, state, and local levels to respond to previous weaknesses in how the program serves low-income working families.

The 1996 welfare law was intended to encourage work among households with children who participate in cash assistance, but due to problems in state administrative systems in the first years of its implementation, many families moving from welfare to working-poor status were cut off SNAP when they left welfare even though they remained eligible for SNAP. This was contrary to what Congress had intended.

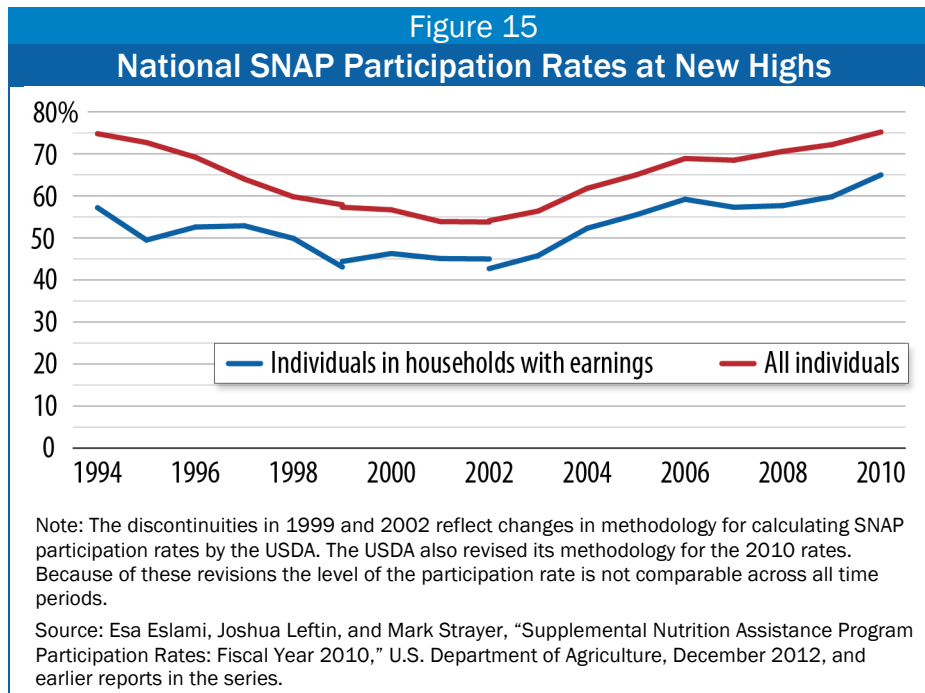
Aggravating this problem, some states instituted administrative practices in those years that had the unintended effect of making it harder for many working-poor parents to participate in SNAP, largely by forcing them to take too much time off from work for repeated visits to SNAP offices at frequent intervals, such as every 90 days, to reapply for benefits.

This prompted bipartisan calls for reforms that would improve access to SNAP for low-income working families and led both the Clinton and Bush administrations to act to address this problem. A bipartisan consensus emerged that making it difficult for families to continue receiving SNAP when they left welfare for low-wage work would discourage work and conflict with welfare reform goals.

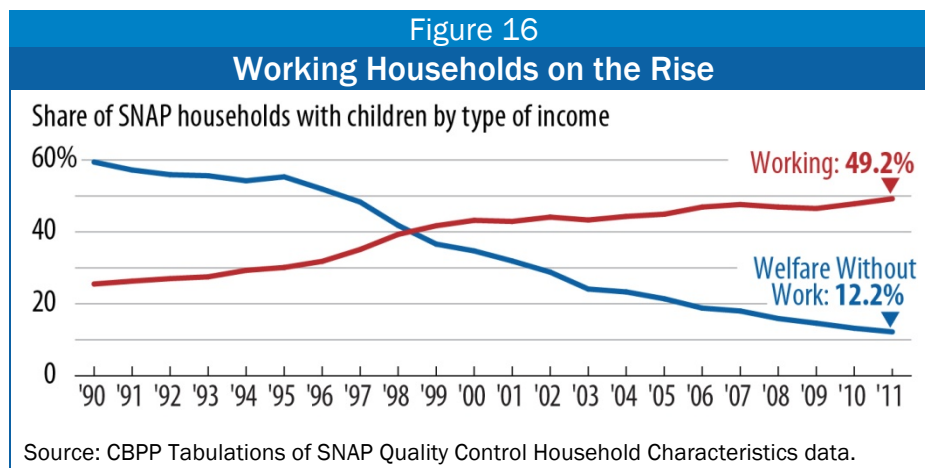
As a result, Congress enacted significant, although relatively modest, changes in 2002 and 2008 to lessen barriers to SNAP participation among the working poor, as well as modest improvements in benefits largely aimed at low-wage workers and their families. In addition, most states took steps to improve access for working families. These measures, described in more detail below, have succeeded: the SNAP participation rate, which had plummeted from 75 percent of the eligible individuals receiving SNAP assistance in 1994 to 54 percent in 2002, was back to 75 percent in 2010, the latest year for which these data are available. Of particular note, SNAP participation among low-income *working* families rose steadily over the past decade, from 43 percent in 2002 to about 65 percent in 2010, the highest level on record.<sup>41</sup> (See Figure 15.)

