

The Supplemental Nutrition Assistance Program

Chapter 3 of
*The Middle-Class Safety Net in the Great Recession:
Unemployment Insurance and Supplemental Nutrition Assistance
Working Together*

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Abstract

Transformation of the Food Stamp Program (FSP) into a near-universal system of food-oriented income support renamed the Supplemental Nutrition Assistance Program (SNAP) was arguably the most significant development in American social policy during the first decade of the new millennium. Three events were the primary drivers of the change: (1) contraction of traditional welfare assistance that followed the 1996 transformation of Aid to Families with Dependent Children into Temporary Assistance for Needy Families; (2) progressive relaxation of federal eligibility requirements for food stamp receipt beginning in 2000; and (3) demand for help generated by the Great Recession (GR) of 2007 to 2009. Even with this metamorphosis, SNAP is only one component of the U.S. “safety net,” and attention to the program’s interface with other safety net components is essential to overall evaluation and planning for improvement. Material from this paper will appear as chapter 3 in *The Middle-Class Safety Net in the Great Recession: Unemployment Insurance and Supplemental Nutrition Assistance Working Together*, to be published by the W. E. Upjohn Institute in 2018. The book’s object is to use the GR experience to inform both Unemployment Insurance (UI) and SNAP policy development in the future. The intent of this chapter is to provide a comprehensive overview of the SNAP program as operated through the GR that explains structure, reviews consequences, and lays part of the foundation for the book’s state-specific analyses and its conclusions.

Keywords: Supplemental Nutrition Assistance Program, broad-based categorical eligibility, unemployment insurance, Great Recession, SNAP, UI

The Supplemental Nutrition Assistance Program

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Transformation of the Food Stamp Program (FSP) into a near-universal system of food-oriented income support, renamed the Supplemental Nutrition Assistance Program (SNAP) in October 2008, is arguably the most significant development in American social policy during the first decade of the new millennium. Three things were the primary drivers of the change: (1) contraction of traditional welfare assistance following the 1996 transformation of Aid to Families with Dependent Children (AFDC) into Temporary Assistance for Needy Families (TANF); (2) progressive relaxation of federal eligibility requirements for food stamp receipt beginning in 2000; and (3) demand for assistance generated by the Great Recession (GR) of 2007 to 2009.

A few statistics help illuminate the scale of the FSP to SNAP evolution and concomitant reconfiguration of the nation's safety net: In an average month of federal fiscal year (FY) 2000, the FSP served about 6 percent of the U.S. population and 12 percent of all children. The annual cost was (in 2016\$) \$23.2 billion, or 0.2 percent of Gross Domestic Product. By FY 2014, five years after the nominal end of the recession, 15 percent of the population and 28 percent of children were participating in SNAP, and the annual cost had increased to over 0.4 percent of GDP. In contrast, during the same period, receipt of TANF cash benefits declined by 38 percent (despite population growth of 13 percent), and real state and federal TANF outlays for income support were down 43 percent (despite overall government outlays growth of 92 percent).¹

The use of “supplemental” in the new name for food stamps is important: The program is at least nominally intended to *add* to something else, not to serve alone as help of last resort. Thus, assessment and evaluation of SNAP as social assistance must include interaction with other income support programs, including Unemployment Insurance (UI). The evolution of SNAP and the consequences for interaction with UI are the subject of this chapter. The trajectory of SNAP development varied across states because of differences in state administrative strategies, exercise of various options, and economic circumstances. The preceding chapter on UI, and this one on SNAP, set the stage from a largely national perspective. The chapters at the heart of the book provide detail on the interaction in the six project states—Florida, Georgia, Maryland, Michigan, Missouri, and Texas—that are the focus of the underlying project.

The base camp for this expedition is SNAP as it existed at the beginning of FY2009—10 months into the recession that began nationwide in December 2007² and three months after the first

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¹ Population figures are from the U.S. Bureau of the Census. Food Stamp/ SNAP recipient estimates are based on data from the FY2000 and FY2014 SNAP Quality Control (QC) sample (discussed later in the chapter). TANF data are from the Office of Family Assistance, Administration for Children and Families, U.S. Department of Health and Human Services. GDP and government consumption figures are from FRED (<https://fred.stlouisfed.org>) and the Commerce Department Bureau of Economic Analysis.

² Here, as elsewhere in the book, reference to the GR timing is based on the National Bureau of Economic Research's chronology, which puts initiation of the downturn in December 2007 and the end of the contraction in

emergency extension of unemployment compensation. Section 1 provides an overview of the Food Stamp policy evolution that led up to 2009. Section 2 details the system this history produced. Section 3 reviews the SNAP policy response to the recession and summarizes important subsequent developments. Section 4 looks at the consequence of the interaction of recession and policy for the SNAP caseload. This section provides more detailed data on the overlap between UI and SNAP receipt that is described briefly in Chapter 1. Section 5 reviews selected examples of analysis by others of SNAP developments. Section 6 concludes with a preview of issues to be addressed by the state-specific chapters that follow and in the book's concluding chapter.

1. Background: The Road to 2009

A bit of history is useful for understanding the state of SNAP in the midst of the recession and the role the program was to play as the recession unfolded. As with any social assistance program, there are myriad details. What is important to this chapter and to this book is the evolution of the nature of the FSP-SNAP benefit, the eligibility standards for its receipt, and in the roles of federal, state, and local government in its delivery. These dimensions all affect the complementarity of SNAP and UI.

The First Food Stamp Program

The program that was to become SNAP originated in the 1930s, with efforts to support farm prices by federal purchase of excess commodities followed by distribution to families in need.³ The commodities distribution program, administered by the U.S. Department of Agriculture (USDA) through the Federal Surplus Commodities Corporation (FSCC), was intended to increase farmer incomes. The FSCC determined what to purchase, and states distributed the purchased goods to persons and administering institutions based on various criteria. While dealing with agricultural surplus by distribution to the needy was widely applauded, distribution of commodities outside the established commercial food retail network proved unwieldy and unpopular, particularly among food retailers. In response, a new system was devised to support distribution through the normal retail network and implemented as a pilot program in 1939 in Rochester, New York.

Instead of commodities, participants in the new program gained the opportunity to buy vouchers for food purchases that were accepted as cash in grocery stores. The vouchers were formatted as stamps and came in two colors, orange and blue. Participants generally qualified by receiving some form of public assistance (including participation in Works Progress Administration employment), but some individuals and families not “on relief” also were certified for the benefit. Those deemed eligible were required to buy orange stamps with a total value equal to an estimate of “normal food purchases” for their household income and size—the rule of thumb was \$1 per person per week (Coppock 1947, 149). Orange stamps cost recipients their face value. The benefit was that each allotment of orange stamps came with free blue stamps, generally having total face value equal to half the mandatory orange stamp purchase. The blue stamps

June 2009. In some instances, timing is identified by quarter, i.e., from FY2008:Q1 to FY2009:Q3. See <http://www.nber.org/cycles.html>.

³ Except where otherwise noted, the summary of SNAP history that follows is drawn from USDA-SMA (1941), Coppock (1947), MacDonald (1977), and FNS (2014b).

could be used on any commodity declared to be surplus in a monthly list published by USDA. The lists were elaborate.⁴ The ingenious stamp format provided for fractional usage (\$.25) by stamp tear-off, and for grocer reimbursement through submission to the managing government agency of cards affixed with stamps received.

While widely lauded, the original Food Stamp Program was never specifically authorized by Congress. It existed as an administrative response to the Congressional mandate for finding use for surplus commodities. Once initiated, local government participation grew steadily, so that by early 1942 almost half of all counties in the country were reported to have a Food Stamp Program, and 60 percent of the U.S. population resided in covered areas (Coppock 1947, 139-140). As the program expanded, so did the surrounding controversy. Pressures developed to add products to the surplus list, inconsistencies in administration and standards developed across states, fraud and abuse reports multiplied, questions arose about the actual impact on consumption, and participation in some adopting counties fell suspiciously below previous levels of surplus commodity use—suggesting that the purchase requirement created a barrier to access not present in direct commodity distribution. The program ended in March 1943 “since the conditions that brought the program into being—unmarketable food surpluses and widespread unemployment—no longer existed” (FNS 2014b, 1).

Several features of the first Food Stamp Program are usefully highlighted as points of reference in considering subsequent program changes.

First, the design focus was on promoting consumption of target commodities—“moving surplus commodities with special purpose money,” in the words of one administrator (Coppock 1947). This aspect was underscored by program operation through the USDA’s Surplus Marketing Administration (SMA), rather than as part of the new (also in 1939) welfare-oriented Federal Security Agency. The required orange stamp purchase was determined by a prediction of consumption in the absence of the subsidy, not by an estimate of need—the object was to push consumption beyond prediction. Since expected normal consumption rose with income, in some instances better-off participants received *more* blue stamps than did those with lower incomes. Thus, from the beginning, Food Stamp Program benefits have been based on a prediction of income.

Second, the orange stamp purchase requirement meant that the program’s horizon, the time period to be covered by normal outlays, was of necessity brief. One could not ask families on relief to prepay a year’s worth of consumption. The short horizon was consistent with general relief practice for nonelderly individuals and their dependents. In principle, a short horizon also allowed rapid response to changes in people’s circumstances.

Third, the actual impact of the program on consumption of target commodities and on food consumption generally was ambiguous—depending in part on the amount of the required orange stamp purchase and in part on the range of commodities on the blue stamp list. It was possible

⁴ The September 26, 1939 *New York Times* reported that the blue-stamp eligible surplus commodities list effective for the following month included butter, eggs, raisins, apples, pork lard, dried prunes, onions, except green onions; dry beans, fresh pears, fresh snap beans, wheat flour and whole wheat flour, and corn meal. Raisins, apples, pork lard and snap beans appeared on the list for the first time. Foods removed from the surplus list effective October 1 included cabbages, fresh peaches, fresh tomatoes, rice, and fresh green peas. Cited in Simon (2011).

for families to use the blue stamp bonus to pay for some proportion of normal consumption of the surplus commodities, and to use the money released for other purposes—in most cases effectively rendering the orange/blue distinction meaningless. This uncertainty about the effect of Food Stamp Programs on the behavior of recipients is a continuing theme of Food Stamp policy discussions (cf. Hoynes, McGranahan, and Schanzenbach 2016).

Fourth, location of the program in an agency of USDA and the program's association—however tenuous—with farm incomes would have lasting consequences for the political viability and resilience of the program from 1939 through to the present.

A fifth and final point is that the Food Stamp system relied on state and local government for certification of eligibility and operations management. The Surplus Marketing Administration never had more than 1,000 employees for a program that was, by early 1942, serving almost 5.5 million people (Coppock, 139). Combined with subdivision of the SMA operation itself into four regions, the result was considerable variation at ground level in access, operational details, and management quality. While public support for food stamps as a relief effort was strong, the program placed considerable burden and temptation on state and local government. The burden was administration, including the financial operations of selling and redeeming the stamps. The temptation was curtailment of other benefits, given that recipient families received surplus commodities. Among other things, substitution of food stamps for other relief led the SMA to establish an income *floor* for Food Stamp participation to constrain such efforts. Thus, from the beginning, predicting the consequence of Food Stamp policy has involved two mediating behaviors. The first is the choices made by states and local governments in creating the program as it is operated on the ground. The second is the response of potential recipients to the program as presented by their state and local governments.

Food Stamps and the Great Society

The depression-era Food Stamp Program may have ceased operation in 1943, but it was not forgotten. The structure of the original program, as well as the problems encountered in its implementation, clearly influenced the shape of subsequent proposals. Restoration efforts began in earnest in the early 1950s, in response both to the reappearance of commodity surpluses and to the recession of 1953 to 1954. These efforts culminated in 1959 with Congressional authorization of a two-year trial of a new Food Stamp Program to “promote the general welfare, raise the levels of health and of nourishment for persons whose incomes prevent them from enjoying adequate diets, and dispose in a beneficial manner of [surplus] food commodities” (P.L. 86-341, Sec 11). This citation of purpose is interesting in the primacy it attached to nutrition and its relegation of disposal of surplus commodities to third priority. Reference to “incomes” and “persons” in the authorization provided opportunity for stand-alone eligibility determination independent of relief status.

The Eisenhower administration did not pursue the opportunity for Food Stamp resurrection afforded by Congress. But less than two years later, on the day after his 1961 inauguration, President John F. Kennedy issued an Executive Order initiating pilot Food Stamp projects. Through determined effort by President Lyndon Johnson, the resurrection effort came to fruition in the Food Stamp Act of 1964 (P.L. 88-525). While nominally in the lineage of the 1939 to 1943 experiment, the 1964 program—as part of Johnson's “War on Poverty”—was in important

ways quite different. Instead of orange and blue stamps, the new program used a special script issued in various “coupon” denominations. As with the orange stamps, participants were required to purchase a quantity of the coupons, but unlike the original program, the purchase price was less than the face value of the coupons. The system thus delivered its benefit by making food cheaper. In the new program, the required coupon purchase was based, not on estimates of “normal” outlays, but on a minimal (“Thrifty”) food budget established by USDA that varied by family size. The price charged was determined by applicant income: Higher-income households paid a larger proportion of the price of their purchase requirement; very low-income households got the full allotment. The coupons could be used for virtually any unprepared food, not just surplus commodities.

The new law identified the FSP as a joint federal, state, and local operation, with the federal government paying a portion of administrative costs and all the benefit cost; USDA remained at the helm of federal administration. Governments were given the option of operating either a commodities distribution program or food stamps within counties, but not both. State and local governments retained authority over eligibility requirements, “consistent with income standards used by State [administering] agency in administration of its federally aided public assistance programs” (Sec. 5(b)). “Such standards,” the law continued, “also shall place a limitation on the resources to be allowed eligible households.”⁵ Thus, while the new law extended the FSP’s benefits to families not receiving other assistance, it continued a link to eligibility standards used for Aid to Families with Dependent Children. The Food Stamp law also followed the AFDC administrative model: States were required as a condition of participation to submit for approval by USDA a plan for FSP operation that, among other things, set out eligibility standards in detail.

Nixon’s Other Good Deed

Implementation of the Food Stamp Act revealed many problems. President Nixon proposed various corrective actions in a message to Congress in May 1969.⁶ The eventual outcome was a series of amendments passed in 1971 (P.L. 91-671). Among other things, the amendments gave the Secretary of Agriculture, “in consultation with the Secretary of HEW” (the Department of Health, Education, and Welfare, now Health and Human Services) authority to establish uniform *national* resource and income eligibility standards for FSP recipients. The amendments also added a mild work test: “Able-bodied adult persons” without caregiving responsibilities and not in school or training were required to register for work at a federal or state employment office as a condition of FSP participation, and turning down a suitable job offer was made grounds for benefit exclusion. Considering FSP history and ultimate consequence, the structural changes signaled by the new rules were very significant. The Congressional Budget Office would later declare that, “[w]ith the 1971 modifications, the Food Stamp Program became the first universal, national welfare program with national eligibility standards based on need and not particular household characteristics” (Hoagland 1977, 7). However, this development was largely missed

⁵ Food Stamp Act of 1964, Sec. (5)(b).

⁶ Richard Nixon, *Special Message to the Congress Recommending a Program to End Hunger in America*, May 6, 1969. (<http://www.presidency.ucsb.edu/ws/?pid=2038>).

by most contemporary observers because of another, more dramatic initiative, the Family Assistance Program (FAP).

The requirement that national standards for FSP be set by USDA in consultation with HEW reflected President Nixon's intention, expressed in his initial proposal, to ensure "that the Food Stamp Program is complementary to a revised welfare program." That "revised program" turned out to be FAP, first proposed in August 1969. Over the subsequent two-and-a-half years, the plan went through various versions and protracted and contentious debate in two congresses. Ultimately, it failed. The core of the proposal was a simple "negative tax" transfer scheme that provided a basic income benefit that declined as household income increased. The benefit for a family of four with no other income was \$1,600 per year. After a \$600 allowance for work expenses, the payment declined by \$0.50 for every dollar of earnings beyond the \$600—the "benefit reduction rate" was thus 0.5. FAP was intended to replace AFDC and possibly other means-tested benefits as well, although provision was made for states with higher AFDC benefits to supplement the FAP payment. The FAP benefit reduction rate was set lower than that applied in AFDC, to reduce the work disincentives such schemes were presumed to create.

FAP's critics focused on various features, including incentive problems in states with AFDC benefits higher than the FAP standard. A common liberal criticism was that the basic "guarantee" in the program, the size of the grant for households with no other income, was too low—just \$1,600 (\$9,891 in 2016 dollars) a year for a family of four.⁷ While the base was indeed modest, the reduction of the benefit as earned income increased was scaled so that support was extended to working families with earnings as high as \$3,800 (\$23,491 in 2016 dollars). Many of these families were ineligible for AFDC in some states because they included both parents and neither was disabled. In states that did provide aid to two-parent families, eligibility was lost if the "principal earner" was employed for more than 100 hours per month, regardless of income.

