“SNAP Matters: How Food Stamps Affect Poverty, Health and Well Being “

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Abstract

This paper summarizes a new research volume, released the week before the APPAM Conference, on 50 years of the Supplemental Nutrition Assistance Program (SNAP). Here we provide an overview of how SNAP has evolved over the past 50 years and the findings from the remainder of the volume. We discuss the factors that have impacted changes in participation over time; the impact of SNAP on poverty, food security, consumption, health, and obesity; and the interplay between SNAP and other public assistance programs. SNAP is highly responsive to macroeconomic pressures as well as policy choices, and has become our most effective antipoverty program for non-elderly households. Overall, higher SNAP benefits reduce the risk of food insecurity and indirectly and directly lead to improvements in health over other dimensions. Nonetheless, there remain considerable gaps in understanding of SNAP’s impacts, particularly regarding impacts on nutrition and health. The program differentially serves the most at-risk households, which creates challenges in assessing program impacts.

We also discuss current policy debates surrounding SNAP that are informed by the volume and highlight potential directions for further research on SNAP. Current policy debates include proposals to block-grant SNAP and restrict SNAP purchases. Other proposals to drug test SNAP beneficiaries, limit potential work disincentives, increase barriers to access, and make work mandatory for some recipients are discussed. In contrast and at the same time, others have proposed to strengthen and improve SNAP by increasing benefits to meet higher levels of food insecurity amongst low income households.

Promising directions for future SNAP research include impacts on health and nutrition, reexamination of benefit formulas, attention to program interactions, consideration of unintended consequences, attention to persons with disabilities, and use of demonstration projects to experiment with both program design and delivery.

Key words: Supplemental Nutrition Assistance Program (SNAP), Food Stamp Program, safety net, program impacts, program participation, anti-poverty entitlement program food insecurity, health, nutrition
Introduction

In 1963, President Kennedy proposed making permanent a small pilot project called the Food Stamp Program (FSP). Fifty years later, more than 1 in 7 Americans received benefits at a cost of nearly $80 billion in FY2013, making it the second largest program in the safety net in terms of recipients and fourth largest in terms of expenditure. Renamed the Supplemental Nutrition Assistance Program (SNAP) in 2008, the program today faces political pressure on many fronts, including cost and eligibility standards for certain food items.

Despite the program size and scope, the social science research necessary to guide policy is nascent compared to that for many other programs in the safety net. This paper summarizes and extends a newly minted SNAP volume, *SNAP Matters: How Food Stamps Affect Poverty, Health and Well Being*, edited by the coauthors to this paper, brought together leading scholars to answer a wide-ranging set of questions about SNAP, in order to assess the past effectiveness of the program, identify critical gaps in knowledge, and gauge prospects going forward as a major pillar of social and food assistance in America. Collectively, the papers in the book and this paper explore how and why the program has grown over time; how it affects the well-being of participants; and its interconnections with the broader safety net, providing both a synthesis of existing research as well as new analyses to help fill in critical gaps. We address a large body of questions: How does SNAP participation respond to the economy, to demographic pressures, and to policy reforms? What are the antipoverty effects of SNAP and how does it compare to other programs in the safety net? How is food spending among SNAP-eligible households related to the amount of SNAP benefits, and does the in-kind nature of SNAP alter household’s food choices? Does SNAP contribute to or reduce obesity, and does it improve nutrition and health more broadly? To what extent does SNAP work in tandem with other components of the food safety
net for children, such as school breakfast and lunch, and how is it related to participation decisions in other safety net programs?

Four companion policy briefs look in more detail at what research says about SNAP and the policy and research implications. The first brief, “The Basics of SNAP Food Assistance” is available for distribution today, and a IRP webinar will follow on December 2, 2:00–3:00 p.m. CDT. For more see the IRP website at http://www.irp.wisc.edu/index.htm.

This body of work is intended as a resource for policymakers, researchers, and students. As such, it sheds light both on substantive questions surrounding SNAP’s role and impact, as well as on the fundamental challenges in evaluating safety net programs. The author in our volume highlight what is known about SNAP, but are candid in noting where research is ambiguous or lacking, providing strong evidence that SNAP is highly responsive to macroeconomic pressures as well as to policy choices intended to enhance access among low-income households. As a result, SNAP has become one of the most effective antipoverty programs overall, and is particularly effective at lifting non-elderly households with children out of deep poverty. SNAP is firmly embedded within the broader safety net: program rules have broader implications for children’s access to school meals, for instance, and it often fills in residual gaps remaining after other forms of assistance. As documented below, the program differentially serves the most at-risk households, in terms of low income, pre-existing food insecurity, and poor health. While serving the most at-risk is surely desirable from a policy standpoint, it creates substantial challenges in assessing program impacts, a topic also addressed at length in our work. In addition to the challenges stemming from nonrandom program participation, evaluating program impact is further complicated by issues such as misreporting of program participation in survey data as well as the frequent reliance on binary measures of participation and the lack of sufficiently long time frames. These challenges notwithstanding, our volume is cautiously optimistic with regard to the broader benefits of the program. Higher SNAP benefits appear to reduce the risk of food insecurity; SNAP does not appear to contribute to obesity; and limited but growing evidence
suggests SNAP has long-term benefits on health (Gunderson and Ziliak, 2015). Most recipients spend more on food than their benefit amount over the course of a year, suggesting that benefits are not distorting food choices relative to an equivalent amount of unrestricted income. At the same time, there remain considerable gaps in understanding especially with respect to impacts on nutrition and health outcomes, for which methodological challenges are particularly salient.