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<sup>41</sup> See Esa Eslami, Joshua Leftin, and Mark Strayer, "Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2010," U.S. Department of Agriculture, December 2012. Note that USDA periodically revises the methodology used to estimate participation rates, so participation rate levels are not strictly comparable over time. The methodological revision in 2010 results in an understatement of the increase in the participation rates between 2009 and 2010.



More generally, over the last two decades, changes in SNAP and the cash welfare programs (as well as enhanced work incentives in tax policy, such as the Earned Income Tax Credit) have resulted in much larger shares of SNAP households working and a much smaller share relying on cash welfare assistance. In 2011, over four times as many SNAP households worked as relied solely on welfare benefits for their income. (See Figure 16.)



Recent improvements made in SNAP on a bipartisan basis (through both legislation and state administrative practices) have made it less burdensome for low-income working households to participate. Over time, states administering the program have become more efficient in determining eligibility and benefit levels and have sought to decrease both SNAP administrative costs and the burdens that low-income working families face in applying. By reducing the number of trips to SNAP offices that applicants must make and relying more on existing databases to verify household circumstances, rather than requiring households to produce extensive documentation, the program

has become more accessible to the working poor as well as more accurate in determining household eligibility and benefit levels.

Key among these improvements has been a reduction in the paperwork that working families must periodically submit to retain eligibility. States have moved from requiring working families to reapply for eligibility every three months and report even very minor changes in income each month (due to such factors as fluctuations in sick days or overtime) to longer certification periods (of six to 12 months) and “simplified reporting,” which substantially reduces the changes that households must report as long as their income remains below the program’s income eligibility limit.

In addition, the application process has improved, primarily through providing applicants and recipients with new options, such as online services. At least 40 states allow individuals to complete and submit an application over the Internet.<sup>42</sup> By enabling individuals to apply for benefits at times and places that do not interfere with their jobs, states have made the program more accessible to working-poor households whose work schedules make applying in person during regular business hours difficult. Increased use of telephone interviews also has decreased the required trips to the office for face-to-face interviews.

Some other recent policy changes have also improved access for working families, in part by adjusting requirements to better reflect these families’ financial circumstances. For example, many states have recognized the importance of allowing low-income individuals to retain modest assets to improve their ability to respond to unexpected circumstances and to support efforts to build household self-sufficiency. In particular, most states have taken advantage of flexibility in federal law to prevent otherwise eligible low-income working households from being disqualified because they own a modest car they need to commute to work. For many years, SNAP policy counted the value of cars in a way that made many newly unemployed or working-poor households ineligible for benefits unless they got rid of the car, an action that would make it difficult for many to look for work or hold a job.

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<sup>42</sup> “SNAP Online: A Review of State Government SNAP Websites,” Center on Budget and Policy Priorities, January 8, 2013, <http://www.cbpp.org/cms/index.cfm?fa=view&id=618>.

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## IV. WORK REQUIREMENTS FOR SNAP HOUSEHOLDS

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SNAP rules require most adult SNAP recipients who do not have a disability to register for work, accept suitable employment, and take part in any employment and training programs to which the state assigns them. SNAP recipients may not voluntarily quit a job or reduce work effort below 30 hours a week without good cause. Failure to comply with these work requirements results in disqualification from SNAP.