FAP's planners faced the classic problem with negative tax systems: If the benefit reduction rate was less than 100 percent (i.e., dollar-for-dollar), an increase in the basic benefit of a dollar moved the maximum income consistent with receiving benefits—the "breakeven"—up by more than a dollar. This increased the number of eligible families. Thus, given the shape of the income distribution, the consequence for programs like FAP was that the effect of increasing the base benefit on costs and participation could only be offset by raising the benefit reduction rate (thus keeping the breakeven the same, or even lowering it) and, in the process, presumably reducing work incentives. Compared to FAP, the Food Stamp reform had the politically advantageous element of stealth. The program's maximum benefit was never claimed to meet all basic need. Nevertheless, because of a low benefit reduction rate, food stamps provided support for low-income working families—and reached beyond FAP in providing benefits to households without children. Yet stamps could be promoted as aiding agriculture, without the political taint of being termed a "guaranteed income." Thus, while between 1969 and 1971 public attention may have focused on FAP, in the background the Nixon administration and its congressional allies laid the

⁷ A bit of perspective: The proposed FAP "guarantee" in updated dollars exceeded the 2014 TANF benefit in all states save Alaska, California, and New York (Cohen et al. 2016, Table II.A.4). The best reflections on the episode are in Burke and Burke (1974) and Moynihan (1973).

foundation for the “universal, national welfare program” that 36 years later would become a key element in the nation’s response to the Great Recession.

The Big Cash-Out Step, and Beyond

Change continued. In 1973, Congress took another step in the direction of a universal benefit by requiring that food stamps be offered in all counties across the country by the following year. Structurally, the most important additional development in the 1970s occurred when the Food Stamp Act of 1977 eliminated the purchase requirement. After final implementation in 1979 of this “cash-out,” the Food Stamp benefit was delivered in coupons calculated based on household composition and income net of deductions. If 30 percent of the household income net of deductions was less than the Thrifty Food Plan, the difference was made up in a monthly coupon allocation.

The cash-out continued the gradual shift in FSP operation from targeting food consumption to more general income support. Food coupons could be more readily substituted for food purchases that would have been made with cash, thereby releasing cash for other purposes. As Maurice MacDonald pointed out in his landmark *Food, Stamps, and Income Maintenance* (1977), the cash-out change made food stamps look even more like the negative income tax (NIT) transfer programs proposed by economist Milton Friedman, which had been tested experimentally in various locations and was incorporated into the FAP proposal. But the differences were important. Unlike the Friedman proposal, the FSP was not a substitute for other means-tested benefits, it was never integrated with the income tax code, and the horizon for eligibility assessment and benefit determination was a month, not a year.

FSP participation increased rapidly following implementation of the 1977 reforms. As has happened frequently over the life of the program, Congress responded to the increase in participation with restrictions. The Omnibus Budget Reconciliation Act of 1981 restricted FSP eligibility to households with gross income less than 130 percent of the applicable poverty guideline,⁸ regardless of deductions from income allowed by other parts of program law. The following year’s budget act added a second test that denied benefits to families with incomes after deductions greater than the applicable poverty guideline. Both these “gross” and “net” income restrictions served to curtail eligibility among families with earnings, since deductions principally apply to work expenses.

Once again, the moves to FSP restriction were soon followed by liberalization. The Food Security Act of 1985 facilitated access to food stamps for households receiving cash assistance from AFDC or Supplemental Security Income (SSI), by establishing “categorical” FSP eligibility. Categorical eligibility meant that these households (and later, beneficiaries of state general assistance programs) were subject only to asset and income tests used for these programs—not to the sometimes more stringent Food Stamp requirements, including the gross

⁸ The poverty “guidelines” are an administrative variant of the national income standard for identifying families in poverty. This measure was first introduced in the early 1960s and has continued, with inflation adjustment and other minor adjustments, to the present. The poverty standard varies by family size and composition. A family is officially poor if its pre-tax, post-cash assistance income falls below the standard. The official standard has long been criticized for, among many other things, failing to include food stamp benefits in the income measure. Unemployment benefits are included as income.

and net income limits. Expansion of categorical eligibility would eventually become an important factor in the growth of Food Stamp receipt in response to the Great Recession.

A notable change began in 1988, with authorization of experimentation with electronic benefit transfer (EBT) systems for FSP benefit delivery. This EBT innovation would lead ultimately to cessation of coupon use and reduction in stigma potentially caused by visible differentiation between FSP users and others at grocery store cash registers. The first year of the Clinton Administration (1993) saw further adjustments in income deductions for benefit calculation and an increase in allowed “fair market values” for vehicles, both of which presumably facilitated access.

Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) is famous for replacing the AFDC program with TANF (Haskins 2006). PRWORA also moved FSP policy in a more restrictive direction by tightening food stamp access in various ways, including elimination of assistance to most legal immigrants—a policy move that was substantially reversed by amendments in 1997 and 1998. Two features of PRWORA would prove to be particularly significant for SNAP response to the Great Recession. One was a change in eligibility requirements for Able-Bodied Adults without Dependents (ABAWDs). The other, somewhat oddly, was an alteration in the federal-state fiscal relationship for financing cash assistance.

Whereas prior law required only that unemployed ABAWDs register for work and accept suitable job offers, PRWORA placed a time limit of three months of FSP eligibility out of every 36 months for those not employed for 20 hours or more per week or engaged in training. States could request waiver of this requirement for ABAWDs living in areas of high unemployment or job shortage. What counted as “high unemployment” or insufficient jobs was determined by regulation; one standard subsequently adopted by the Bush Administration in 2001 for statewide waivers was that the state’s unemployment rate met the criteria to qualify for an additional 13 weeks of extended UI benefits (Bolen and Dean 2017, 3). This was the first administrative connection made between the UI and SNAP systems.

The ABAWD time limit poses a serious challenge for state program agencies. Basic SNAP administration in 1996 was (and continues to be) month-oriented. A person, ABAWD or not, is eligible for SNAP if income predicted for the coming month is below eligibility standards and other requirements for current status are met. The PRWORA work requirement requires longitudinal data on recipients—it is no longer sufficient to know current status to determine eligibility; the examiner must have access to benefit history as well. Without careful programming, such data are beyond the capacity of most state Food Stamp management systems. The result is considerable concern over the consequences of the rule for state error rates and, possibly, reluctance to pursue Food Stamp outreach to potential ABAWD recipients.

The fiscal link created by PRWORA between TANF and FSP was most likely not intended by PRWORA’s authors. Understanding the link requires more detail on what PRWORA did to federal financing for state family assistance. AFDC was funded with a matching grant for state expenditures for cash assistance to needy families. The matching rate varied by per capita state

personal income. But for all states, at least half of all costs was covered by the federal government with an open-ended commitment because AFDC, as defined by approved state administration plans, was an entitlement: All eligible (according to plan) families were guaranteed the benefit. In contrast, TANF is funded by a fixed block grant and a state spending requirement (“Maintenance of Effort” or MOE) based on nominal outlays in years immediately prior to 1996. Compared to former law, the new law raised the cost to states of adding families to the assistance rolls and/or providing more cash, and correspondingly increased the savings from keeping them off and/or lowering benefits.

PRWORA did more than just raise the marginal cost to states of providing cash assistance. The new law expanded the uses to which federal TANF money and the required state MOE outlays could be put. Instead of being restricted generally to cash assistance, as had been the case under AFDC, TANF funds could now be used for any effort “reasonably calculated” to serve TANF’s famous four purposes: Beyond giving aid to families with children, these purposes included ending reliance on public assistance, reducing out-of-wedlock pregnancies, and promoting “the formation and maintenance of two-parent families.” These goals can cover a lot of government services—things like childcare assistance, child protective services, even marital counseling—that do not involve cash assistance at all. Given the wording of the law, it appeared that virtually any of the activities paid for with TANF funds and reasonably calculated to serve these purposes might create categorical eligibility for food stamps. If such TANF-funded services did not include an assets test for eligibility or included one that was more lenient, then the conveyed categorical eligibility meant that the federal assets tests for the FSP were superseded.

In response to state inquiry, the USDA issued regulations in 2000 that confirmed potential categorical FSP eligibility for recipients of non-cash services funded completely or substantially with TANF funds.⁹ In what amounted to a reversal of the trend toward federalization of FSP eligibility requirements, PRWORA was interpreted as providing a great deal of latitude for state policy in determining who could receive food stamp benefits. TANF and general relief recipients retained the “traditional” categorical eligibility established in 1985. Beyond this, states could under the new regulations expand categorical eligibility through certain types of targeted programs, such as TANF-funded childcare or counseling. This came to be called “narrow” categorical eligibility. But the new regulations also allowed states essentially to extend categorical eligibility to any low-income households by delivering to some household member a nominal service funded by TANF that served TANF objectives. The only significant constraint was that, if the service was directed at either reducing out-of-wedlock pregnancy or promoting two-parent families, categorical eligibility required that household gross income be less than 200 percent of the applicable poverty standard, although states could adopt more restrictive standards. The upshot was that even receipt of a brochure funded by TANF could establish categorical eligibility and obviate FSP assets restrictions. States following this strategy are said to have established “broad-based categorical eligibility (BBCE).”

In response to the USDA regulation, the number of states adopting some form of ECE grew rapidly, and USDA’s Food and Nutrition Service (FNS) struggled to keep up. The agency began regular publication of “State Options” reports tabulating state choices, but detailing and

⁹ 65 Federal Register 70198, November 21, 2000, amending 7 CFR 273.2(j).

categorizing proved difficult.¹⁰ For example, in its first report (for status as of April 2002), FNS announced that 45 states had ECE, but provided little information about how such eligibility was conferred or its consequences for access. Over time, the agency has worked to improve accuracy and tighten definitions, eventually introducing in its ninth report (covering state policy choices as of November 2010) the distinction between “narrow” and “broad-based” ECE. Obtaining reliable information on state procedures has complicated research on the effects of state policy choice.

In 2000, Congress complemented the increase in state options for FSP eligibility created by PRWORA by allowing states to substitute the vehicle value maximum applied in their TANF program for the federal standard, if the TANF standard was higher. The Farm Bill of 2002 continued expansion of access, and it made computation of net income for benefit assessment more generous by linking the base deductions to household size and by altering treatment of utilities costs. The Food, Conservation, and Energy Act of 2008 rebranded FSP as SNAP, completed the elimination of coupons, and indexed the deductions. The combination of these tweaks and changes by states continued movement of the program in the direction of a negative tax system, but the significant differences from the way such a system was envisioned in the 1960s endured. The program retained a short (one-month) horizon for assessing income, and there was no integration of Food Stamp benefits with taxes, including the Earned Income Tax Credit (EITC). These differences and their consequences for interaction with UI become clearer by looking more closely at SNAP operations.

2. Food Stamps in 2009

We are now at the 2009 basecamp for studying the interaction of SNAP, UI, and the Great Recession. The description that follows centers on the state of SNAP in late calendar year 2008—the first quarter (Q1) of FY2009. Where age is relevant, the discussion centers on households with at least one adult beneficiary age 18 to 59; age 60 and older in Food Stamp regulations defines the elderly. The 18 to 59 age group is closely aligned with analysis in the state chapters that follow in this book, although generally the state work extends to households with adults ages 18 to 64.

Eligibility

SNAP access begins with eligibility determination. Eligibility is determined on what is termed for the rest of this chapter a “unit” basis. By convention, SNAP units are called households, but this can be misleading when used in conjunction with Census and other sources that define households differently. In Census Bureau publications, for example, “household” refers to all persons living in a dwelling unit.¹¹ Rather than looking to common residence, the SNAP definition looks at the pantry and stove, referring to groups of “individuals who share a residential unit and customarily purchase and prepare food together” (Gray 2014, 3). It is therefore possible for a Census household to include multiple SNAP units, although related persons are generally required to be considered one unit.

¹⁰ A complete listing of these reports is available on the FNS website: <http://www.fns.usda.gov/snap/state-options-report>.

¹¹ See <http://www.census.gov/hhes/www/income/about/faqs.html>. “A [Census] household consists of all people who occupy a housing unit regardless of relationship.”

Access to SNAP is virtually universal, excluding only certain felons, workers on strike, institutionalized individuals, some students, undocumented immigrants, nonimmigrant visitors, and some non-citizens lawfully residing in the country as permanent residents (Gray 2014, 7). Among felons, the Congress specifically excludes those “fleeing,” should they apply while on-the-lam. SNAP applications identify a Head of Household, who is generally also a member of the unit receiving benefits (exceptions are, in most cases, undocumented immigrants) (Gray 2014, 31).

Once the constitution of the unit is established, SNAP units are subject to assets and income tests before the benefit is computed. In the absence of overriding state policies (as will be detailed later, this is an important proviso), in FY2009 applicant units could have countable assets of no more than \$2,000 (or \$3,000 if at least one unit-member is elderly or disabled) (Leftin, Gothro, and Eslami 2010a, 6). The core federal income tests refer to the gross and net income standards established in 1981 to 1982. Gross income is required to be less than 130 percent of a variant of the federal poverty standard; net income cannot exceed 100 percent of the standard. The official poverty standard is based on annual income for a calendar year and is defined for families—“a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption” (U.S. Census Bureau 2015). The administrative standard used for SNAP eligibility (the federal poverty guideline) over a fiscal year is based on a simplified estimate of the official poverty standard, translated into a monthly equivalent, for the preceding (and overlapping) calendar year.

Net income is gross income minus certain deductions. These include a standard fixed deduction that varies by household size, an earned income deduction of 20 percent, and deductions for certain costs related to medical care, child support, dependent care, and “excess shelter cost,” that is, rent/mortgage payments in excess of half of net income before the housing cost deduction is allowed (Leftin, Gothro, and Eslami 2010a, 5). The housing expense deduction is capped for most households. For a recipient household of three with neither elderly nor disabled members, for example, the maximum excess housing cost deduction in FY2009 was \$446.

The description of assets tests presented above is conditional on the “absence of overriding state policies.” As already discussed, beginning in 2000 overriding the statutory SNAP eligibility requirements gradually became near-universal state policy. By the end of FY2008, all states had eliminated or reduced restrictions on the value of vehicles. State adoption of some form of ECE is plotted in Figure 1. Initially most states moved cautiously, extending categorical eligibility to households receiving certain specific benefits such as childcare assistance—this is “narrow” ECE. But, as the graph indicates, over the following years most switched to BBCE.¹²

[Figure ECE here](#)

Figure 1: Number of States with Extended Categorical SNAP Eligibility, by Type, 2001-2017

¹² Figure 1 is based on data from the FNS State Options reports (see note 10), two separately funded studies of state policy (Trippe and Gillooly 2010; Laird and Trippe 2014), and a recent report from the Congressional Research Service (Falk and Aussenberg 2017). Where possible, the data are intended to describe state policy at the end of the indicated fiscal year, but in some cases timing is difficult to ascertain.

By FNS count, 40 states had some form of ECE in June 2009, including all six project states. Five more were added by the end of the fiscal year. Georgia, Maryland, Michigan, and Texas had established BBCE earlier than 2009. Florida implement BBCE in July of 2010, and Missouri sustained only narrow ECE, based on receipt of childcare, transportation, and other work-related program support (Trippe and Gillooly 2010, Appendix A). The point here is that Figure 1 may be somewhat misleading as to the timing of impact of state changes in access to SNAP, and that many of the states not counted as meeting the full BBCE standard of general relaxation or elimination of assets and income caps as of FY2009:1 may have been moving in that direction. On the other hand, some web-based federal information sources continued to cite assets restrictions even when they were circumvented by ECE artifice (Heflin, Mueser, and Cronin 2015).

Benefits and the “Transfer Cross”

Regardless of the route by which eligibility is achieved, the SNAP benefit is calculated using net income as defined by the program. Ignoring for the moment deductions other than the fixed deduction applied to all, the SNAP benefit is calculated as follows. First, the unit’s maximum benefit is determined based on its composition. The schedule of benefits for each fiscal year is based on a Thrifty Food Plan (TFP) budget developed by USDA and published in June of the preceding year. The benefit is adjusted for inflation each year using an index of change in the cost of TFP components. In 2009 the basic FSP benefit for a family of three was \$463; for a family of four, \$588. Second, net income is calculated. The unit’s payment is the difference between the maximum benefit and 30 percent of its net income. Thus, when income goes up, benefits go down, and vice versa. For the special case of a household with income only from earnings, the effective benefit reduction rate is \$0.24 for each \$1 of gross earnings beyond the fixed standard deduction (\$144 in FY2009 for a family of one to three). The reduction rate comes about through the interaction of the 20 percent work expense deduction and the 30 percent of net income expenditure requirement: An additional dollar of gross earnings leads to an increase of \$0.80 in net income and an increase in expected food expenditures from the unit’s own income of $0.3 \times \$0.80 = \0.24 . The corresponding reduction in SNAP benefit is \$0.24 (i.e., the benefit deduction per additional dollar earned). Other income is “taxed” (i.e., SNAP benefits are reduced) at \$0.30 in SNAP benefit per dollar amounts beyond the fixed standard deduction. UI benefits are “other income.”

The benefit-income relationship is commonly summarized in a transfer cross diagram that relates total unit monthly income—own income plus the SNAP benefit—to the unit’s own income. “Own” here refers to income received by the household from sources other than SNAP. Figure 2 presents the SNAP transfer cross for a hypothetical single-parent family with two children (called here the “Reference Family”) and no own income other than the parent’s earnings.¹³ The dashed line running from the lower left-hand to the upper right-hand corner identifies points of equality between own income and total income (i.e., life without benefit). The distance between this equality line and total income is the benefit. Beyond the standard deduction (\$144), benefits fall as earnings increase. In the single-parent, two-child example shown, the maximum benefit is

¹³ Of course, other compositions could be used for reference, and in the discussions that follow some alternatives are considered when useful. But the issues raised generally apply to all SNAP units with children. Actual household composition for SNAP recipients with income from UI is discussed later in the chapter.