How SNAP works: just the basics. SNAP provides monthly benefits, delivered via electronic benefit card, which can be used to purchase food at authorized food outlets. Program benefits are federally funded, and the core features are the same nationwide. States administer the program and cover half of the operational costs of that function. Most households are subject to two income tests: Gross income must be below 130% of the federal poverty line, and net income—or income after subtracting allowable amounts in such areas as shelter costs and work expenses—must be below the poverty line. Alternatively, households may qualify automatically by participating in TANF or SSI, but their incomes must still be low enough to qualify for SNAP benefits. SNAP is almost universally available to those who meet the income and asset tests, although not to undocumented noncitizens. There are added restrictions on childless working-age adults without disabilities, for whom eligibility is limited to 3 months over a 3-year period unless certain employment or training requirements are met.

These restrictions can be waived by requests from states based on low employment opportunities within a region of a state. During the Great Recession, these waivers covered most of the country. States have some flexibility regarding eligibility criteria and administrative procedures. The ‘broad-based categorical eligibility’ option allows states to use more generous gross income limits and/or to remove liquid asset tests in conjunction with the provision of TANF-funded services for families with children. However, households still have to have net income below the poverty line to get a SNAP benefit. States also have flexibility regarding limits on the value of vehicles. And, states have discretion over some operational features, such as frequency and manner of recertification and requirements for fingerprinting of applicants.
Moreover these requirements and flexibility mean that states can differentially expand or contract SNAP receript (eg see Heflin, Meueser and Cronin, 2014)

Benefit amounts depend on household and “SNAP unit” size, as well as net income, and are intended, in combination with other available income, to provide households with enough resources to meet their basic food needs. The maximum monthly benefit levels—currently $649 for a 4-person household—are based on the federally established minimum cost of a nutritionally adequate diet (the Thrifty Food Plan), and are adjusted annually based on changes in food prices. The benefit formula reflects the assumption that households can spend 30 percent of their net income on food.

In 2013, 1 in 7 households received SNAP, at a cost approaching $80 billion. Between 2000 and 2012, the number of SNAP participants increased 171% and inflation-adjusted spending by 286% (see figure 1). Moreover, SNAP is well targeted. Households in deep poverty (below 50% of the monthly poverty guidelines) received over half of all SNAP benefits in 2011; and only 1.4% of benefits went to households over 130% of the annual poverty guidelines. Moreover, SNAP is particularly effective in helping households with children where food security needs are often greatest. Almost half of SNAP family units contain children. While the elderly are low participants for several reasons, roughly one in six SNAP units contain an elderly person, and about one in five contains a nonelderly disabled person. Such data as this suggests both the importance of the program and the growing size and need of the poor in America.

We also attest that SNAP is highly responsive to macroeconomic pressures as well as to the policy choices intended to increase access among low-income households summarized above. As a result, it has become one of the most effective antipoverty programs overall, and is particularly effective at lifting nonelderly households with children out of deep poverty (as we summarize below). Further, SNAP is firmly embedded within the broader safety net; program rules influence access to school meals, and SNAP often fills in residual gaps remaining after other forms of assistance. And it differentially serves the most at-risk households, in terms of low
income, preexisting food insecurity, and poor health. Higher SNAP benefits reduce the risk of food insecurity thus improving health (Gunderson and Ziliak, 2015). Moreover, SNAP does not appear to contribute to obesity. Further, most recipients spend more on food than their benefit amount, suggesting benefits are not distorting food choices relative to unrestricted income.

In the rest of this paper—we highlight just two of the many contributions of our volume, the effect of SNAP on poverty, and its effects on food security health and well-being. These are amongst our strongest findings. We then conclude with a section on current policy issues related to SNAP and how our volume and its contributors have contributed to the discussion of these issues. We close with suggestions for future research to make what we believe is a strong safety net program even better in the future.