### Childless Adults

For unemployed adults without children, SNAP has a tougher work rule than is found in any other federal program. A provision of the 1996 welfare law often (but somewhat misleadingly) referred to as a “work requirement” limits SNAP for most people between the ages of 18 and 50 who aren’t disabled or raising minor children to *three months* of benefits out of every *three years*, for months in which they aren’t employed at least 20 hours per week or enrolled in a qualifying work program (which most states operate on only a very limited scale). States can seek federal approval to ease this limit for local communities experiencing high unemployment and may exempt a limited number of individuals based on their individual circumstances.

The three-month limit applies to people who have been working but have lost their jobs for any reason, including plant closings or outsourcing, and cannot quickly find new employment. States are not required to provide — and for the most part do *not* provide — work programs or job training for these individuals. As a result, what was initially labeled a “work requirement” has essentially become an austere time limit of three months of assistance for poor unemployed workers, many of whom want to work but cannot find a job.

Since 2009, the three-month limit has been temporarily suspended in most of the United States (under both the Recovery Act and longstanding SNAP authority that allows states to request waivers for areas with high unemployment and a lack of sufficient jobs).<sup>43</sup> As the economy improves, states will no longer qualify for statewide waivers and will be required to reinstate the three-month limit in many or all areas. Even with continued high levels of unemployment, childless adults who do not have jobs will face eligibility cut-offs. In coming years, approximately one to two million people will again be subject to the spartan three-month limit, because many fewer areas will be eligible for waivers of the time limit.

Most of those affected by the three-month limit are very poor; many have little or no income other than SNAP and qualify for no other benefits, because they are not raising minor children. Most states and localities have eliminated the cash “general assistance” programs they once made

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<sup>43</sup> The 2009 Recovery Act included a provision that suspended the three-month time limit for the rest of 2009 and for fiscal year 2010. Because almost all states would have been eligible for a statewide waiver from the time limit under longstanding policy, the effect of this provision was primarily to eliminate the need for individual state waiver requests and federal approval. For information on the rules for state waivers, see 7 C.F.R. 273.24(f) and USDA guidance from December 3, 1996, March 11, 2004, and January 8, 2009, available at [www.fns.usda.gov](http://www.fns.usda.gov).

available to unemployed childless adults. In most of the United States, SNAP is the only safety net available to this population.

USDA data from years before the three-month limit was instituted show that more than four-fifths of the individuals whom the three-month cut-off affects are people with income below *half* of the poverty line.<sup>44</sup> More than 40 percent are women. Close to a third — 29 percent — are over the age of 40, an age above which individuals with very limited skills may have more difficulty finding jobs quickly. More than 40 percent of this group lacks a high school diploma.

## Families with Children

Families with children that receive cash assistance are subject to work requirements under their state's TANF program. SNAP buttresses the TANF work requirements in several ways. First, if a SNAP recipient who is expected to work under TANF fails to comply with her state's TANF work requirement, federal law makes her *ineligible* for SNAP. States can apply additional SNAP penalties. For example, states may also cut people off SNAP if they don't comply with other TANF requirements, such as requirements for children's school attendance.

For other (i.e., non-TANF) families with children, SNAP rules give states broad authority to require applicants and recipients to look for work, work off their benefits through workfare programs, attend job skills classes, or engage in other employment and training activities. SNAP rules exempt only a few specific groups, such as parents caring for young children and people with disabilities. As discussed earlier, SNAP provides limited federal funds to states to operate a basic SNAP employment and training program in each state and additional funds for state E&T programs on a matching basis, so states can operate work-related programs and provide related services for jobless SNAP participants. The related services include assistance with child care and transportation costs that some recipients must incur in order to work or to participate in a work program. Historically since 1996, most states have used their E&T funds to offer work program slots to a modest share of the unemployed childless adults who would otherwise lose SNAP eligibility under the three-month time limit.

In light of the strong incentives that SNAP recipients have to find work and the evidence that many SNAP recipients find work within a short period of time, most states have judged their SNAP work requirements and employment and training programs appropriate to meeting the goal of ensuring that SNAP promotes work. (A USDA study from the early 1990s suggests that because many individuals who enroll in SNAP do find jobs rapidly on their own, substantial expansion of SNAP E&T programs would not be likely to be cost effective.)

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<sup>44</sup> Michael Stavianos and Lucia Nixon, *The Effect of Welfare Reform on Able-Bodied Food Stamp Recipients*, Mathematica Policy Research, July 1998.