\$463. Benefits cease when gross monthly earnings reach \$1,907, because of the gross income limit of 130 percent of the poverty line. For a family with two adults and two children, the maximum benefit is \$588, and the overall schedule is higher. For a single individual, the maximum benefit is \$176 and the overall schedule is lower.

[Figure SNAPCROSS2009Q1](#)

Figure 2: SNAP Benefits and Income from Earnings, FY2009:1, Reference Family

The vertical line with heavier dashes in the diagram identifies the level of gross earnings at which this household would, given the assumptions made about deductions and the absence of ECE, fail the gross income eligibility test. This test—income must be less than 130 percent of the federal poverty guideline—is when applied generally the binding constraint for households with earnings. The other test—net income must be less than the poverty guideline—is rarely binding for households with earnings because of work expense deductions. In the discussions that follow the net income test generally appears only for households with income from sources other than earnings, including UI. Households of one or two persons determined to be eligible for any benefit got at least a minimum allotment (\$14 in FY2009); for simplicity, this is left off the graph. Oddly, no such floor is applied for larger households.

Figure 2 is for income from earnings. As mentioned, income from other sources—notably, in the present context, UI—is treated slightly differently, because the 20 percent proportional allowance for work expenses does not apply. The result, illustrated in Figure 3, is a different benefit reduction rate and a different breakeven, but the form of the relationship between receipts and benefit remains much the same. The cut-off of benefits at income = \$1,611 for the UI recipient household results from application of the net income eligibility test.

[Figure SNAPUICROSS2009Q1](#)

Figure 3: SNAP Benefits and Own Income, FY2009:1, Reference Family Income from Earnings versus Income from UI

The treatment of “unearned income” by SNAP is markedly different from that in other American transfer programs. In all state TANF programs, the marginal benefit reduction rate applied to UI is 100 percent (in some, fixed deductions apply to small amounts). The same is true for Supplemental Security Income payments received by or on behalf of persons with disabilities and the elderly poor. And the EITC provides no benefit to UI recipients other than partially offsetting federal tax liability generated by earnings outside the period of unemployment. For a household with both earnings and UI, the result is a mix of the schedules.

Deductions Matter

Figures 2 and 3 are abstract, and neither includes deductions beyond the 20 percent for work (in Figure 2) and the fixed standard deduction. In practice, the most common deduction is for “excess shelter cost.” In FY2009, Food Stamp benefit calculation for 74 percent of SNAP units with children and at least one adult age 18 to 59 included adjustment for excess shelter cost (Leftin et al. 2010b). The excess shelter cost deduction (ESCD) works as follows: For benefit

calculation, net income after all other deductions is reduced by the difference between a unit's monthly rent/mortgage and half of their net-income (Leftin et al. 2010a, 5). As a simplified example, if a unit has \$1,000 in rental payments (including utilities) and \$1,200 in monthly net income, its final net-income deduction would reflect an ESCD of \$400 ($\$1000 - \$1,200/2$). As already mentioned, the ESCD was capped at a maximum of \$446 in FY2009 (Leftin et al. 2010a, 5). The cap is indexed to inflation and is not applied for units that include an elderly or disabled person.

To see how this works, consider a specific case from the 2009 SNAP Quality Control data for one of the project states, Michigan. The unit, called here "First Example Family," includes two children and their mother. Mother works and earns \$487 per month. Her rent is \$483 (including utilities¹⁴). She has no other income, and her net income (before the shelter deduction) is \$246, calculated by subtracting from \$487 both her standard (\$144) and 20 percent earnings deductions ($\$246 = \$487 - \$144 - (0.2 * \$487)$). Without allowance for excess housing costs, her SNAP benefit would be \$389. However, her total housing plus utilities costs exceeds half her income before the housing deduction by \$360. Since this excess cost exceeds her net income, she receives the *full* Food Stamp benefit for a family of her size—\$463. The maximum excess shelter cost deduction applicable to this example is \$446, well above the First Example Family's \$360 statutory excess housing expense. This example is graphed for a family with income only from earnings in Figure 4. At her reported earnings of \$487 (marked in the graph), the SNAP benefit is almost half of total income.

[Figure SNAPXSHELTER here](#)

Figure 4: SNAP Benefits, FY2009:1, with and without Shelter Deduction, Example Family

Holding rent constant, should earnings increase beyond \$487, eventually a level would be reached at which the shelter deduction no longer completely offsets net income. At this point, additional earnings reduce the Food Stamp benefit. The rate exceeds the simple case of \$0.26 per dollar, because additional earnings also reduce the extent to which housing costs are measured as "excess." Indeed, every additional dollar of gross income reduces net income by \$0.36. Eventually earnings reach the point where the rent is no more than half of net income, and at this point the benefit reduction rate falls to \$0.24.

It is common for rents to absorb a sizable proportion of a SNAP recipient's family income. In such cases the deduction may even continue up to the point where the unit fails the gross income test—that is, income from all sources exceeds 130 percent of the relevant poverty standard. We plot such a case, again from the 2009 QC sample, in Figure 5. This "Second Example Family" is again a single adult/two children unit. But in this case the household head reports gross earnings of \$1,710 per month. Her rent is \$767 per month, and as the unit head she is granted the \$550 standard utility allowance for her state, bringing total shelter costs to \$1,317. A shelter cost of

¹⁴ Methods for calculating utility expenses vary by state. Most states use a standard utility allowance (SUA), which applies for all units that pay at least their heating and cooling costs, instead of calculating exact utility costs. For example, in Michigan in 2009 the SUA was \$550 per month. For units that do not pay their heating and cooling costs, specific deductions such as water and telephone bills are calculated. Units that receive Low-Income Home Energy Assistance Program (LIHEAP) assistance are automatically eligible for the SUA, regardless of their utility costs. For more information, see <http://www.fns.usda.gov/snap/standard-utility-allowances-0>.

this magnitude would ensure the maximum SNAP benefit right up to the point where gross income equals 130 percent of the applicable poverty standard of \$1,907, as depicted in Figure 5.

[Figure SNAPMAXSHELTER here](#)

Figure 5: The SNAP Transfer with Maximum Shelter Expense Deduction, Second Example Family, FY2009:1

The Effect of BBCE

The excess shelter deduction example used for Figure 5 illustrates the public policy importance of state adoption of BBCE. With earnings of \$1,710 and the assumed deductions other than the excess shelter cost deduction, this woman's SNAP benefit would be \$96. Addition of the excess shelter deduction raises the benefit to \$230. Should the woman in this case increase earnings to \$1,906 (11.5 percent), her shelter costs will still exceed half her income net of other deductions by more than the shelter deduction cap, so the benefit falls by \$0.24 per dollar of increased earnings to \$183. This is where without BBCE the gross income test would bite. In principle, if the woman in this example increased income by one more dollar, to \$1,907, she would lose her SNAP benefit in its entirety (i.e., a 100 percent benefit reduction rate, known as the "cliff"), because \$1,907 is 130 percent of the poverty guideline for a family of three.

BBCE changes this. Michigan was an early (2001) BBCE adopter, and this eliminated the net income test and raised the gross income test to 200 percent of the poverty guideline, or \$2,933 per month in 2009.¹⁵ The SNAP recipient whose rent report was used for constructing Figure 5 would no longer face the cliff at \$1,907 monthly income should her earnings (or UI benefits) amount to more. Given her shelter costs, the post-BBCE transfer cross appears in Figure 6. Note the substantial increase in the range of earnings over which she is eligible for some benefit. The effect for UI is similar, but not as extreme.

[Figure SNAPXSHELBBCE here](#)

Figure 6: The SNAP Transfer after BBCE Adoption, Second Example Family, FY2009:1

The implication is that BBCE, the excess shelter allowance, and the standard utility allowance substantially increase the range of gross incomes consistent with SNAP eligibility, compared to what might be inferred from looking at the simple form of the system as illustrated by Figure 2 or common descriptions of the program (cf. Hoynes and Schanzenbach 2015). As noted, the same holds true qualitatively if income received is from UI. As has long been appreciated, a family's decision concerning the level of housing consumption is significantly affected by long-term resources, not just current income. In a recession, families may find themselves in new income situations inadequate for sustaining their pre-recession housing choices. Housing adjustment can be costly, however, and such costs multiply when the families affected are homeowners and the value of homes declines—a central feature of the GR. It seems likely that in

¹⁵ Technically, categorical eligibility would require that the family receive some TANF-funded service or simply be put on notice that the family was eligible for some TANF-funded service, however trivial (Falk and Aussenberg 2016). In the Michigan case, the "service" provided was information about Domestic Violence Prevention Service that was included in the SNAP application (Laird and Trippe 2014, Appendix A).

states like Michigan that were early adopters of BBCE, the excess shelter cost deduction contributed to access to SNAP benefits by formerly middle-income families.

State Motivation

Much policy analysis is focused on the effect of transfer systems like SNAP on work incentives (Hoynes and Schanzenbach 2012). This literature concerns the behavior of individuals given the availability of the system—whether they chose to take up benefits and how the availability of such support affects decisions about labor supply, as well as other matters of social interest. In a federal system, another behavioral response is also important in determining the ultimate effect of national policy. This is the response of state governments in: (1) choosing among options presented by the program’s design and (2) administering the system as defined by the options selected.

The financing system for SNAP has particularly important implications for state strategy. The federal government pays for all benefits, but states pay for approximately half of all administrative costs. In consequence, there is little incentive to curtail receipt or to devote effort to improving precision in eligibility or benefit determination. The absence of such incentives is offset, of course, by a general sense of agency responsibility to taxpayers and by penalties generated by the federal auditing system.

One consequence of the state contribution to administrative costs is heightened interest in methods for reducing such costs by simplifying eligibility standards. Trends in reducing or eliminating restrictions on assets values, and in reducing frequency of income re-assessment, undoubtedly reflect effort to reduce barriers to SNAP access. At the same time, they also reflect state fiscal interests, because such changes reduce administrative costs and the risk of error in eligibility and benefit determination. From an administrative standpoint alone, adoption of innovations like BBCE presents a strategic tradeoff. Such a change reduces administrative costs per case. But adoption of BBCE is likely to increase the caseload, thus raising administrative costs. Many other areas of SNAP policy embody similar strategic concerns.

Back to FAP

As pointed out more than once, the various versions of Figure 2 look very much like textbook diagrams of a “negative tax” transfer system. The zero-income benefit, or guarantee, is set by the Thrifty Food Plan; and benefits decline with income until a “breakeven” point is reached—just as the Nixon administration’s FAP intended. It is, thus, interesting to compare SNAP 2009 to FAP. Figure 7 replicates Figure 2 and adds a calculation of the FAP benefit schedule transformed from annual to monthly terms and from 1970 to 2009 values. The comparison indicates that, while the base guarantee for FAP was (in 2009 dollars) greater than the 2009 SNAP benefit, for three-person families with earnings greater than roughly \$995 per month the SNAP benefit is larger, and the crossover would occur at a lower earnings level were excess shelter costs to be included. Given the importance attached by Daniel Patrick Moynihan and others to FAP and other negative tax schemes as vehicles for support of working families, this outcome is quite striking. In a sense, it is the “stealth” FSP/SNAP that has delivered the family assistance the architects of FAP were seeking but failed to achieve. Moreover, by reaching beyond families with children, SNAP covers more of the population than those targeted by FAP.

[Figure SNAPFAP here](#)

Figure 7: FY2009:1 SNAP Benefits and the Nixon FAP, Reference Family

We can never know, of course, how the world would have been different had FAP become law. The relationship between FAP and Food Stamps was never resolved; it is possible that Food Stamps would have been preserved and operated alongside, thereby raising total benefits and the rate at which total benefits were withdrawn as earnings increased. There is no reason to believe FAP benefits would have been sustained in real terms, as was presumed in drawing Figure 7, although (as illustrated by Figure 6) adding excess shelter costs and other deductions has increased the SNAP benefit, and it is possible that a similar political dynamic would have sustained or increased FAP. It is also unclear how FAP would have treated income from UI benefits, although the logic of the FAP proposal suggests that, beyond the initial disregard, benefits would have been reduced dollar-for-dollar by UI payments.

While relevant to appreciating what SNAP has become, the NIT connection can be misleading given the concerns of the present volume. The transfer crosses in Figure 2 and Figure 3 are static. The emphasis is on the depicted transfer program as income support, producing a floor on family resources. It answers the question: “If I have this much in income, what do I get?” Contrast this with the UI question: “If I *lose* income because I lose my job, what do I get, and for how long?” As the preceding chapter indicates, for UI, policy changes in response to the GR had little effect on initial access to UI given job loss, but much consequence for potential duration of benefits. For SNAP, changes in policy in the period leading up to and through the GR changed access by eliminating restrictions on assets and expanding the range of income, including income from UI, consistent with benefit receipt. These developments presumably increased the share of all households eligible for SNAP, and over time the expansion in the eligible population would be expected to increase the number of households that apply for, and receive, the benefit. This take-up could in many cases be precipitated by unemployment. But what happens afterwards? Does SNAP receipt endure?

3. Policy Evolution

In the first year of the Great Recession, the national unemployment rate rose by 2.3 percentage points, reaching 7.3 percent by the end of the year. The initial focus of Bush administration policy was on stabilizing the financial sector; the major social policy initiative, described in Chapter 2, was a federally financed extension of unemployment benefits (EUC08) beginning in June 2008. Further social policy response did not occur until inauguration of a new administration in January 2009. The centerpiece of that response was the American Recovery and Reinvestment Act (ARRA), passed by Congress and signed by the president in April 2009. The ARRA broke new ground by explicitly manipulating SNAP for a countercyclical purpose.

The ARRA

The ARRA made two important changes to SNAP. The first affected benefit amounts and, in combination with BBCE, expanded the range of incomes at which households would be eligible for some SNAP benefit. The second substantially reduced work requirements for jobless ABAWDs.

The new law increased maximum allotments for each household size to 113.6 percent of the benefit initially established for FY2009. For the reference family of three with no net income, for example, the benefit amount increased from \$463 to \$526. This benefit increment applied regardless of actual benefit paid, so for households receiving less than the maximum benefit because of other incomes, the proportionate increase in payment could substantially exceed 13.6 percent.

Figure 8 adds the post-ARRA benefit to the “baseline” example depicted in Figure 2. Note that the ARRA itself did not eliminate the gross income test, so in principle the change did not alter the range of earnings consistent with benefit receipt. However, for states with BBCE, the range of eligibility for benefit expanded beyond the limit. The mechanics of benefit calculation imply that a change in the base benefit translates—because of the variable deduction—into a larger move in the maximum benefit consistent with eligibility if no gross- or net-income constraint is applied.

[Figure SNAP-ARRA here](#)

Figure 8: FY2009 SNAP Benefits Before and After the ARRA, Reference Family

The BBCE effect is illustrated in Figure 9. Here the Gross Income Limit is retained for reference, but the Gross Income with SNAP lines are extended to the point where the benefit falls to zero, as would be the case for states that set the gross income test at the maximum level permitted—200 percent of the poverty standard or, in the case of the reference family, $\$1,907 \times 2 = \$3,814$. An addition of \$68 to the Example Family’s base SNAP benefit pushes the breakeven for households with earnings from \$2,209 to \$2,372. Recall from Figure 1 that at the beginning of 2009, 19 states had BBCE; by January 2010, the number had increased to 27. Adoption of BBCE was not part of the ARRA, but it likely enhanced the ARRA’s effects. FNS promoted BBCE to help families and reduce administration costs (Trippe and Gillooly 2010, 3).

[Figure SNAPARRABBCE here](#)

Figure 9: FY2009 SNAP Benefits Before and After the ARRA, with BBCE, Sample Family

Figure 9 shows the outcome for a household with only earnings. For households reliant on UI, the effect is similar but smaller. Whereas for earnings every dollar in additional ARRA benefits increased the breakeven by \$4.16, for households with UI, the increase dropped to \$3.33. Not all states with BBCE were as generous as Michigan; some imposed a lower gross income restriction (Trippe and Gillooly 2010, Table 2). However, only two (Minnesota and Texas) retained assets tests, and in both cases the assets restrictions were less severe than the core federal SNAP requirement.

The second ARRA change made more childless adults eligible for SNAP. As mentioned above, before ARRA, able-bodied childless adults not complying with SNAP work requirements were generally limited to receiving SNAP for three months out of any 36-month period unless the state had obtained a waiver based on high unemployment or depressed labor markets. The ARRA gave all states a waiver for the remainder of FY2009 with an option of continuing this

exemption through the end of FY2010. In fact, as discussed below, the ABAWD waiver would endure in various forms well beyond FY2010.

Life after ARRA

Under the original ARRA legislation, SNAP benefit levels would have remained at the fixed elevated levels (based on the 2008 Thrifty Food Plan) until inflation caused the regular benefit calculation to catch up. At that point, maximum benefit levels would again be based on 100 percent of the Thrifty Food Plan of the previous year, as had been the case prior to the ARRA increase. On the assumption of a 2 percent rate of food cost inflation, this convergence would have occurred in six or seven years (roughly in 2016). However, because of legislation passed in 2010, the elevated SNAP benefit levels ended on October 31, 2013. The maximum benefit level then returned to 100 percent of the Thrifty Food plan value of the previous June, resulting in a decline in payments for most families. For a family of three, the maximum monthly allotment fell from \$526 to \$497 (Dean and Rosenbaum 2013).