**SNAP: our most effective targeted anti-poverty program.**

With the growing reach of SNAP to more American families, an obvious question is whether it is lifting more families out of poverty. Answering this question is not straightforward because the value of food stamps is not counted as income in the official poverty statistics. That is, the official poverty rate counts only cash income in determining whether the family is poor, and excludes in-kind transfers such as SNAP, Medicaid, and Medicare, as well as taxes paid and tax credits like the Earned Income Tax Credit (EITC). Another challenge in determining the antipoverty effectiveness of the program is the fact that both the participation rate and the amount of benefits received are grossly underreported in the CPS, which comprises the data for official poverty statistics and for the new Supplemental Poverty Measure, which does count the effects of SNAP. This means measurement error is a serious concern confronting accurate assessment of the SNAP program’s anti-poverty effects. A related measurement issue is the fact that the standard approach of determining the antipoverty effectiveness of a program like SNAP is to count the
number of people lifted above the poverty line. This leads to an understatement of the impact of SNAP insofar as it does not measure those whose level of poverty is diminished, even if the SNAP benefit levels do not raise a family above the poverty line. In fact, the inverse relationship between income and benefits means that SNAP may not raise many participants above the poverty line. Needless to say, even when SNAP benefits are not sufficient to raise someone above the poverty line, the resources available to participants are improved through the receipt of SNAP.

We assess the antipoverty effect of SNAP, both the rate and depth (poverty gap) as well as the severity (using a measure that weights benefits most highly to those who are poorest). We find that SNAP lowers the poverty rate by 5 to 10 percent, and this effect is stronger in recessionary periods (Figure 2). More impressive is the effect of SNAP on deep poverty—the fraction of people living on incomes less than one-half the official poverty line is lowered 10 to 20 percent in any given year by food stamps over the past two decades. In terms of number of persons affected, in 2011 roughly 4 million people were lifted out of poverty and another 3.5 million were lifted out of deep poverty. Children were the greatest beneficiaries of the poverty alleviation benefits of SNAP.

The striking results of the correction for underreporting in 2011 are shown in Figure 3. The reduction in the poverty rate due to SNAP, using the official poverty line, is almost double when we adjust for underreporting. Moreover, the correction has greatest effect on severity index. The reduction in the severity of poverty due to SNAP is almost 3 times greater when we correct for underreporting (consistent with evidence that underreporting of benefits is more severe at the lower end of the income distribution). Indeed if one makes an adjustment for the underreporting of SNAP benefits in the CPS, the antipoverty bite of the program is double that with no adjustment.

Moreover, the corrected estimates suggest that SNAP lifts more out of poverty than does the EITC and other refundable tax credits. This makes SNAP the most effective antipoverty
program among the nonelderly. And finally, during the Great Recession (GR) state policy options designed to strengthen program access, such as removal of asset tests and use of longer recertification periods for workers, have even further increased the antipoverty effectiveness of the program. On the other hand, the expiration of the ARRA’s 14 percent benefit increase in SNAP, which began in April 2009 and ended on November 1, 2014, has reduced its anti-poverty effect in 2014 and beyond. Further, federal budget sequestration rules are likely to reduce benefits even further in coming years.

**SNAP, food security, obesity and health impacts**

By providing additional resources for food, SNAP is expected to make people better off – in the immediate term by reducing food insecurity and in the longer term by enhancing nutrition and health. In this section, we provide an overview of research on how SNAP is linked to outcomes including food security, nutrition, health, and obesity. Further, it discusses some of the pervasive challenges in linking policies such as SNAP to complex outcomes such as these, while highlighting some of the critical questions still remaining. The focal goal of SNAP is to alleviate hunger by providing resources to purchase a nutritious diet. Although the United States does not collect data on the physiological condition of hunger, since 1995 the USDA has collected survey data on “food insecurity,” which means that there is inadequate or unsure access to enough food for an active, healthy life due to economic reasons. This survey is fielded as a supplement to the CPS in December of each year, where each of the 50,000 to 60,000 households are asked to respond to a series of 18 questions (10 if no children are present) on the Core Food Security Module regarding worries about having enough food to eat and reductions in food intake. Figure 3 presents trends in food insecurity and very low food security—where the latter is a more severe measure of hardship as reflected in responses to the food security supplement—from 1995 to
2012. The figure shows that both rates held steady until 2008, when they increased about 30 percent with the onset of the Great Recession, and have remained at these elevated rates in the ensuing years.

If SNAP participation increased so much after 2000, and really accelerated after 2007, why did food insecurity rise in tandem? Did SNAP fail in its key mission to enhance food security? Or did it ensure that the extent of food insecurity did not rise more than it would have in the absence of SNAP? Answering this question is quite challenging, and yet of first-order importance for assessing program effectiveness. The challenge comes from the missing counterfactual: what would food insecurity have been in the absence of SNAP? The problem is that in quantifying how much SNAP reduces food insecurity we have to worry about reverse causation—those who sign up for SNAP are more likely to be food insecure in the first place! An extensive literature has emerged that has primarily used nonexperimental evaluation techniques to ascertain the impact of SNAP on food insecurity.