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## CONCLUSION

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SNAP acts as both a safety net — helping low-income households afford food during retirement, disability, or periods of unemployment — and as a work support program that boosts the resources available for food for families that work at low wages.

SNAP recipients have strong labor force participation. About half of all SNAP households that have a working-age, non-disabled adult are working while receiving SNAP benefits. The majority of the others work in the months before and after receiving SNAP. Work rates are somewhat higher among SNAP families with children.

SNAP's success in supporting work is not an accident. Through its basic structure and program rules, SNAP is designed to support work. It helps working households with low-incomes afford adequate nutrition during economic downturns. In addition, its performance in serving working families has improved in recent years, even during the recent deep recession and lagging economic recovery. Efforts at the federal, state, and local level to strengthen SNAP for working families have produced results.

Nonetheless, further improvements could be made. Despite hitting record high participation rates among eligible working households, one in three SNAP-eligible households with earnings fails to receive the help that is available in purchasing groceries. In addition, as the economy improves, states will be required to reinstate the program's severe three-month time limit for unemployed childless adults — and most states will do so without producing an adequate number of work program slots for these adults — weakening the program's ability to reach all otherwise eligible low-income households who are willing to work.



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## APPENDIX: METHODOLOGY

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### SNAP Quality Control Household Characteristics Analysis

#### Data Source

The analysis uses the SNAP Quality Control Household Characteristics (QC) data for fiscal year 2011 (and earlier years) to assess the work rates of SNAP recipients while they are receiving SNAP. This data set includes a representative sample of participating SNAP cases that have been thoroughly reviewed to assess the accuracy of SNAP eligibility and benefit determinations. Nationally about 50,000 cases are sampled and reviewed over the course of the year. The Department of Agriculture's Food and Nutrition Service (FNS) uses these reviews to establish state-level payment error rates. Each year FNS releases a public use data file.<sup>45</sup>

The QC data set provides detailed information about the members of SNAP households and their income sources and amounts, deductible expenses, and other factors such as the age of household members. The information on household members and their types and amounts of income is very reliable because it has been subject to intensive quality control reviews, in which state staff devote significant time to verifying the data in each case file and federal staff re-review a subset of cases. (Information on other items, such as SNAP employment and training participation or the educational level of household members is somewhat less reliable.)

#### Notes on the analysis

##### *Defining SNAP Households*

The unit of analysis in this section of the report is participating individuals in the SNAP household. SNAP households include all individuals whom the state agency determines live together and purchase and prepare food together. We consider ineligible household members, such as parents who are ineligible immigrants or other adults who are facing disqualification, to be household members for the purpose of assessing the household's income and work activity level, but they are not considered to be participants for determining the work among SNAP participating individuals.

##### *SNAP Definitions Used in the Analysis*

**Households with Children.** The "households with children" category includes all SNAP households with at least one child under age 18.

**Elderly.** Individuals are considered elderly if they are age 60 or older, which is the SNAP program's definition.

**Disabled.** Individuals are considered to be disabled using the SNAP program's definition, which requires an individual to be receiving another benefit that is based on a disability determination, such

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<sup>45</sup> The annual QC data files are available at <http://hostm142.mathematica-mpr.com/fns/>.

as Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI), Veterans benefits, or Workers Compensation benefits. Household members who are caring for a disabled family member are those who themselves do not receive a disability benefit but are caring for another family member who does.<sup>46</sup>

**Working Age.** Individuals are considered working age if they are over age 17 and under age 60. Under SNAP law, most adults who are 18 to 59 years of age are required to register for work and can be subject to work requirements (7 U.S.C. 2015(d)). For purpose of the analysis we use this SNAP definition.

### *Defining Work*

Work is measured by whether or not the household has wages from employment, income from self-employment, or other earned income. The presence of earned income in a SNAP QC case is highly reliable, as the original SNAP eligibility worker was required to verify earnings using paystubs and/or data matches to wage data compiled by the state labor department or third-party sources such as “The Work Number.”

### *Other Definitions*

We also use variables in the QC data set on employment and training status, work registration status, race, and education level. These results should be viewed with some caution, as they have not been subject to intensive quality control reviews.