The Agricultural Act of 2014 reauthorized SNAP. This new “Farm Bill” kept the program’s basic eligibility guidelines in place but amended the criteria under which SNAP units qualify for a standard utility cost deduction. The bill included funding for major state experiments with employment and training initiatives for SNAP recipients. Ten such state experiments were in at the least planning stages by spring 2015, and all were underway by the end of FY2016 (FNS 2016b). Of these only two were targeted specifically at ABAWDS; most included all SNAP participants required by law to register for work.

The ABAWD waivers endured past the official end of the recession because unemployment did. By early 2012, 46 states still met the extended UI benefit “trigger” criterion for an ABAWD time limit waiver (FNS 2012). Thereafter continuing recovery led to contraction of eligibility, so that by the beginning of FY2017 only 11 states (including Michigan) continued to have a statewide exemption from the ABAWD time limit. Twenty-six (including Georgia and Maryland) had waivers for substate areas; 16 (including Florida, Missouri, and Texas) had no time limit waiver at all (FNS 2016a). Evaluation of impact of time-limit re-imposition is complicated by lack of information on timing and state administrative adjustment to the rule requirements.

As of the beginning of FY2017, most other recession-related changes in federal policy and state responses remained in effect (FNS 2017). Forty states had broad-based categorical eligibility and eliminated the net income test for benefit eligibility. Among the six project states, only Missouri retained narrow categorical eligibility. Thirty-two states exempted all vehicles from assets tests; the remainder exempted at least one.¹⁶

In sum, beginning in 2000 federal legislation and progressive extension of categorical eligibility by states increased access to Food Stamp/SNAP benefits for families with children. The ARRA increased the size of the benefit for all eligible families and allowed all states to waive time limits on SNAP benefits for adult recipients without children. These changes reduced barriers to, and increased incentives for, SNAP application by households receiving UI payments. They

¹⁶ These numbers are from the FNS SNAP “Eligibility” website page (<https://www.fns.usda.gov/snap/eligibility>; accessed 8 July 2017). The FNS counts include Guam and the Virgin Islands as “states” and no longer provides details on vehicle exemption policies by state.

positioned SNAP to become a major contributor to the public response to income decline brought about by the GR. While some retrenchment has occurred with respect to ABAWD access, SNAP remains much different, and much more liberal in operation, than in 2000.

4. Caseload Evolution

The story told so far describes the supply of assistance. The outcome—program take-up and expenditures—is the product of (1) the character of state management as it evolved in response to changes in federal law and (2) family response to the program as delivered.

Caseload Development

The policy developments after 2000, the Great Recession, and the ARRA transformed the Food Stamp Program, leading to a caseload expansion that has proved remarkably persistent.

Figure 10 plots the monthly national SNAP caseload and seasonally adjusted unemployment rate from FY1996 through FY2016. The trend in unemployment is dominated by what might be termed the “Lesser Recession” of 2001 (the LR) and the GR. The entire time range is usefully divided into four phases. The first is the post-PRWORA decline, which was associated with TANF caseload contraction. The second is the long expansion from 2001 through 2007, which occurred as states promoted SNAP access. The third is the surge from 2008 through 2012, which is associated with the GR and its aftermath. Finally, there is a leveling off—but little decline—beginning in 2013, as the caseload stabilized. This was followed by a significant decline in 2015 to 2016 as the time limits on participation of unemployed ABAWDs were reinstated.

[Figure SNAPCASELOAD here](#)

Figure 10: The SNAP Caseload, FY1995-2016

National SNAP data emphasize current case and recipient counts. However, FNS has long conducted, in collaboration with states, a sampling of SNAP cases for quality control (QC). Conducted by state SNAP agencies following a federal protocol, this QC sample is designed to produce estimates of state error rates in SNAP eligibility assessment and benefits determination.¹⁷ It is also used to provide detail on caseload composition. Most of the information is collected from direct review of case files, but some participant interviews occur for verification purposes. Sampling is done continuously through the year, so that the resulting accumulation supports estimates of characteristics of SNAP recipient units and participants in an average month. The data are systematically reviewed and cleaned by an experienced contractor. While over time procedures have altered somewhat, the changes have not significantly impaired the utility of the sample for cross-year and cross-state comparisons. The result is an analytic administrative dataset on participants that is substantially better than anything available for other national social assistance programs such as TANF, SSI, or the EITC.

¹⁷ There is evidence that in recent years some states have altered financial details for some households included in the QC sample to reduce estimated error rates. There is no indication that these actions have affected the demographic data, and the interventions do not appear sufficiently large to affect conclusions drawn later in this paper. See OIG (2017).

Of course, the QC data have shortcomings. One is the absence of longitudinal information: Each observation records the status of a case at a month in time—virtually no information is included on case history. Another is that nothing is subsequently added to the one-month QC “snapshots” to identify case disposition thereafter. Given the orientation of SNAP toward a unit’s status in the current month, collection of such data is not warranted for administrative purposes. However, QC sample records do include a variable identifying the most recent administrative action for a case and elapsed time since that action occurred. As a result, it is possible to estimate for any month the proportion of units that are “new,” meaning that the most recent action was opening. This sample-based estimate, applied to administrative counts of open cases, provides an estimate of the total number of new cases in the month. This estimate of openings in hand, an inventory identity plus monthly data on total participant cases can be used to calculate the number of cases open in the preceding month that closed. If the caseload is growing, openings must exceed closings. But the same caseload trend can be produced by a variety of combinations of these components, so something can be learned from looking at the components of the change.

Figure 11 plots SNAP openings (called accessions) and closings (called terminations) since roughly the beginning of the second phase of caseload expansion. Because the monthly estimates, based on small samples, are very noisy, the flows presented are quarterly averages of monthly flows. Several features of SNAP dynamics are evident in the graph. Both accessions and terminations flows are substantial. Over the entire interval, accessions average about 975,000 cases and terminations about 897,000 cases per month. Expressed as a proportion of the caseload, accessions average 7.2 percent and terminations 6.6 percent. Second, the caseload surge that began with the GR was the product of an increase in accessions coupled with a near-fixed quarterly rate of closures. Third, by 2012 the monthly flow of cases both on and off was roughly 75 percent greater than was typical in 2007. Absent other changes, the implication is that state administrative costs were now substantially greater—which probably contributed to state enthusiasm for simplification of eligibility determination and review.¹⁸

[Figure SNAPCHNGCOMP here](#)

Figure 11: SNAP Accessions and Terminations, FY 2000-2015

The States

As is virtually always the case, the trends in national aggregates are the summation of quite different experiences across states. This variation is illustrated by SNAP caseloads in the six project states. To assist in trend comparison, Figure 12 presents caseload trends for all project states and the U.S. normalized on the average monthly caseload in 2007. Missouri has clearly

¹⁸ The administrative data for caseloads count only units that have received benefits during the month. Some of this turnover is probably the result of administrative “churning,” in which units that have benefits suspended in a month are counted as closures, even if benefit payment is resumed in the next (Mills et al. 2014). Such terminations are generally not genuine departures from assistance in the sense that regaining benefit requires a full reassessment of eligibility. Given the definition of case opening used in constructing Figure 11, the exaggeration of “real” terminations by the inventory estimation procedure is diminished, because in any month temporary loss of cases through payment suspension is offset by the number of cases now returned to the count following compliance—an action not counted as an accession.

pursued a more restrictive SNAP policy than has Florida. By 2013, caseload growth had stabilized in all project states except Maryland.¹⁹

[Figure STATECASELOAD here](#)

Figure 12: State SNAP Caseloads, FY 2004-2016

Participation

Growth in state SNAP caseloads can result from several things. The simplest is growth in population. Another is expansion of eligibility within a given population when income loss or change in requirements increase the proportion of the population eligible for benefits. The third is an increase in take-up of benefits within the eligible population.

In principle, estimating SNAP participation is straightforward. One begins with a sample of households that includes sufficient demographic and financial data to identify those eligible for program participation and those currently participating. The participation rate is then the ratio of actual recipients to those estimated to be eligible. The analysis presumably would also provide an estimate of the share of total recipients receiving benefit in error. Such calculations could be done either based on units or people. An alternative is to compare administrative data on receipt (i.e., not from totals inferred from sample data) to sample-based estimates of eligibility.

In practice, of course, there are many roadblocks to such estimation, because no available data source is perfectly suited to the task. SNAP eligibility is determined monthly, yet most major national household surveys do not collect monthly income data. In addition, the sample frame for most surveys consists of household (i.e., housing) units, “places intended for occupancy as separate living quarters.” But, as already noted, households can contain multiple potential SNAP units, and the eligibility of individuals can depend on the unit to which they are assigned. Making such judgments using demographic data from surveys is problematic at best. SNAP receipt appears to be significantly underreported in many surveys, so generally estimates use administrative totals for the participation. While use of administrative data for case counts circumvents participation under-reporting, participation estimation is still clouded by uncertainty about the accuracy of household income reporting.

Not to be daunted, the FNS annually publishes estimates of rates of SNAP participation by eligible persons. The estimates are done by a contractor, Mathematica Policy Research (MPR), using household data from the Annual Social and Economic Supplement of the Current Population Survey (CPS-ASEC). (For an example, see Gray and Cunygham 2017.) Around March of each year, the CPS-ASEC collects data on household composition and incomes for the previous calendar year. MPR translates these data into estimates of the number of months families and other potential recipient units within the household were eligible for SNAP receipt. Administrative totals are compared to the CPS-based count of persons judged eligible to derive a

¹⁹The downturn in Georgia’s caseload in 2014—outside the analysis window for this book—is the result of administrative problems created by, among other things, flawed implementation of a major social services management information system expansion. Downturns in Georgia and other states—notably Florida—three months after the beginning of FY2015 reflect expiration of waivers for the three-month time limit for unemployed ABAWDs.

general participation rate. This is complemented with an estimate of the participation rate for potentially eligible budget units that report earnings—the “working poor.”

MPR’s annual estimates are summarized in Figure 13. There have been changes in estimation methodology over time, and some of the difference between the participation estimates for earlier and later years may be attributable to such adjustments and not genuine changes in actual rates of take-up. Nevertheless, the general upward trend in participation rate is likely real. However measured, participation in SNAP is far higher than estimates for SSI and TANF. The Urban Institute estimates that in 2011 only about one-third of families nominally eligible for TANF benefits under the rules applicable in their states of residence received TANF support, compared to upwards of three-quarters for SNAP.²⁰

[Figure SNAPPART here](#)

Figure 13: Estimated Participation of SNAP Eligibles, 2000-2014

Sample sizes for states in the CPS are in many instances too small to support meaningful state-level estimates of participation. To address this problem, the agency produces estimates of the number of eligible household units (and individuals in eligible household units) by combining CPS data with estimates of potential eligibles derived from other states.²¹ Table 1 shows estimated participation rates for the project states as well as for the U.S. for three years that overlap the general project window of interest. Five of the six project states had higher estimated participation than did the U.S. as a whole by 2011 (Texas is the exception). But these estimates are subject to substantial sampling error. MPR estimates that the only statistically significant differences in 2011 (at the 10 percent level) are for Texas (significantly lower than the other project states) and Michigan (significantly higher) (FNS 2014a). MPR caps the estimates produced by its procedure at 100 percent; as indicated, this occurs for Missouri for 2007 and Michigan in 2011, 2013, and 2014.

[Table STATEPART here](#)

Table 1: Estimated State SNAP Participation Rates, All Eligible Individuals: Selected Years

The Characteristics of SNAP Units

The caseload growth evident for the country in Figure 10 and for project states in Figure 12 has been accompanied by important changes in the demographic make-up of the SNAP caseload. The most significant alteration lies in the growing share of the caseload attributable to households with working-age adults without children, many of whom would be, in the absence of rule suspension, subject to benefit limitation if neither at work nor in a training program.

²⁰ See DHHS (2014), p. II-17. These participation estimates are done on a unit basis, not individual basis as is done for SNAP in Figure 13. The comparable SNAP unit participation rate for 2011 is 81.8 percent, compared to 78 percent for individuals.

²¹ The estimates are “Bayesian” in the sense that the predicted numbers of eligible families derived from earlier years’ and other states’ data are used to form a “prior” estimate of numbers of eligible units; this is combined with CPS results to produce across states the best “posterior” fit for the current year. The procedure yields estimates of precision that can be used to judge the significance of differences in estimated outcomes across states.

The upward trend in childless cases is evident in Table 2, which shows the composition of Food Stamp/SNAP households in various years. Over the 12-year span, the division of cases between those with only children, those with only elderly (ages 60 and older), and those that include at least one adult participant age 18 to 59 has changed remarkably little. But within the “with working age adults” group, the share of cases with children among all SNAP cases has declined by 10 percentage points. Judged by the diversity evident in the table, the combination of extended categorical eligibility, ABAWD waivers, and the GR moved SNAP even closer to being the “universal, national welfare program” the CBO predicted 40 years ago.

[Table CASECHAR here](#)

Table 2: Estimated Proportion of SNAP Monthly Caseload by Unit Composition: Selected Years

ABAWDs and the Like

The work requirement applied to ABAWDs (unless waived) is restricted to adults ages 18 to 49, while Table 2 follows common FNS practice of labeling 1 ages 8 to 59 as “working age.” Table 3 elaborates the FY2013 data from Table 2 to identify the subset of the “Other” cases that includes adults ages 18 to 49 and counts the adults. The units and adults that meet this restriction are termed “apparent” ABAWDs (AABAWDs) – adults ages 18 to 49 who are living with no children, report no disabilities themselves, and live with no other disabled adults or any elderly person.²² By this definition, 17 percent of SNAP units in FY2013 included adults who would be subject to the ABAWD time limit if unemployed and not in training and living in states or counties without time limit exemption. This is the bottom line in the table.

[Figure FINDABAWD Here](#)

Table 3: Looking for ABAWDs, FY2013

We can drill further. The count of persons ages 18 to 49 in this “bottom line” group is 4.6 million (the others are ages 50 to 59). These AABAWDS would be excluded from SNAP access only if they are employed less than 20 hours a week and have been receiving SNAP for more than three months during the past three years. The QC data do not include the information necessary to fully apply this definition. We can assess the proportion employed or reported to be engaged in training. In FY2013, 68 percent of the AABAWDS, 3.1 million adults, were listed as neither employed for at least 20 hours a week nor engaged in training. At best, this number gives a sense of orders of magnitude in discussions of the potential effect of applying the full ABAWD restriction.

In Figure 14, the annual equivalent of the last number in the bottom line of Figure 13 is plotted by year from 2003 through 2015 for the U.S. and for the project states. As would be anticipated from the ARRA, the number of SNAP units with AABAWDS jumped substantially in fiscal years 2009 and 2010 and that proportion was sustained, at least until state waivers began to expire in FY2015. The general pattern for the U.S. is replicated for the project states, with the project states’ estimates by the end of the period generally lying above the national proportion.

²² The SNAP QC questionnaire includes a variable for ABAWD designation, but it is clear from the data that states were uncertain, at least in prior years, about identification.

Texas is again an outlier. By 2013, just 8 percent of Texas's adults were in units that included ABAWDS, compared to 22 percent for the entire nation.

[Figure STATEPROPABAWD here](#)

Figure 14: Proportion of Adult SNAP Recipients Age 18-59 in Units Containing at Least 1 ABAWD, U.S. and Project States, FY2003-FY2015

Interaction with Unemployment Insurance

There are no national UI administrative data that include information on SNAP utilization by UI recipient households. It is possible to use the SNAP QC information to take the opposite perspective and estimate the prevalence of UI receipt among SNAP recipient households. Here again consideration is limited to cases that include adults ages 18 to 59. Table 2 indicates that such cases constitute just slightly above three-quarters of the SNAP caseload.

Figure 15 indicates that the GR saw a surge in UI receipt among SNAP recipients. Separate tabulations are reported for all units and for the newly certified, and within these groups for units without children. Across the nation, the prevalence of UI receipt was greatest for newly certified units that include a child. Recall that the recession officially ended in the second quarter of 2009. Nevertheless, the peak for prevalence of UI receipt both among newly certified units and all units occurs in the following fiscal year. After that, the tail-off in UI receipt among new cases pulls the overall rates downward.

[Figure UIPROP here](#)

Figure 15: Estimated Proportion of SNAP Caseload with Recorded UI Income, FY2003-2015

The SNAP-UI Households

The SNAP QC data provide some justification for the use of a single-parent family with two children for sample calculations in the earlier discussion of SNAP eligibility. Table 4 provides more detail on the composition of SNAP recipient households that reported income from UI. In 2009 about one-third of all SNAP households with income from UI had a single parent with children. Thirty-one percent of such households included multiple adults; two-thirds of this group were households with married or cohabiting couples. Two percent of SNAP-UI households were "child only," meaning that the family included adult recipients of UI who had incomes that were included in assessment of the children's need but who were themselves ineligible. The remainder were households without children.

[Table SNAPUIHHLDCOMP here](#)

Table 4: Proportion of SNAP Households Reporting Current Income from UI by Composition, Average Month, Selected Years 2003-2015

The total number of SNAP households with UI income more than quadrupled between 2003 and 2015, but thereafter the numbers fell precipitously, as indicated by Figure 15. This decline was more rapid among households with children than among those without, so that by 2015 the QC

data indicate that 43 percent of all the SNAP households that reported UI income included no children. The contraction of unemployment generally and of extended UI benefits caused the share of SNAP cases that reported income from UI to fall to 1 percent. The era of program interaction was over.