A pervasive challenge in public policy research is how to measure the impacts of programs when exposure to those programs is neither random nor occurring in a vacuum. The counterfactual—or what would have happened in the absence of the program— is missing. Effectively dealing with this challenge is central to conducting high quality research on the outcomes of SNAP. The core difficulty is that those who participate in SNAP have, on average, higher levels of food insecurity, worse health, and more risk factors that contribute to poor long-term outcomes, compared to those who are eligible for the program but do not choose to participate. That is, SNAP participation is endogenous to many of the outcomes of interest. Efforts to measure the value added by SNAP need to use appropriate strategies to account for these baseline differences. A related challenge is that changes in SNAP policy may occur in tandem with other changes in the policy or economic environment, making it complicated to tease out the unique role of SNAP. Furthermore, while some potential outcomes are immediate, others may take longer to emerge, so it may be hard to detect impacts in the near term or to assess
causality in the longer term. Data limitations—such as reliance on survey data, in which program participation is underreported—add further difficulties.

Researchers including these authors, use a variety of strategies to tackle these challenges. Statistical strategies can help control for underlying differences between participants and nonparticipants. Dose-response models, which link the intensity and duration of SNAP exposure to outcomes of interest, can provide additional leverage to assess impacts. The logic is that higher amounts of SNAP, or longer durations of participation, should have larger impacts than lower amounts and shorter periods. Longitudinal studies can track people over time to detect longer-term impacts. And natural experiments that capitalize on differences in SNAP policies and practices across locations and over time may reveal program impacts. Despite these difficulties, we and our contributors have arrived at the following conclusions.

A central goal of SNAP is to alleviate food insecurity—the inadequate or uncertain access to enough food for an active, healthy life due to limited resources. We find strong and consistent evidence that SNAP reduces the risk of food insecurity according to ‘dose-response’ models. Households receiving larger benefits have lower risk of food insecurity than similar households receiving lower benefits; and households participating in SNAP for a longer duration have lower risk than similar households who more recently came on the program. These findings persist across a wide range of modeling strategies and across household types. In general, dose-response models are better able to detect impacts than studies comparing participants with nonparticipants.

In contrast, studies that use statistical approaches to control for differences between participants and nonparticipants find varying results depending on choice of data and modeling strategy used. With less rigorous strategies, these studies find the counterintuitive result that participants are worse off than nonparticipants, seemingly due to endogeneity of SNAP receipt. In other cases, the studies can’t reliably determine which group is better off, as impacts are often
measured imprecisely. When models control explicitly and appropriately for endogeneity, SNAP recipients often fare better than non-recipients.

Yet another approach is to compare food insecurity across households that are impacted differently by changes in SNAP policies, rather than to compare households with different participation statuses. This approach suggests that more broadly accessible and more generous SNAP policies are linked to lower food insecurity risk for at least certain groups. For instance, in conjunction with increases in the maximum SNAP benefit in 2009, food insecurity fell for households who were income-eligible and thus stood to benefit from the change, but did not fall for near-eligible households. SNAP impacts food consumption similarly to other income sources. Food is a ‘normal good’, meaning that households spend more on it when more resources are available. If SNAP benefits are below the amount households would choose to spend on food with an equivalent amount of unrestricted income, then the impact of SNAP on food consumption should be the same as the impact of higher income. In economic parlance, such households are called ‘inftramarginal’. Research shows that most SNAP-eligible households are inframarginal, so that SNAP is expected to have the same impact as any other income source. This expectation is largely borne out by the evidence: While early research sometimes found that SNAP increased spending on food more than equivalent amounts of unrestricted income, more recent and more rigorous studies have found that for most households, SNAP, consistent with economic theory, has a similar impact to unrestricted income. In simple terms, most SNAP recipients appear to adjust their food spending in response to SNAP just like people who have more income from other sources.

While SNAP increases spending on food, it is less clear whether or how it impacts specific food choices. Here again, economic theory predicts that for inframarginal households SNAP would have the same impact on food choices as would other income. That is, we would expect a household’s choice of which foods to buy to be influenced by the same factors as influence other households at similar income levels. However, the research here is limited as we
lack good studies that measure, in ways that control appropriately for underlying differences between participants and nonparticipants, whether and how SNAP impacts specific nutritional outcomes. Some evidence suggests the monthly timing of SNAP receipt, as distinct from the amount, influences food purchase patterns; research could shed further light here.