## **Survey of Income and Program Participation (SIPP) Analysis**

### **Data Source**

The analysis uses the 2004 and 2008 panels of the Census Bureau’s Survey of Income and Program Participation (SIPP) to assess the work rate of SNAP recipients in a typical month while they are receiving SNAP, and then in the year before and after such a month. The SIPP is a large-scale, national survey that collects longitudinal information about household and individual income, program participation, labor force activity, and demographics.

The main analysis here uses data from the 2004 SIPP panel, which contains information from October 2003 through December 2007. The 25-month period we analyzed spans the fall of 2004 to the fall of 2006. The 2008 SIPP panel, which we use to compare work rates during the recession, currently is available for the period May 2008 to November 2011. We analyzed data from the spring of 2008 to the spring of 2010.<sup>47</sup>

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<sup>46</sup> The SNAP QC data do not indicate whether Social Security income is based on disability, age, or survivors’ status. Because 95 percent of Social Security recipients between age 20 and 60 receive benefits based on their own disability, we assume all Social Security income to individuals in this age range indicates the presence of a disability.

<sup>47</sup> In a small number of cases, respondents in the SIPP survey skipped questions about SNAP participation or employment status for their primary job in a particular month, and the Census Bureau estimated or ‘imputed’ the missing information. We repeated the analysis leaving out people with imputed data and found the same results.

## Notes on the analysis

### *Defining SNAP Households*

The unit of analysis in this section of the report is SNAP households. SNAP households include all individuals who live at the same sample address and are covered by the same SNAP benefit. (The SIPP identifies SNAP coverage units and a “coverage owner,” the person who receives the SNAP benefits, akin to a household head. If there are two SNAP units living together in a single Census-defined household, they are counted here as two separate SNAP households.)

This analysis includes only SNAP households that received SNAP benefits in survey month 24 of the SIPP panel in question (which occurred during September 2005 to December 2005, depending on the respondent’s survey rotation group). Survey month 24 serves as the anchor month; all of the analyses presented here examine work rates in survey month 24 and the 12 months prior to, or following, survey month 24 (so a 25-month period for each household). The households in this analysis may or may not be receiving SNAP in the months before and after the “anchor” month (month 24).

We consider the labor market participation of the SNAP coverage owner and his or her spouse, or his or her unmarried partner if the partner is the parent of at least one of the household head’s children. This approach likely underestimates SNAP households’ work rates because it does not include the work of *other* household members, such as grandparents, siblings, and some unmarried partners.

### *SNAP Household Types*

**Households with Children.** The “households with children” category includes all SNAP households with at least one child under age 18. Individuals under 18 are *not* counted as children if they are themselves the household head or the household head’s spouse or a subfamily head or head’s spouse. Note that SIPP data do not identify child-only SNAP units (for example, if the parent is an ineligible immigrant), so in the SIPP data, parents are always included in the SNAP households.

**Households without Children.** The “households *without* children” category includes all SNAP households that do not have a child under age 18 present. This category includes a broad subset of SNAP households that do not fall in the “households with children” category, such as single-person households and elderly households.

**Non-Elderly, Able-Bodied Households.** We define a SNAP household as non-elderly, non-disabled if at least one adult in the SNAP household is under age 60 and does not receive disability income from SSI, SSDI, workers’ compensation, or VA benefits. (The adult must be the SNAP household head, co-head, or unmarried partner.)

### *Defining Work*

Work participation is measured using two survey variables. The first is the respondent's employment status in each month, which indicates whether he or she held a job in that month. The second variable is the typical number of hours per week that respondents were working at jobs during the period.

- Individuals are considered working adults if they have a job and worked during the month.
- *Full-time work* for a given month is defined as the coverage owner or his or her spouse or partner (as defined above) having a job *and* working at least 35 hours a week during that month. An individual must work full time during the month for that household to be considered a full-time working household during the month. For example, if a coverage owner and his or her spouse both work part time during the month (so their combined hours add up to full-time work) but neither person works full time, the SNAP unit is NOT counted as having full-time work that month.
- *Part-time work* is defined as the coverage owner or his or her spouse or partner (as defined above) having a job and working at least 20 hours a week, but less than 35 hours a week, during the month.
- *Less than part-time work*. SNAP units where the coverage owner or his or her spouse or partner (as defined above) has a job in the month and reports working less than 20 hours a week or does not specify the number of hours worked are categorized as working households with less than part-time employment.