The Special Role of the Excess Shelter Cost Deduction

The ESCD is important, especially for families receiving UI benefits.

Table 5 shows the prevalence of the ESCD across SNAP households, as well as the proportion of the SNAP benefit received that is attributable to the reduction of net income brought about by the ESCD. Since application of the ESCD is wide and growing—by 2013 over 72 percent of SNAP participant units benefitted from it—this deduction has a significant consequence. The bottom portion of the chart reports results of a simulation of the consequence for SNAP benefits of eliminating this deduction, all else constant. By 2013, 19 percent of SNAP benefits were attributable to the ESCD.

[Table ESDIMP here](#)

Table 5: The Importance of the Excess Shelter Cost Deduction

There is a significant difference in prevalence and amount of ESCD between households with and without income from UI. By 2013, for example, 82 percent of SNAP units with UI income reported excess housing costs, resulting in increasing benefits to this subgroup by 29 percent compared to 19 percent for those without UI. This differential has persisted throughout the recession and recovery. It is likely that units receiving UI have housing costs based on choices made based on higher incomes than is true for those not receiving UI, and that such choices involved home purchase. The result is higher housing costs as families attempt to meet house payments. Unfortunately, the QC data do not identify tenure, so it is not possible to investigate the extent to which differentials between units with and without UI are related to differences in the prevalence of homeownership.

As sizable as is the ESCD difference between current UI recipients and others, it is important to keep things in perspective. As the table shows, concurrent UI recipient units are a small subset of all households. What the QC data cannot show is how many of the SNAP units without UI income have simply exhausted benefits.

Broad-Based Categorical Eligibility

Ostensibly, one of the most significant consequences of broad-based categorical eligibility is the loosening and, in some cases, elimination of the gross and net income tests for SNAP eligibility. However, the SNAP QC data indicate that this elimination had little significant consequence for the prevalence of (relatively) high-income households in the caseload. Table 6 shows a breakdown of 2014 national caseload data for units most likely to be affected—those with adults ages 18 to 59 but no member who is disabled or elderly. Only about 4 percent of units that meet these requirements fail either the net or gross income tests. The same is true for those cases newly opened.

[Table BBCE2014 here](#)

Table 6: Broad-Based Categorical Eligibility and the Income Tests, 2014

Table 7 carries the analysis of Table 6 backward in time and shows separate results by state. The bottom line, for the U.S., indicates that 2010 saw the highest prevalence of (relatively) high-income cases in the caseload, but even this was less than 6 percent of the subgroup analyzed. This national aggregate, as always, encompasses substantial variation across states. Georgia, a state with BBCE that retained the 130 percent gross income test, includes no cases with gross income more than 130 percent of the administrative poverty standard. Maryland and Michigan, in contrast, include the greatest proportion of higher gross-income cases.²³

[Table BBCEAll here](#)

Table 7: Proportion of SNAP Units Passing both Net and Gross Income Tests, 2004-2015

The implication of these numbers is that if BBCE makes a difference for the caseload, the effect comes about not because of enhancing the range of earnings consistent with eligibility for SNAP benefits but because of elimination of assets tests and the simplicity of making eligibility depend primarily on ascertaining that a household's net income is low enough to lead to a positive SNAP payment.

The importance of elimination of the assets tests in the BBCE-related increase in SNAP take-up remains difficult to assess. At least part of the effect may arise in the ambiguities surrounding asset assessment. It is one thing for an applicant to report current income. It is another to catalog and estimate the value of assets. For newcomers to SNAP, the assets language in SNAP application forms in states without BBCE might well be frightening. As late as 2014, the Food Stamp application (it was still called that) in Missouri asked applicants to "please list any cash, money in bank accounts, stocks, bonds, retirement accounts, settlements from accidents, insurance claims, and lottery winnings" in their own or any other household members' possession. Then the applicant was told that when he/she signed the application, he or she was "certifying . . . that you understand that information provided on this form and during the interview must be true and accurate." The applicant then agrees to "authorize the Director of Family Support Division or his/her appointee to investigate my circumstances or statements." The applicant certifies understanding that "it is against the law to obtain or attempt to obtain Food Stamp benefits to which I am not entitled."²⁴ This of course begs the question how the applicant would know whether she was entitled before "attempting to obtain" such benefits.

With BBCE as operated in most states, these questions go away. As public understanding of the increased ease of SNAP application grew and was confirmed by the experience of former co-workers and neighbors, a "tipping point" may have been reached in SNAP applications. People

²³ Here, again, it is important to retain perspective. The QC data cover current receipt, not situation on entry. It is possible that the elimination of the gross income tests does result in greater case in-flow, but once receipt is established, units reduce earnings so that income falls to the point of not being counted in Table 6 and Table 7. We lack data on situation at application.

²⁴ Missouri Department of Social Services, Family Support Division, Application for Food Stamp Benefits. Form MO 886-0460 (05/14). On file.

in need may have come to realize from the reports of successful applicant families that the burden and uncertainty created by asset disclosure requirements had gone away.

Summary

This largely SNAP QC-based study of SNAP evolution during the GR has the following major implications:

- The increase in take-up was indeed remarkable, propelling SNAP to center stage in national income support policy. While take-up grew in all states, however, rates varied substantially. Some of this difference is plausibly due to variation in state policy, a matter to be investigated in subsequent chapters and in review of the literature.
- Estimated participation rates among eligible households increased during the GR, and the increase has been sustained in the recession's aftermath. This may reflect program outreach, but to some unknown degree it is likely also a product of eliminating or relaxing assets tests through BBCE.
- ABAWDS are a major factor in the GR-related SNAP caseload expansion. A substantial proportion of ABAWDS were, at the time of accession, not working.
- The prevalence of UI receipt among SNAP cases peaked after the GR ended in 2010. It is not possible to say much about the pattern of interaction between receipt of the two benefits leading up to this peak and the fall-off thereafter. This, too, is an important target for investigation at the state level.
- The excess shelter cost deduction is an increasingly important feature of SNAP operation, and it appears to play an important role in the interaction between SNAP and UI.

5. Interpretation: The Literature

Several studies of the expansion of SNAP receipt during GR have appeared, but most have not looked specifically at the interaction of SNAP and UI. The exceptions are papers by Finifter and Prell (2013) and Rothstein and Valletta (2014). Work by Mulligan (2012), coauthors Ganong and Liebman (2013), and Ziliak (2016) has addressed the role of policy change in SNAP caseload expansion. This work uses publicly available data to study the dynamics of SNAP-UI interaction during the GR but also serves to identify opportunities to improve policymaker understanding by developing new information, as the SNAP-UI project has done.

Finifter and Prell (2013)

Finifter and Prell (FP) use the CPS-ASEC to study the overlap between SNAP and UI receipt among households before and during the GR, specifically for calendar years 2005 through 2009. "Household" here refers to households as defined by the Census Bureau (i.e., everyone living at an address). UI households are households that, at the time of the ASEC, report some income from UI in the previous calendar year. SNAP households are households that, at the time of the ASEC, report some receipt of SNAP benefits during the preceding year. The authors then define overlap from SNAP and UI perspectives: They denote the share of SNAP households that are

also UI households as the SNAP Joint Participation Rate (JPR). Similarly, the share of UI households that are also SNAP households is the UI JPR. Note that joint receipt need not be coincident within the calendar year. From both perspectives, the overlap increased as the GR progressed: the SNAP JPR from 7.8 percent in 2005 to 14.4 percent in 2009; the UI JPR from 11.1 percent in 2005 to 13.4 percent in 2009.

These joint participation rates differ from the rates reported earlier in this chapter, for at least three reasons. First, the discussion of take-up in this chapter concentrates on the subset of SNAP households that include adults ages 18 to 59. Had FP applied this restriction, their rates would have been even higher. Second, the rates reported in this paper are for coincident receipt; FP count as overlap any receipt of both programs at any time during the year. A household that received UI January to March and SNAP June to October would be counted as a joint participant for FP, for example, but not in the calculations underlying Figure 15. Third, the administrative data that underlie the QC calculations presented earlier avoid the CPS problems with underreporting. Nevertheless, FP's longer, annual perspective is important, especially given the focus on annual income in most income. Point-in-time assessment, the only thing that can be done with the QC data, will miss sequential interaction of UI exhaustion with SNAP take-up. This topic is studied extensively in the state chapters that follow.

FP find that among households receiving SNAP, those with householders with lowest levels of education (i.e., less than high school) are less likely than others to be joint program participants. As might be anticipated, among households receiving UI, the likelihood of SNAP participation is greatest for those with lowest annual income from all sources.

*Rothstein and Valletta (2014)*²⁵

Rothstein and Valletta (RV) use the 2001 and 2008 panels of the Survey of Income and Program Participation to look at the experience of panel adults who receive UI payments during spells of unemployment around the time of the 2001 recession (the LR, in this chapter) and the GR of 2007 to 2009. The LR panel covers the period from October 2000 through January 2004; the GR panel covers May 2008 through April 2013. The authors first select all instances of reports of separation from jobs of at least three months' duration that are followed by at least one week of unemployment. The separation period ends when the job-loser subsequently reports at least four consecutive weeks of employment. Identified in this way, most such spells of unemployment (73 percent in the LR sample, 70 percent in the GR sample) do not involve UI. Of those that do, RV further restrict the sample to spells in which the unemployed person receives UI for at least four months. Within this subgroup, UI payments ceased before the end of unemployment in 19 percent of spells in the LR panel and 18 percent of spells in the GR panel. RV term this group "exhaustees."

²⁵ A revised version of this paper (Rothstein and Valletta 2017) was released as a NBER working paper in 2017. The revision, done for publication, combines analysis of UI recipient experience in the 2001 and 2007 to 2009 recessions because "reviewers generally felt that the differences in UI exhaustion effects between the 2001 and 2007 to 2009 recessions were not substantial enough to consistently highlight them throughout the paper" (communication from the authors). However, the difference in SNAP utilization is important to this chapter, and the general results from the RV analysis do not differ between versions.

Table 7 reproduces important RV results. The first set of tabulations covers all separations identified across the several interview waves for each panel. The prevalence of SNAP receipt before and after the separation is tabulated, as well as a measure of poverty status. Job separations for both panels increase the prevalence of both SNAP receipt and poverty. As should be expected given overall increase in SNAP take-up, job losers in the 2008 panel are significantly more likely to be in households receiving SNAP than is the case for their (approximate) counterparts in the 2001 panel. While the poverty rate prior to job separation is not significantly different between groups, the poverty rate increase following job loss is significantly smaller in the 2008 panel. It is tempting to view this difference as the product of higher SNAP receipt, but RV do not include SNAP benefits in the income measure used for assessing poverty status.²⁶ Had they done so, the difference in SNAP receipt post-job separation for the two episodes would almost certainly have increased the difference in poverty rates.

[Table RVBandA here](#)

Table 8: SNAP Receipt and Poverty Before and After Job Separation and UI Exhaustion

The second set of tabulations in the table considers the subset of separations in which the subsequent period of joblessness extends beyond termination of UI benefits. These cases are assumed to be exhaustees. Here, “pre” and “post” are defined relative to exhaustion, not job loss. The outcome of exhaustion is a significant (and almost identical) increase in the poverty rate for both the LR and GR samples, but the post-exhaustion increase in SNAP take-up is statistically significant only for the GR. Here, too, it is likely that the difference in poverty impact is almost certainly understated because of failure to include SNAP benefits in income.

In sum, both FP and RV confirm a substantial overlap between receipt of UI and SNAP during the GR. Both underscore the importance of intertemporal as well as contemporary interaction—a much higher proportion of households experience both UI and SNAP receipt within a year than is true for when the combination is counted only within a single month. RV show that the overlap increased compared to the recession of 2001, consistent with the substantial increase in SNAP access between the two recessions. Neither study attempts to identify any differences that can be attributed to variation in state policy with respect either to SNAP or to UI.

Mulligan (2012)

Surely the most provocative study of interaction between UI and SNAP appears in Casey Mulligan’s 2012 book *The Redistribution Recession*. As the title indicates, Mulligan essentially argues that the GR was caused, or at least significantly worsened, by the labor market distortions created by the social safety net. For Mulligan, the major distorting programs were SNAP, UI, and programs of mortgage modification for persons who experienced substantial loss of home value because of the collapse of the housing “bubble.” Other policy developments, including increases in the minimum wage, also played perverse roles.

There are micro- and macro-economic components to Mulligan’s argument. The micro-economic component involves estimation of the effect of changes in policy on benefits available

²⁶ Communication from the authors.

to households at different income levels. Mulligan carefully reviews both UI extensions and changes in SNAP eligibility, especially the consequences of BBCE and elimination of the ABAWD work test. Such changes, he argues, raised the probability of program take-up and reduced incentives for work by raising the marginal tax rate imposed on earnings. His numerical estimates of these effects suggest that observed reduction in employment between 2007 and 2009 is largely the product of incentive effects of enhancements to the safety net. Moreover, in Mulligan's judgment, the exceptional duration of the recession and the persistent reduction in employment rates in the recession's wake are also consequences of safety net policy.

The macro-economic side of the Mulligan story is a neo-classical growth model built around a simple (Cobb-Douglas) model of the aggregate economy. In this model, a reduction of labor supply due to expansion of the safety net raises the cost of labor and leads to substitution of non-labor inputs for labor. In his model, even the prospect of an expansion in benefits can lead to contraction. This analysis leads, he writes, to "... an unconventional causal interpretation of the sharp drops in consumption, investment, and capital market values during 2008: the drops were, in significant part, a reaction to, and in anticipation of, labor market contractions created by the expanding social safety net. In this view, it is incorrect to attribute the labor market contraction to drops in investment and consumer spending" (p. 121).

There has been little apolitical evaluation of Mulligan's arguments. In his review of *The Redistribution Recession* for the *Journal of Economic Literature*, Christopher Foote noted that "most economists will find it hard to accept that the labor market fallout from this calamity [the GR] is mostly explained by an expanded safety net," but he fails to say why (Foote 2013). Robert Moffitt (2015) argues that Mulligan's constructs for marginal tax rates (MTRs) exaggerate the actual impact of policy changes on incentives, and that many of his choices for labor supply estimates are too large. The heart of Moffitt's argument is a series of regressions, using CPS data on household income, of total transfers received on private income, allowing splines in income over three ranges of earnings defined as a proportion of the poverty standard: 0-50 percent, 50-100 percent, 100-150 percent, and above 150 percent. The estimates are repeated for various years before, through, and after the GR. The slope of each regression combines the effects of policy changes on take-up of all programs and labor supply conditional on take-up. He writes (Moffitt 2015, 461):

[T]he MTRs even during the Great Recession were never more than 18 percent. Further, the increase in the MTR from 2005 to 2010 was never greater than 8 percentage points, which implies a reduction in the net wage rate of about 10 percent. At any reasonable wage elasticity, this would generate only minor reductions in labor supply.

The macroeconomic source for economists' reluctance to accept Mulligan's arguments is classically Keynesian. Suppose the safety net were taken away and all disincentive for work removed. Labor supply would increase and, in the Mulligan model, wages would fall, leading to increased employment through two channels. One is the increased demand by firms for labor given the lower price, the other is the positive effect on the real money supply of commodity price declines engendered by cheaper labor. Classically, Keynesians have questioned the flexibility of wages and have argued that in recession the impact of monetary expansion is diminished because of hoarding and the zero-lower-limit of interest decline.

Ganong and Liebman (2013).²⁷

Peter Ganong and Jeffrey Liebman (GL) take a long view of Food Stamp/SNAP development and use both policy and enrollment history to provide perspective on GR events. They use a variety of data sources, including the SNAP-QC, SIPP, and longitudinal data on unemployment and SNAP take-up by county. Like Robert Moffitt, they challenge Mulligan’s ascription of the surge in unemployment during the GR to increased generosity of social assistance, especially SNAP and UI.

GL divide recent SNAP policy history into three intervals defined by trends in caseload and the MPR estimates of participation (recall Table 1). The first, from 1994 through 2001, is the era of welfare reform and rapid economic growth. During this period the SNAP caseload declined, both because unemployment was low and because of welfare reform (first through state waiver-based experiments and then, after 1996, in the transition to TANF). During this period, they argue, SNAP take-up declined because the contraction of TANF reduced categorical eligibility. The second period extends from 2002 through 2007. During this period take-up grew, both as a “rebound” from the contraction engendered by welfare reform and because states adopted various policies “to improve program access,” including altering restrictions on vehicle ownership and adoption by some states of some form of expanded categorical eligibility. The third period is the GR. Here GL make a significant contribution by examining the relationship between change in SNAP take-up across counties and recession-related increase in unemployment. Given well-known problems with measures of unemployment rates at the county level, they develop an instrument that uses changes in recession-related employment within the county and change in unemployment rates assessed at the state level as predictors for change in local unemployment.

Using their disaggregated, county-based take-up model, GL find that increased unemployment during the GR “can explain 73 percent of the increase in [SNAP] enrollment” of 19,100 cases between 2007 and 2011. They attribute an additional 10 percent to suspension of ABAWD work requirements. “Permanent” state policy changes—notably defined as those brought about by ECE but including alterations in applications procedures, recertification requirements, and the like—account for yet another 8 percent. Thus, less than 10 percent of the recession-related caseload increase is a residual puzzle, plausibly due to behavior changes. This result in part reflects the standard assumption that the relationship between unemployment rates and SNAP take-up observed before the GR onset can be used to predict the impact of the extraordinary unemployment increase that followed. Their case is strengthened by evidence from SIPP that take-up of SNAP among households increases with duration of unemployment.