We also find that SNAP has no clear positive or negative impact on obesity. While some have raised concerns that participation in SNAP could contribute to obesity if, by providing additional resources for food, it encourages or enables households to spend more on unhealthy foods than they would otherwise, or to eat more food than optimal. Of course, it is also possible that the increased resources from SNAP would enable healthier food choices or eating patterns, which could reduce obesity. And so the result is both uncertain and the impacts are liable to be small in either direction. Income is, for most groups and by most measures, inversely related to obesity – the risk of obesity goes down for women and for children as income goes up, although not by all measures for adult men. Thus, it seems more likely that SNAP would reduce the risk of obesity—inssofar as it in practice provides households with additional resources much as income does. Phrased differently, so long as most SNAP households are inframarginal (as research suggests they are), we would only expect SNAP to increase obesity if an equivalent amount of unrestricted income would also increase obesity, and that does not appear to be the case. When rigorous statistical approaches are used to control for underlying differences, most empirical studies find that SNAP has either no impact on obesity or, in some studies, reduces the risk of obesity; a small number find small positive impacts on obesity, although this is not the predominant finding in the literature. Taken as a whole, the literature provides no strong case that SNAP impacts obesity in either direction. Indeed, influencing obesity is not the intent of the program.

On other fronts, SNAP has long-term benefits on health, but we need more research to understand how SNAP’s health impacts have varied in more recent years. SNAP could improve health if it allows participants to eat a more healthful diet; it could also free up other resources
that could be used towards improving or maintaining health. While some health impacts are possible in the short-term—in particular outcomes amenable to changes in short-term dietary patterns or short-term income constraints—many of the potential health benefits that would credibly arise from SNAP via an impact on consumption would take a longer time to emerge, and would depend on the extent and timing of SNAP exposure. Measuring such impacts requires, as per our earlier discussion, adequately controlling for baseline differences between participants and nonparticipants, or comparing people with differences in exposure to SNAP rather than differences in participation.

The best evidence of a causal effect of SNAP’s impacts on health comes from longitudinal studies capitalizing on the gradual roll-out of SNAP across Southern US counties in the 1960’s. That work finds that people exposed to SNAP while age 0-5 have better health outcomes many decades later, including lower risks of high blood pressure, diabetes, and obesity as compared to those whose counties of birth introduced SNAP later. And, also relying on data from the SNAP roll-out period, mothers exposed to SNAP during pregnancy had newborns with higher birthweight. Of course, we don’t know if these impacts would be the same for SNAP receipt in more recent years. Research also provides suggestive evidence that SNAP may be beneficial in the management of diabetes; more attention to the role of SNAP in short-term health outcomes that have clear nutritional dimensions is warranted. Other priorities include research utilizing measures of intensity and duration of SNAP exposure, as well as use of more rigorous strategies to control for the endogeneity of health outcomes.

**Conclusions: Competing Perspectives, Policy Issues and Research Questions**

Fifty years ago, the Food Stamp Program emerged as a relatively minor component of what was a limited social safety net in the United States. Today, SNAP is a critical pillar of a
much wider social safety net. The chapters in our volume have demonstrated that SNAP has achieved many successes. However, there remains some uncertainty of effects in some domains, especially in the areas of health and nutrition, and also many important policy considerations about program size, design, and delivery.

In this concluding chapter, we discuss several current policy debates surrounding SNAP that are informed by the chapters in this volume, and we highlight potential directions for further research on SNAP in the broader context of the changing safety net. SNAP has evolved over the past five decades from a small-scale program to one at the heart of the nation’s safety net. In tandem with this growth has been a concomitant increase in interest and scrutiny from both the research and the policy communities—and in many cases diverging views as to its strengths and limitations. For some, SNAP is to be lauded as a highly responsive countercyclical program that has evolved in strategic fashion to serve not only the destitute but the growing share of households that constitute the working poor and near-poor. Growing caseloads, through this lens, reveal more about structural constraints in the labor market than about flaws in SNAP program design. The Congressional Budget Office (2014) forecasts that SNAP spending of $83 billion in 2013 will fall only to $74 billion in 2023, reflecting the continued labor market weakness in terms of employment, wages, and hours worked. And, alongside ongoing labor market weaknesses, the food insecurity rate remains stubbornly high—ranging from 14.3 to 14.9 percent of households each year since 2008, as compared to annual rates of 10.5 to 11.9 percent during the 2000 through 2007 period (Coleman-Jensen, Gregory, and Singh 2014).

For others, the growth in SNAP is a sign of a bloated safety net and a troublesome reliance on public support—leading to a growing chorus calling for substantive cutbacks to the program. For still others, the increasing prominence of SNAP, coupled with growing public concern over nutrition and obesity, points to thus-far untapped potential to use the program strategically to influence consumption choices among participants. While some of these differences in perspective are ideological, reflecting fundamental differences with regard to the
appropriate role of government programs, others reflect uncertainty about the factors that have contributed to SNAP’s growth, as well as lack of clarity about its impacts.

SNAP is currently the subject of major and ongoing policy debates, over such issues as eligibility, funding, work requirements, and how benefits may be used. While prevailing debates are in part ideological, reflecting differing views on the appropriate role of government programs, we believe that careful research can and should inform policy deliberations. In the context of historically high caseloads, ongoing macroeconomic pressures, persistently high food insecurity, and concerns over escalating costs, SNAP in recent years has been the subject of considerable policy interest. Most recently, SNAP changes were made as part of the 2014 Farm Bill, involving a $8.55 billion cut over the next 10 years stemming from a change in the benefit calculation for certain recipients who receive assistance from the Low Income Home Energy Assistance Program (Bolen, Rosenbaum, and Dean 2014). As opposed to waning as might be expected, policy attention to SNAP has only grown since the Farm Bill was passed.

**Policy Issues.** Here we review just a sampling of the current questions and policy issues, and several broad types of SNAP proposals that have been prominent in recent policy discourse, noting, when relevant, the insights that the research in our volume that can brought to bear on these issues.

1. **SNAP should be converted to a block grant to the states.** SNAP is an entitlement, available to all who meet the eligibility criteria. To limit growth, control costs, and enhance state flexibility, some have proposed that SNAP should be devolved to the state level as a block grant, providing states with a fixed pot of funds and increased discretion over how the program operates. Our assessment is that the benefits of SNAP-- including its capacity to respond to macroeconomic forces; its critical role in reducing the incidence, depth, and severity of poverty; and its ability to reduce food insecurity-- would be severely jeopardized by shifting to a block grant. Such a change would fundamentally alter the central role SNAP currently plays in the safety net. Moreover, it would have
negative spillover effects on other food assistance programs, most notably school meals, in light of the cross-program synergies discussed by Bartfeld (2015) in our volume. The lessons we have learned from how the TANF program has fared after 20 years of a single block grant, now being used in ways never intended are more than enough to give pause to the idea of block granting SNAP.

2. **SNAP is too expensive and we should spend less as we recover from the Great Recession.** We believe that the growth in SNAP spending and its very slow decline since 2009 is largely a reflection of longer term structural weaknesses in the labor market leading to low wages and sporadic hours amongst low skill workers, especially single parents.

SNAP policy choices are intended to offset the impacts of those weaknesses, and the caseload is therefore driven by the labor market rather than of flaws in program design or generosity. Given the high anti-poverty effect of SNAP, we should be happy that along with work related refundable tax credits, SNAP helps make work pay for low income families who would otherwise remain poorer than they are with the program.

3. **SNAP purchases should be restricted to ‘healthy’ foods?** Currently, most food items (with the exception of alcohol and ready-to-eat prepared foods) can be purchased with SNAP benefits. A subsequent move to “healthy foods only” would be very cumbersome, to say the least. This reflects, in part, the bureaucratic difficulties in deciding on what foods should or should not be eligible and the lack of foods that, say, nutritionists would declare as “completely healthful” or “completely unhealthful,” as well as the logistical barriers to implementing point-of-sale restrictions. Despite these obstacles, interest in imposing greater purchase restrictions on SNAP has grown in recent years, motivated in part by broader policy attention to obesity and the health impacts of food choices. But the research extant suggests that restrictions on SNAP purchases would have little impact on diet, obesity, or health. Because most SNAP households spend more on food than the value of their SNAP benefits, restrictions would largely alter the funding source for
disallowed foods, more so than altering overall consumption. And, as there is little
evidence that SNAP is a cause of either obesity or poor nutrition, both of which are also
widespread in the non-SNAP population, we therefore the question of whether SNAP
restrictions are an appropriate vehicle to address these concerns is an important one. At a
practical level, there are major challenges in agreeing on ‘healthy’ foods and, logistically,
in establishing the technical ability for SNAP retailers to enforce restrictions. The likely
impact of purchase restrictions would be decreased participation in SNAP and thus
negative impacts on poverty, food insecurity, and potentially broader health.

4. SNAP should do more to promote work. SNAP, like other assistance programs,
is often criticized for discouraging work—both because benefits may reduce the need for
work and because increases in earnings lead to reductions in benefits. Proposals to
encourage work range from ‘carrots’, such as reducing benefits more slowly as earnings
rise, to ‘sticks’, such as mandating work as a condition of receipt. We believe that SNAP
is not currently serving as a substantial work deterrent. The empirical evidence on work
disincentives in SNAP suggests they are small (see Moffitt, 2015 in our volume, and also
Fraker and Moffitt 1988; Hagstrom 1996; Hoynes and Schanzenbach 2012). And,
because the vast majority of SNAP recipients fall in an income range that makes puts
them above the point where refundable tax credits begin to taper off, the EITC and
refundable CTC subsidize earnings at a higher rate than SNAP declines, leading to the
conclusion that the net impact of work incentives across programs is to make work more
financially rewarding rather than less so. In fact, the largest growth over the past several
decades has been in the share of SNAP households working year-round, often fulltime.
This growth suggests that concerns about SNAP discouraging work may be less salient
than in the past. And this is especially so in the current labor market. A full labor market
recovery with more steady jobs and higher wages would help reduce the need for SNAP,
causing program rolls and outlays to decline. Unfortunately we have not been in such a
strong labor market at least since the onset of the Great Recession. In the face of a still weak labor market for SNAP, policies to mandate a work requirement for SNAP recipients, must also consider carefully the type and quality of available jobs, the availability of child care and other logistical issues.