GL then go about estimating the contribution of policy change. The results are summarized in Table 8. Numbers column 1 in the table, “Actual” Total Enrollment for 2007, is average monthly recipient count for the third quarter of the fiscal year (2007:Q3) from the SNAP-QC data.²⁸ “Eligible under Standard Rules” is the GL estimate of what the number of recipients would have been in 2007:Q3 in the absence of ECE and waiver of the ABAWD time limits in some states.

²⁷ The authors have also supplied a subsequent (2015) version that is under journal review. Where significant revisions have occurred, I use the later data.

²⁸ The QC numbers are slightly lower than official recipient counts because the QC dataset excludes cases judged in the QC audit to have been granted benefits in error.

Thus, the estimated impact of these policies at the pre-recession baseline of 2007:Q3 was to increase the recipient count by 19.1 million persons, or 8.5 percent. The impact estimates for BBCE other than relaxation of the assets test are based on tabulations of the SNAP-QC file. Since QC data do not include assets, the assets test estimate is derived from other sources.

[Table GLEST here](#)

Table 9: Ganong-Liebman Estimates of SNAP Enrollment Effects of Eligibility Changes, 2007-2011

Numbers in column 2 of the table are interpreted similarly. The recipient count grew by 73 percent. “Eligible under Standard Rules” is a forecast based on the relationship between recipient counts and unemployment rates over the period 1990 to 2007. The attribution of caseload to BBCE and ABAWD waivers is done using the same method as for column 1. Accordingly, the estimate of the impact of BBCE/ABAWD policy was to increase the 2011 caseload by 17.3 percent over what it might have been in the absence of such policies. However, GL state that the change between 2007 and 2011 is in part a reflection of change in policy—as BBCE expanded from 13 to 41 states and waiver of the ABAWD time limit became universal. The no-eligibility change counterfactual in column 3 is estimated by assuming that enrollment because of BBCE and ABAWD waivers would have increased at the same rate as eligibility under standard rules. The result is an estimated 3.4 million of the 19.1 million increase in enrollment from 2007 to 2011—18 percent—is attributable to persons added to SNAP rolls as the result of policy change in response to the GR.

GL compare their estimates of impact to Casey Mulligan’s, as replicated in Table 9. Interpretation of this table is aided by understanding its connection to Table 8. Note the reference point here is total enrollment on the reference date, not change in enrollment since some baseline. For GL, this is 2011; Mulligan’s calculations are for 2010. GL’s estimate of 7.6 percent (the “Total” line in Table 9) is calculated by dividing the estimated sum of “policy-induced” change in enrollment (3.44 million in Table 8) by total enrollment (45.14 million).²⁹ Two things are obvious. First, neither GL nor Mulligan ascribe major responsibility for the level of SNAP enrollment in 2010 to 2011 to policy response. For GL the culprit is, of course, the recession-induced surge in unemployment; for Mulligan it is the behavioral response to increases in benefits access and the work disincentives embedded in programs like UI and SNAP. The second obvious thing is that the major share of the difference in impact is treatment of the consequence of eliminating or relaxing restrictions on vehicle equity value. For Mulligan, cars count. GL assume no impact of vehicle policies, because most restrictions on automobile values were already in place by 2007.

[Table GLCMCOMP here](#)

Table 10: Comparison of Ganong-Liebman and Mulligan Policy Impact Estimates

The GL analysis is rich and thoughtful, and it is now regularly cited (cf. Moffitt, 2015, p. 463). Disaggregation of the SNAP-unemployment response to the county level appears to provide

²⁹ GL’s version of Table 9 includes a small inconsistency with the data they report in the original version of Table 8 for state BBCE adoption. This is corrected here.

significant improvement in understanding of the response of SNAP enrollment to economic distress. GL's discovery of the post-welfare reform rebound effect is very useful in understanding the sources of state differences in caseload growth from early 1999 through 2005. And GL's analysis of SIPP data provides insight into the impact of duration of unemployment on SNAP take-up.

However, their analysis has significant shortcomings. One concerns functional form. The GL enrollment model treats SNAP take-up as a function of current unemployment rates and unemployment rate in the two preceding years, and the estimated cumulative impact of a sustained increase in unemployment substantially exceeds the short-term impact of a change. GL then point out that their model implies that when recession abates and unemployment falls, enrollment decline will lag. But this is the product of the symmetry of functional form assumed: If there is a lag in response on the upturn, there must be a lag in response to the downturn. It may be true that what goes up must come down, but no reason is offered for assuming the same path is followed in both directions.

A second shortcoming concerns data on state policy. GL focus on BBCE, reporting that in mid-2007 only 13 states had BBCE (see Figure 1). Yet, at the same time another 28 states had in place some more narrow form of expanded categorical eligibility that would "simplify eligibility determination by eliminating the requirement for other asset valuation and the application of the resource test" (Program Development Division, 2007, p. 9). The change in policy implied by GL's data on BBCE implementation may therefore be an exaggeration. GL also seem not to appreciate that treatment of ABAWDS in 2011 was fundamentally different from policy in operation in 2007. The time limit was still waived everywhere.

A more general issue concerns the way in which variation in eligibility standards affect take-up. GL dismiss Mulligan's assumption that changes in vehicle valuation requirements influenced enrollment expansion after 2007, because by 2007 most states had relaxed them from federal requirements. Indeed, in 2007, no state applied the federal regulation (FNS 2007, 7). But GL pay no attention to the characteristics of households at the margin of SNAP eligibility when the GR hit. It seems likely that, given the unprecedented (in recent times) incidence of job loss, the recession reached further up the distribution of households as measured by previous income status and that, as a result, those losing income were more like to have vehicles with value more than what would have been applicable maximums. Thus, the change in vehicle policy not only changed program take-up in GL's interval 2; it may also have facilitated access to SNAP by the families rendered newly needy by the combination of job loss and housing contraction.

As noted earlier, assessing the effect of BBCE elimination of the SNAP assets test raises a larger issue concerning inhibition. Valuing assets is not always easy, and the timing of resource measurement can make a difference—for example, whether bank accounts are measured on direct-deposit payday or the week before. The approach to assessing the impact of removing the assets restrictions taken by both Mulligan and GL is to presume that FNS had good enough data on assets to fully evaluate the impact of the restriction. But giving a census interviewer a sense of one's checking account is one thing, signing a certification on penalty of law is another. Again, the point is that elimination of the assets test may have removed an important psychological barrier to application for working-class families made SNAP eligible because of recession-related income loss.

Ziliak (2016)

Like Finifter and Prell, James Ziliak uses the CPS-ASEC annual data to study the reported incidence across households of SNAP receipt at any time during the year. However, Ziliak's focus is on the determinants of take-up, not overlap of SNAP receipt with benefits such as UI. The core model is a linear probability function:

$$SNAP_{ijt} = \alpha + X_{ij}\gamma + Z_{jt}\delta + \pi_j + \varphi_t + u_{ijt} \quad (1)$$

$SNAP_{ijt}$ is an indicator equal to 1 if any member of household i in state j in reports receiving SNAP in year t . X_{ij} is a vector of demographic descriptors for the household, Z_{jt} is a vector of economic and policy variables, π_j is an indicator (fixed effect) for the household's state of residence, φ_t is an indicator for the reference year, and u_{ijt} is a random error term. The coefficients are estimated by least squares, and standard errors are adjusted for heteroskedasticity. The data cover 32 years, 1980 to 2011.

The demographic descriptors include various characteristics of the person designated by Census as household head as well as measures of household composition. The economic descriptors include the state unemployment rate in the current as well as two preceding years, median state income, and a measure of income dispersion. There are 20 variables measuring the state policy environment, including the level of the SNAP benefit schedule and the presence or absence of broad-based categorical eligibility. Because SNAP receipt may affect family income, family income is excluded from the model, but many of the demographic variables provide control for expected economic status.

Among other things, Ziliak finds substantial positive effects on the probability a household will report SNAP receipt of the state's unemployment rate (current and lagged), and various indicators of the level of SNAP benefits and ease of access. Notably, the presence of BBCE is estimated to raise the prevalence of receipt by 0.6 percentage points in states that adopt the policy.

Ziliak assumes no interactions among the variables included in equation (1). The advantage of this assumption is that effects are additive, and the contribution of groups of variables to change over some interval can be calculated by comparing the change with and without alteration of these measures from baseline values. Ziliak divides variables into four groups: (1) measures of the state's economy (unemployment rates, income distribution), (2) measures of nonfood policies (minimum wage, EITC, AFDC/TANF details, etc.), (3) measures of food policy (SNAP benefit, BBCE, other state eligibility and procedural requirements), and (4) demographics (size of household, characteristics of household head, etc.). He then calculates increase in the prevalence of SNAP receipt from a baseline year that would have been predicted to occur in the absence of change in the state's values for the variables in each group, allowing others to change as recorded.

Ziliak performs these estimates for three periods, 2007 to 2011, 2000 to 2011, and 1980 to 2011. The results for 2007 to 2011 are illustrative. The baseline (2007) household participation rate

was 6.5 percent; the rate in 2011 was 11.0 percent, 69 percent higher.³⁰ Using regression estimates for equation (1), Ziliak calculates that had the economy variables been held constant for all states at 2007 levels and all else allowed to change, the predicted increase in SNAP take-up would have been 35.8 percent. Hence the economy accounted for $(68.7-35.8)/68.7 =$ (using more digits) 47.8 percent of the change. Similar calculations attribute 1.6 percent of the increase to change in nonfood policies, 28.5 percent to change in food policies, and -3.7 percent to demographics (i.e., average household characteristics changed in ways that to a small extent offset the effects of other factors). The bottom line: The economy was twice as important in determining the SNAP caseload change between 2007 and 2011 than was change in food policy, including the expansion of BBCE evident in Figure 1. The implication—indeed the assumed structure of the model requires—is that when the economy improves and should policy retreat, take-up will decline. Ziliak uses the regression to predict a decline of 12.2 percent following expiration at the end of fiscal year 2013 of the benefit increase created by the ARRA (p. 33).

Note that the combination of estimated effects of the four variable groups for 2007 to 2011 is 74.2 percent. The residual, over a quarter of the entire change, is accounted for by year fixed effects, the φ_t in equation (1). It is instructive to look at the pattern of the fixed effects estimates. In Figure 16 the sum of the intercept and year fixed effect is plotted for the entire time span of the Ziliak sample. The change in bar-height between dates is the amount of the increase (or reduction in the decrease) in probability of receipt not explained by alteration in values of other variables in the model. For 2007 to 2011, the change is 1.2 percentage points. This is the 25.8 percent of the increase in take-up “unexplained” by the model.

[Figure ZILFIX here](#)

Figure 16: Intercept plus Year Fixed Effects, Ziliak (2016) SNAP Participation Equation

Years ago, the “year fixed effects” would have been termed “dummy variables,” and caution is in order in their interpretation. The important message is that there is a substantial component of the SNAP take-up during the GR that is greater than would have been predicted based on changes in the various components of Ziliak’s variable catalog. Moreover, the effect is constant over the three years 2009 to 2011. This unidentified component of GR-coincident change poses a significant problem for forecasting the future. One obvious next step would be to enrich the depiction of policy (the Ziliak model includes no representation of state ABAWD policy and no reference to variation in in other policies—notably UI—likely to affect SNAP take-up) and add years. The problem with extension is that the catalog of state policies developed by the USDA’s Economic Research Service and used by Ziliak has not at this writing been updated, and the data on timing and content of state policy collected by the Food and Nutrition Service are problematic, in part because of mysteries surrounding how TANF funds are used to confer categorical eligibility—the “base” in “broad-based categorical eligibility” is poorly defined.

The following conclusions seem to be justified by these studies:

- Liberalization of policy led to a steady increase in SNAP participation from 2001 on.

³⁰ I thank Professor Ziliak for providing these data and the information on year fixed effects presented later.

- The surge in SNAP participation as unemployment rose in the GR was consistent with previous correlation evidence.
- Change in the ABAWD rules did contribute significantly to the GR increase in SNAP receipt.
- The impact of other policies associated with BBCE is difficult to ascertain, in part because of uncertainty of timing and lack of attention to the time pattern of change in take-up in response to BBCE implementation.
- It appears (from the Rothstein-Valletta work), that SNAP played a greater role in income support for UI recipients during the GR than was observed in the LR, and the importance of SNAP increased with UI exhaustion.
- Symmetry is an issue: Must what went up (SNAP receipt) with the surge in joblessness come down with recovery, or did changes in SNAP policy produce a structural change in program take-up?

The more general conclusion is that there is much to be learned from study at the state level, especially if better data can be obtained on the pattern of receipt of UI and SNAP benefits over time.

6. Conclusion: Looking to the States, and the Future

Food sStamps began as a late after-thought to the Great Depression, aimed primarily at increasing agricultural incomes rather than sustaining income, consumption, or nutrition among poor households. Over the next 70 years, culminating during the GR, the program effectively became a near-universally available income support system—thus massively increasing its potential for supplementing need-related benefits from other safety-net programs. The extent to which this potential was realized is an important issue, both for understanding what happened during the GR and for finding opportunities to improve SNAP operation in the future.

Judging SNAP success in fulfilling the safety-net supplement role requires, of course, analyzing its interaction with other safety net components. In the context of counter-recession assistance, UI has historically been the most important feature of the safety net—and UI expansion was a major part of the national policy response to the GR downturn. The previous chapter in the book complements this chapter's SNAP overview with an overview of recession-related UI expansion. The data developed for this chapter confirm that families often received benefits from both the SNAP and UI systems. The chapters that follow use data for individual states—as well as state-specific perspectives on the development of SNAP and UI policy at the state level—to take a detailed analytic look, using administrative data, at *how these two programs interact* to produce the overall picture painted here.

Regarding the future, the effectiveness of SNAP as an instrument of counter-recessionary fiscal policy is the product of the increase in benefits created by the ARRA, the expansion of eligibility of ABAWDS, and promotion of extended categorical eligibility, especially broad-based categorical eligibility. Repetition of this effectiveness in some future downturn turns on the willingness of Congress to again expand benefits, relax restrictions on ABAWDS, and sustain in

some way the program changes achieved by states through implementation of BBCE. In many ways, BBCE seems a weak foundation for national policy, since the eligibility it creates turns in many cases on an entitlement generated via brochure. It is easy to imagine someone questioning this subterfuge and proposing re-imposition of some form of assets test or income restriction as simply an enhancement of program integrity. Such a change could have substantial effects on access to SNAP support for working families. Therefore we end with a paradox. On the one hand, BBCE has moved SNAP to become the “universal, national welfare program.” On the other, the model remains heavily dependent on the artifice of BBCE rather than logical program design.