5. *More should be done to combat fraud in SNAP.* The potential for fraud in SNAP is a longstanding concern. The first form is trafficking, whereby individuals and stores collaborate to turn SNAP benefits into cash. This type of fraud is more common at privately owned small and medium size stores and at stores in neighborhoods with higher concentrations of poverty (Mantovani, Williams, and Pflieger 2013). During the 2009 to 2011 time period, this type of fraud was quite small—1.3 percent of total SNAP benefits (Mantovani, Williams, and Pflieger 2013, Exhibit E-2). This is substantially lower than in 1993, when it was 3.8 percent. This decline is likely due primarily to the shift from paper coupons in food stamps to Electronic Benefit Transfers (EBT), which allow for improved tracking of SNAP purchases. The second form of fraud is overpayments to recipients. This can occur when truly eligible households get more benefits than they are entitled to or when ineligible households are enrolled in the program. In both cases, total expenditures on SNAP are higher than they otherwise would be. (In contrast, store-based types of fraud described above do not result in higher expenditures on SNAP.) In 2013, 3.4 percent of total SNAP payments were found to be improperly distributed. To put this a different way, 96.6 percent of total SNAP payments were correctly distributed. In addition, the proportion of inaccurate payments was substantially higher in 2000, 8.9 percent.

Overall, the level of fraud and/or overpayments in SNAP is substantially less than in other assistance programs or, for that matter, among federal taxpayers. This is due to many factors including the money spent by the USDA to enforce rules against trafficking and reducing overpayment rates through annual quality control audits. Insofar
as additional reductions would be proportionally more expensive (i.e., the current efforts are likely to be stopping the most egregious cases), the USDA must ascertain whether these additional funds would be best spent on enforcement or on other activities of the USDA. But the evidence is that the level of fraud has fallen considerably and is substantially less than in other assistance programs or, for that matter, among federal taxpayers. Program integrity is clearly critical. However, policy discussions should acknowledge the substantial gains already achieved, and the likelihood of diminishing returns and increasing costs of devoting major new efforts to combating fraud rates that are already low. We should also recognize that at least some of the efforts to further reduce fraud would lead to reductions in participation due to increases in harassment and transactions costs.

**Further research to better inform policymakers about SNAP.** In the current fiscal environment of budget sequestration there is an increasing need for evidence-based policymaking guided by research as to what programs work, what programs don’t, and how they can be improved (Haskins and Margolis 2014). But even though it is our assessment that SNAP is (and was from the start; see Almond, Hoynes, and Schanzenbach 2011) one of the most successful programs in the social safety net, we also recognize that research can be used to help make SNAP even more effective. Here, we briefly discuss potential research directions for SNAP, highlighting research gaps with regard to program impacts that have emerged in this volume as well as additional ideas for research into how SNAP could become even more effective, particularly in achieving its primary goal of reducing food insecurity.

Whereas SNAP has the potential to affect nutrition and health in the short- and long-term by strengthening access to food, the research into these impacts lags far behind that into other program impacts. The pervasive challenges of differential selection are compounded, in this case, by lack of consensus over what health and nutrition outcomes to measure, the longer time needed
for SNAP to generate impacts on health, and the relative scarcity of accessible data that combines health and nutrition outcome measures with appropriate geographic and administrative program data to support research strategies such as are prevalent in the food security research domain (see Almond, Hoynes, and Schanzenbach 2011, for an example of where these data were available and convincingly deployed). One way to make progress on evaluations of SNAP is to enhance access to linked administrative and survey data to address the substantial underreporting of benefits in household surveys and to link SNAP administrative data to other data on short and long term health outcomes.

The new National Household Food Acquisition and Purchase Survey (FoodAPS) offers an opportunity to use survey data linked to SNAP benefits as well as food prices in the respondents’ community. Capitalizing on geographic identifiers, especially state of residence, in key surveys including the NHIS and NHANES (not available in public use versions) would also allow more sophisticated statistical approaches to help address pervasive selection concerns. Greater attention to measures of intensity and duration of exposure to SNAP, as compared to binary measures of participation, would also be of value. And finally, research into the role of SNAP in the management of chronic diseases is warranted; for instance, recent work finding higher rates of hospital admissions for diabetes complications at the end of the month among the low-income population suggests that access to food in resource-constrained households may play an important role in this domain (Seligman et al. 2014).