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Figures and Tables

Figure 1: Number of States with Extended Categorical SNAP Eligibility, by Type, 2001-2017

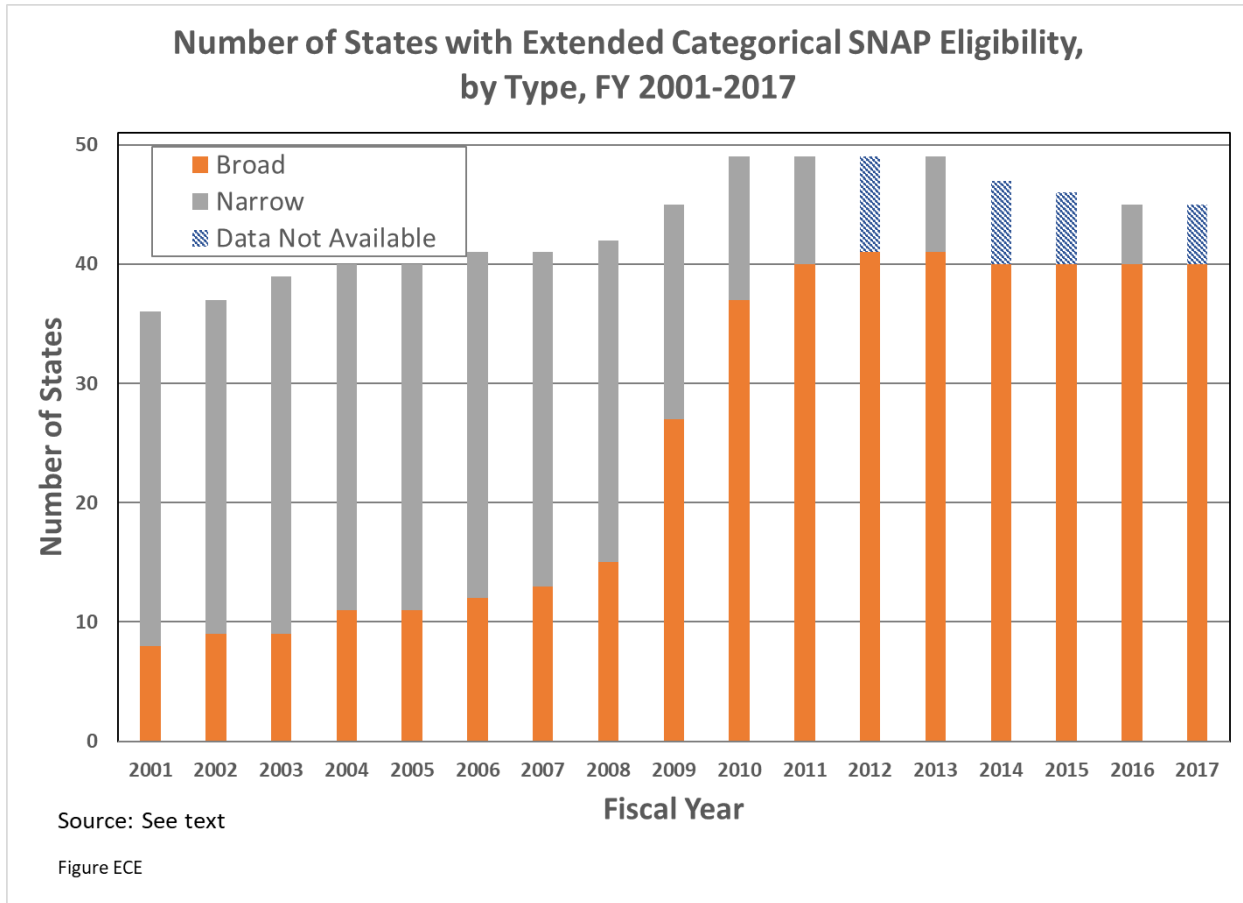


Figure 2: SNAP Benefits and Income from Earnings, FY2009:1, Reference Family

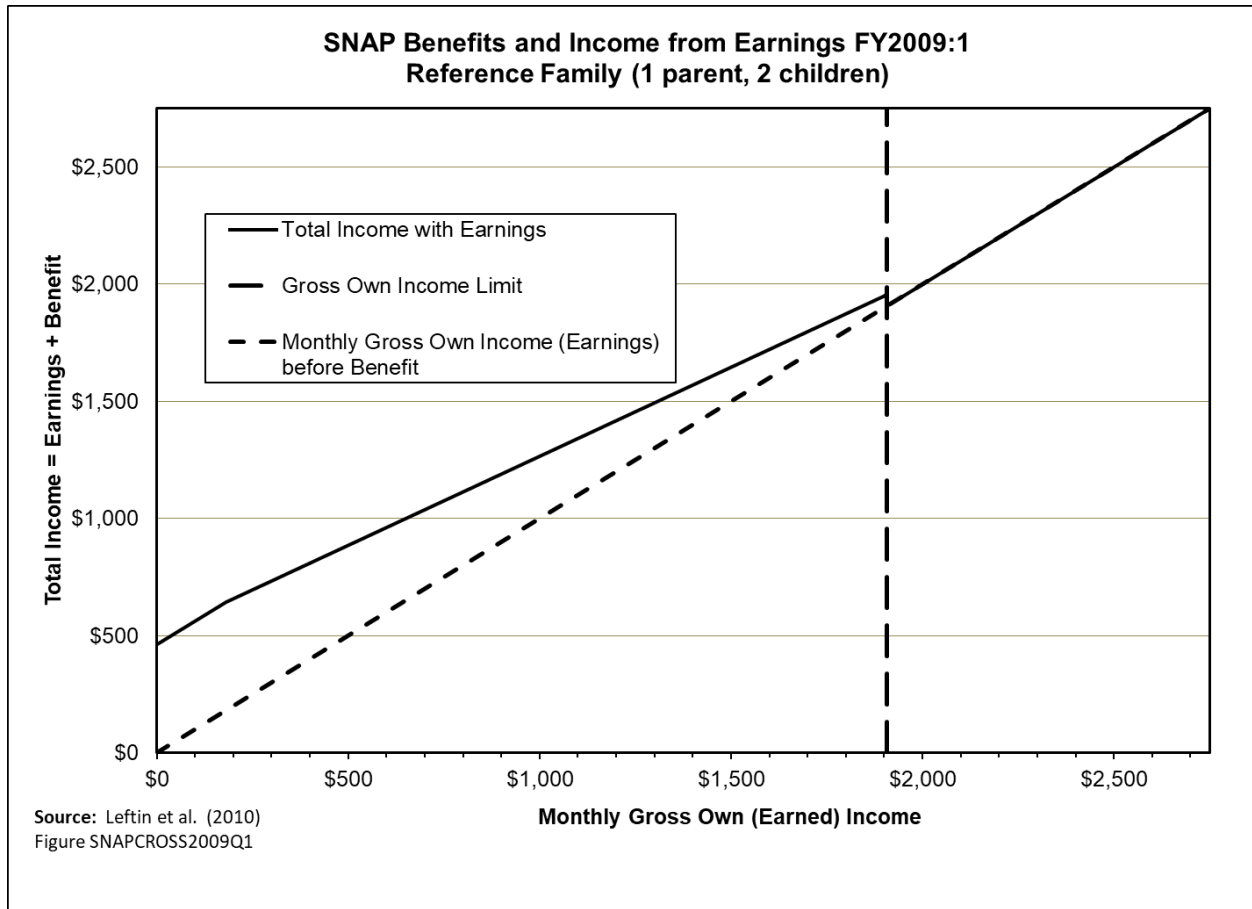


Figure 3: SNAP Benefits and Own Income, FY2009:1, Reference Family Income from Earnings versus Income from UI

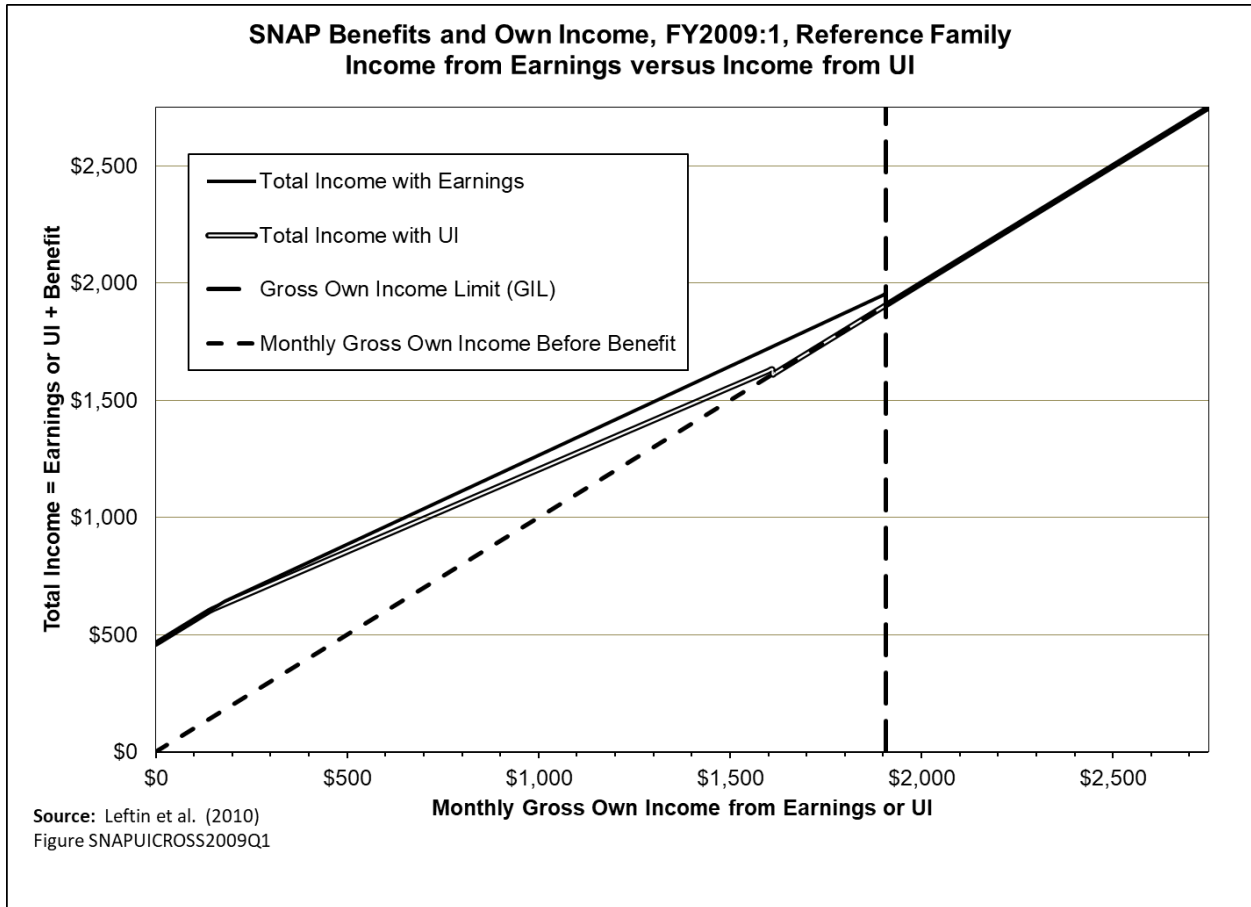


Figure 4: SNAP Benefits, FY2009:1, with and without Shelter Deduction, Example Family

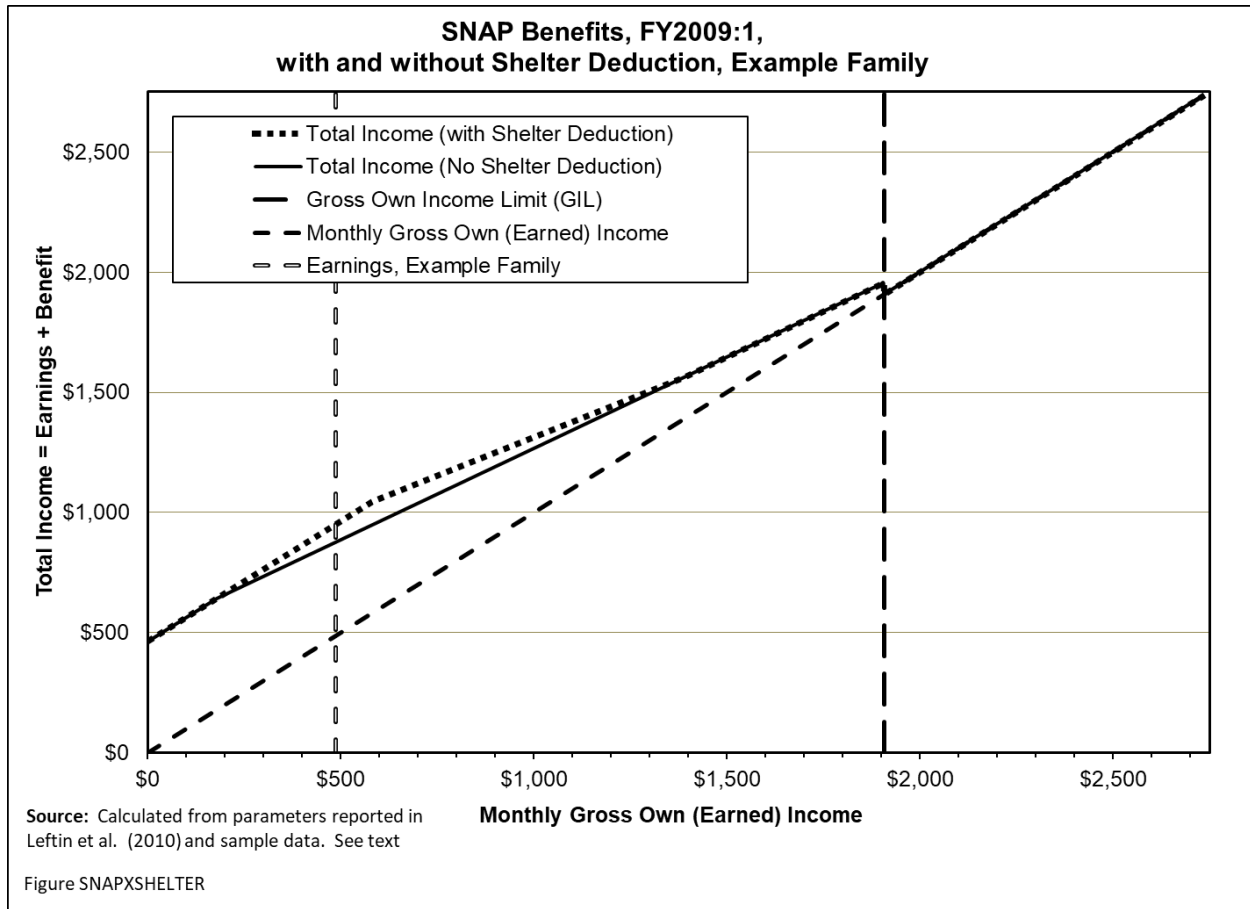


Figure 5: The SNAP Transfer with Maximum Shelter Expense Deduction, Second Example Family, FY2009:1