In 1979, the current method of determining SNAP benefit levels was implemented. The benefit level is roughly equal to the maximum benefit level minus 30 percent of one’s net income. Over time, there have been changes to the methods used to calculate net income and the maximum benefit level has been adjusted by inflation, but the benefit formula has remained the same. The maximum benefit was temporarily increased by an average of 13.6 percent in 2009 in response to the Great Recession, with the intent that the increase gradually phase out over time; the increase ended ahead of schedule in November, 2013. The benefit amount is a critical
program dimension, as evidenced by research linking increases and decreases in benefits to reductions and growth, respectively, in food insecurity (Nord and Prell 2011; Nord 2013). To enhance program effectiveness, researchers may wish to explore whether the benefit formula could be reconfigured such that (a) the amount received allows more SNAP recipients to cross the threshold from food insecurity to food security, and (b) more eligible people in need of assistance enter the program, especially the elderly who have low take-up rates and those attempting to combine SNAP with work. Various scenarios could be explored including, in recognition of budgetary constraints, ones that do not lead to an overall increase in SNAP expenditures. Examples of changes might entail geographic adjustment of benefits within the continental United States, adjustments to the relative benefits for larger versus smaller households, lowered benefit-reduction rates, enhanced earned-income disregards, and changes to the calculation of net income in terms of components such as the shelter deduction and out-of-pocket medical spending.

As articulated above, SNAP intersects with many other food assistance programs and the wider social safety net in efforts to improve the well-being of children and other household members. However, research on multiple program participation is limited, and thus building a more enhanced understanding of how SNAP combined with these other programs can reduce food insecurity and improve other health outcomes would be a relevant research path. Food assistance programs are almost always studied in isolation; learning more about both the determinants and impacts of sequencing and packaging of programs would be especially useful to policymakers and program administrators.

Understanding the positive and negative unintended consequences associated with a policy intervention are part of any comprehensive examination of those interventions. With SNAP, there have been some examinations of these unintended consequences (see, e.g., the literature on SNAP and labor force participation covered by Moffitt, 2015) but there are others that have not been investigated. Some potential questions include: How are savings levels and
composition influenced by the SNAP liquid asset test? Does the definition of “net income” influence the composition of consumption choices?

A relatively extensive social safety net for persons with disabilities has emerged in the United States, especially in comparison to the safety net available to those without disabilities. In addition, the SNAP eligibility criteria is less stringent for households containing someone with a disability—the gross income test is waived for these households and the asset test is set at a higher level. Despite all these efforts, food insecurity rates are substantially higher among households with at least one person with a disability (Balistreri 2012). Alongside research to better identify the determinants of food insecurity among disabled persons (for a discussion, see Gundersen and Ziliak 2014), research can help to identify ways that SNAP can better serve this vulnerable population.

Improving SNAP is an area that is ripe for demonstration projects. One recent random-assignment initiative by the USDA Food and Nutrition Service (FNS) called the Healthy Incentives Pilot (HIP) provided the treatment group with a bonus of $0.30 credited to their EBT card for each SNAP dollar spent on targeted fruits and vegetables. Early estimates suggest that consumption of these foods increased 25 percent relative to the control group, with about 60 percent in the form of vegetables and 40 percent in fruits. Another recent demonstration project sponsored by FNS was designed to address spikes in child food insecurity during summer months when children generally do not have access to school meal programs. Families were provided either $30 or $60 per child per summer month, where preliminary estimates suggest child food insecurity declined by upwards of one-third. Pursuing similar studies with variations in implementation, size of subsidies, timing of benefits, construction of eligibilities, etc., may be useful.

In summary, SNAP matters greatly in the U.S. social safety net, and increasingly so over the past decade. The program is the only means-tested transfer with universal entitlement, providing limited food assistance for millions of low-income households across the age spectrum.
Our book and its contributors were presented with the aim of informing the policy and research communities of the effects of SNAP, as well as to guide policy on areas of programmatic design and research where further efforts are needed. Future research endeavors on this program will help ensure that SNAP continues to improve the health and well-being of Americans. We can only hope that this paper and the volume on which it is based furthers these aims.
Endnotes

i. These restrictions can be waived by requests from states based on low employment opportunities within a region of a state.

ii. The reporting rate of benefits was 53% in 2011, which declined from 72% in 1988 (Meyer and Mittag, 2015).

iii. In this work, we use a weighting procedure to match number of poor SNAP recipients in CPS to USDA administrative data. Scale up benefits to match USDA administrative totals, within two income groups among poor. See Tiehan, Jolliffe, and Smeeding, Chapter 3 in *SNAP Matters: How Food Stamps Affect Poverty, Health and Well Being*


References


Gundersen, C., and J. Ziliak. 2015. “Food Insecurity And Health Outcomes” Health Affairs, 34, no.11: 1830-1839


Figures

Figure 1. Trends in Food Stamp Program/SNAP participation and cost.

Source: U.S. Department of Agriculture (USDA), Food and Nutrition Service (FNS), SNAP Program Data.
Figure 2. The effect of SNAP benefits on official U.S. Poverty, 1988–2011.
Source: Authors’ calculations using CPS data.
Figure 3. Antipoverty effect of SNAP with correction for underreporting, 2011.
Figure 4. Trends in food insecurity in the United States.