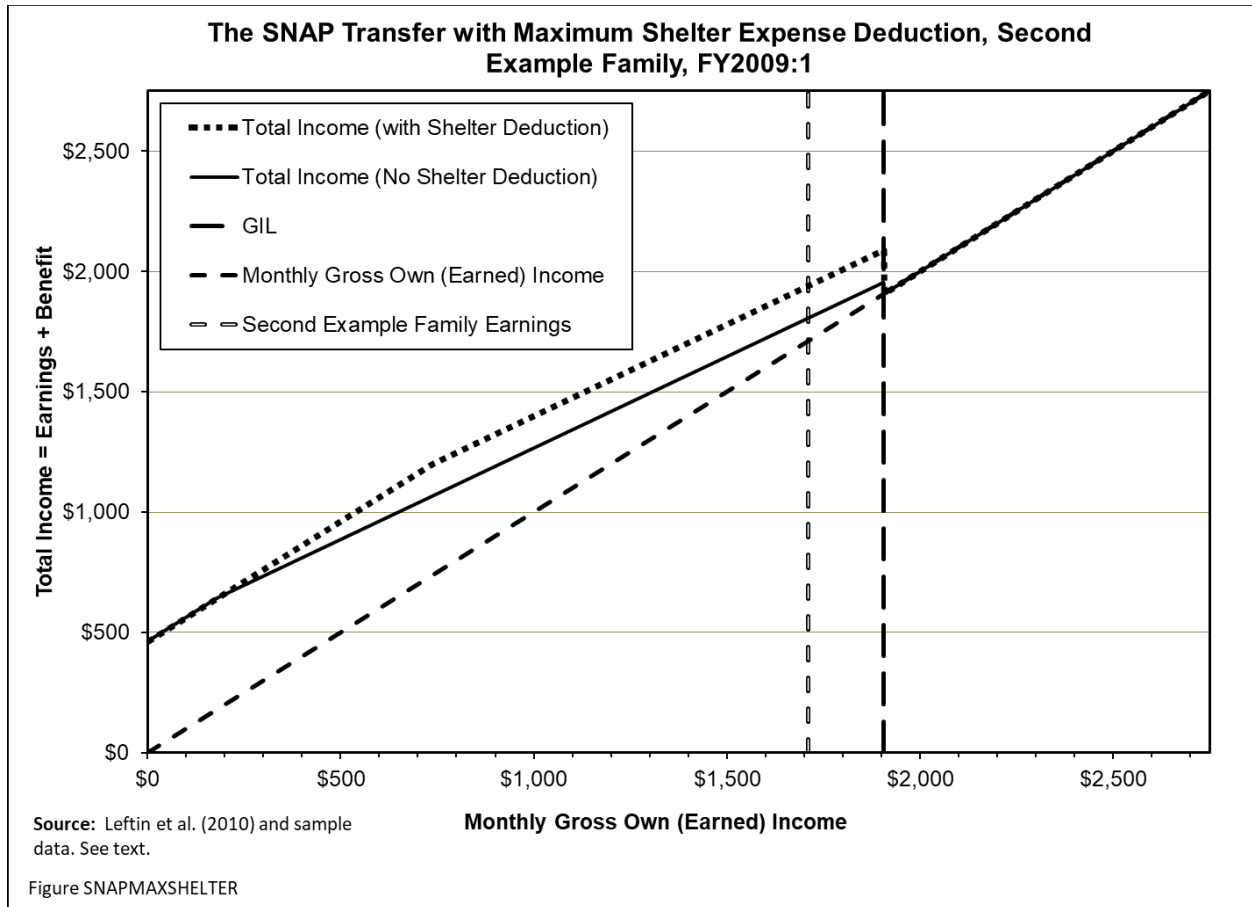


Figure 6: The SNAP Transfer after BBCE Adoption, Second Example Family, 2009:1

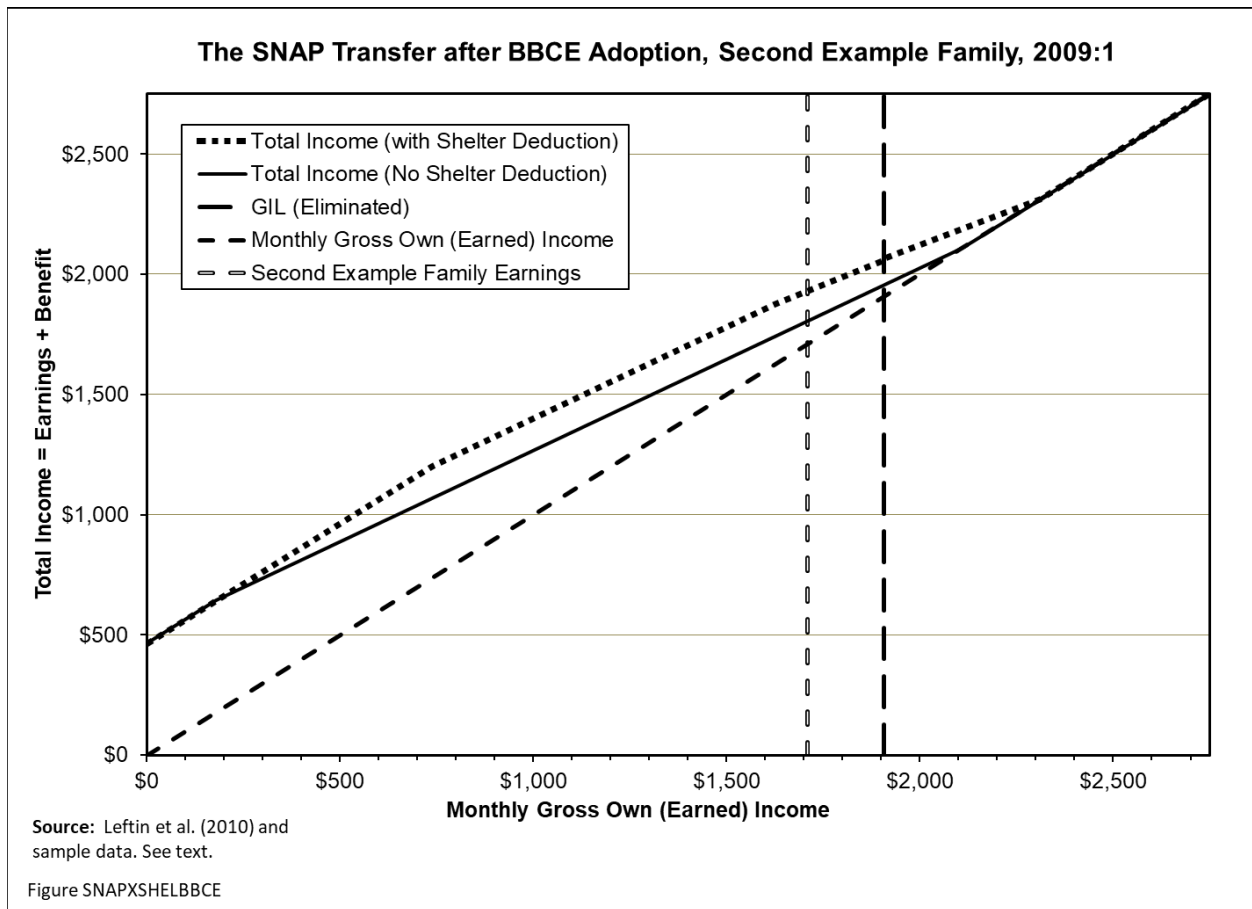


Figure 7: FY2009:1 SNAP Benefits and the Nixon FAP, Reference Family

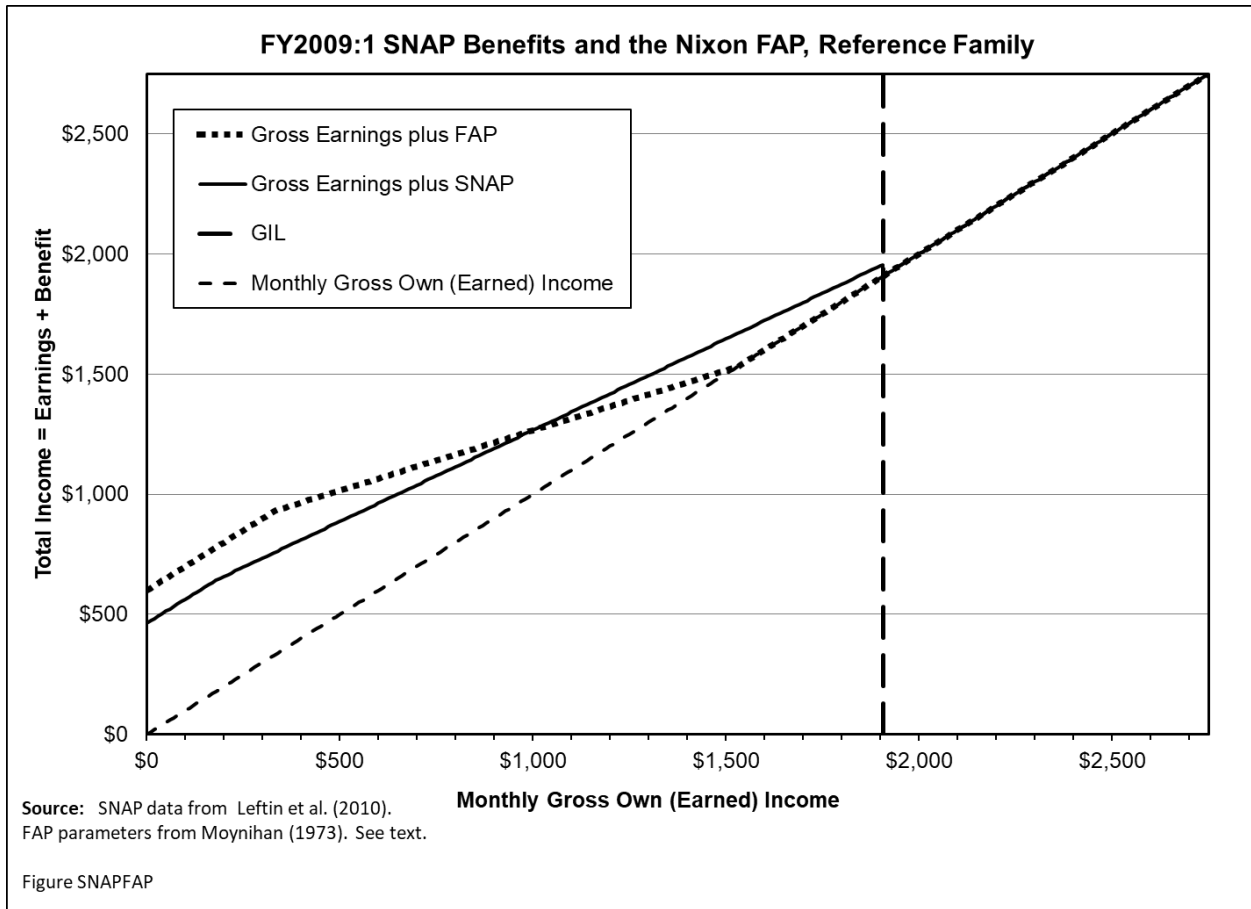


Figure 8: FY2009 SNAP Benefits Before and After the ARRA, Reference Family

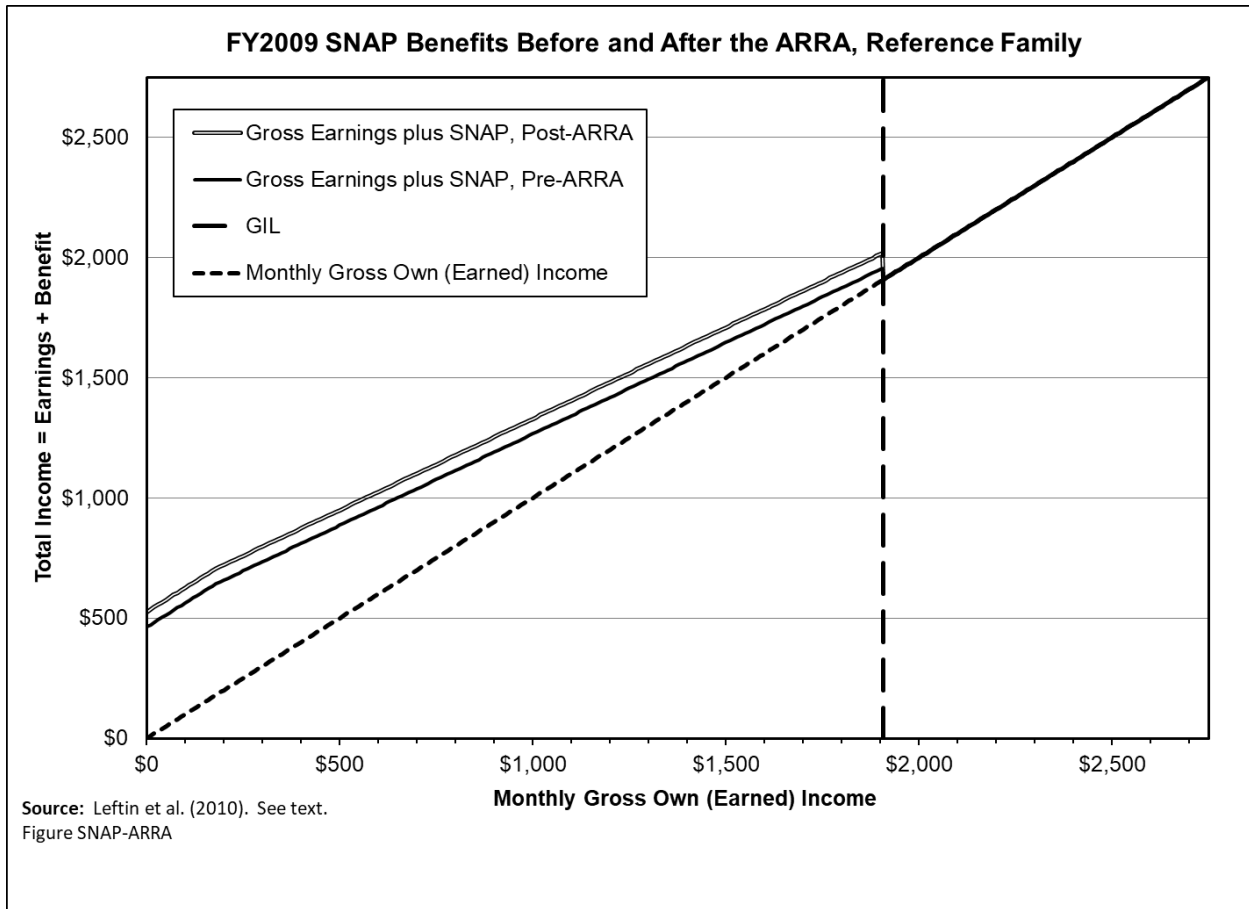


Figure 9: FY2009 SNAP Benefits Before and After the ARRA, with BBCE, Sample Family

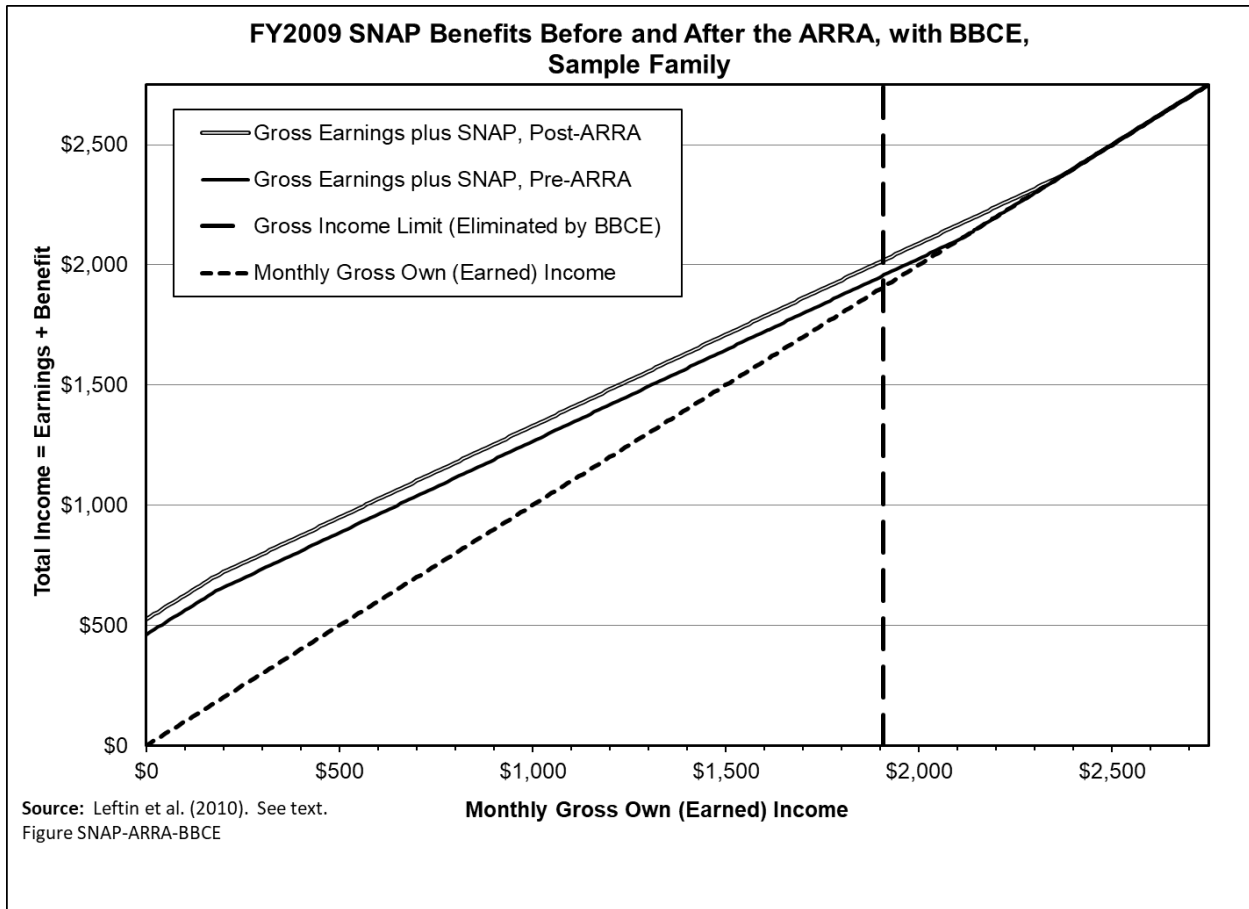


Figure 10: The SNAP Caseload, FY1995-2016

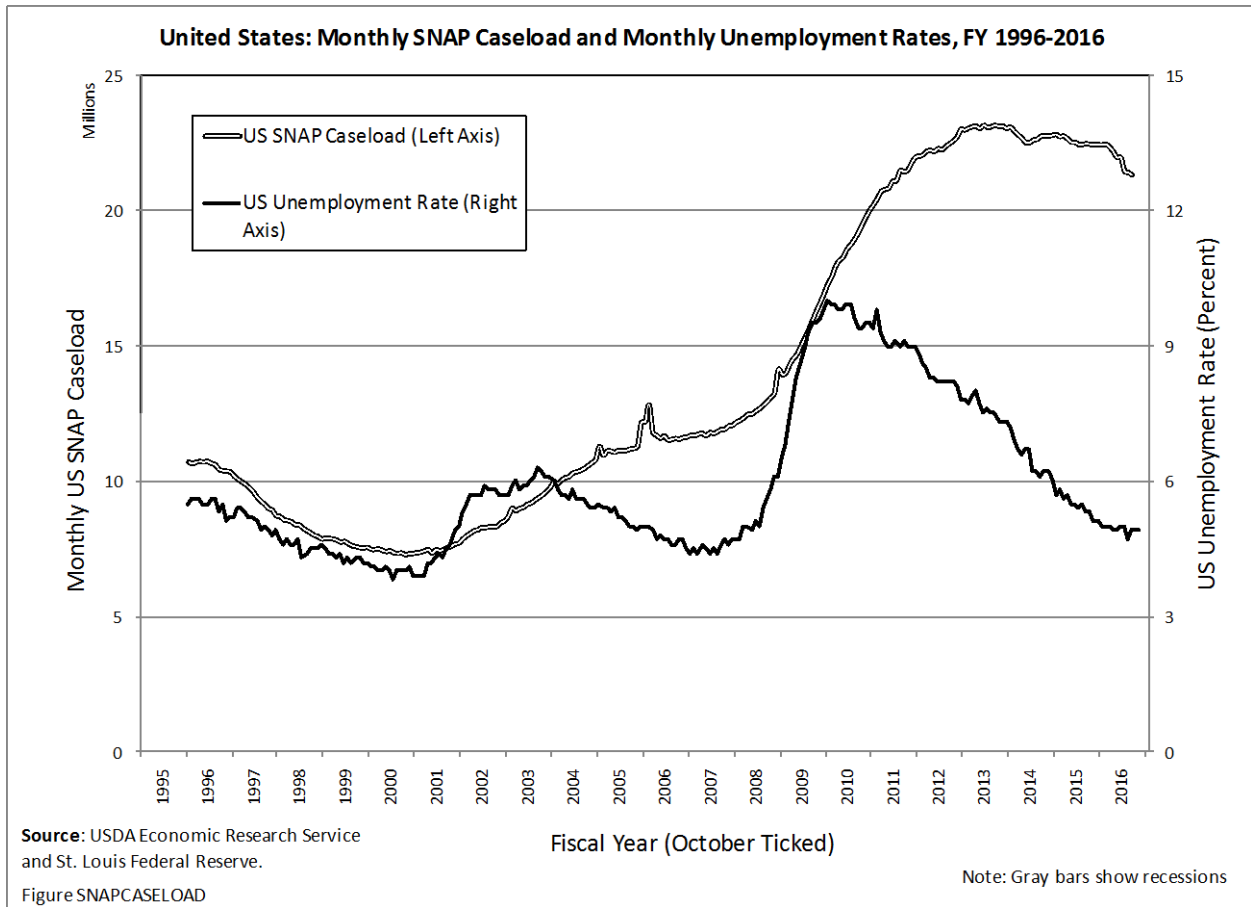


Figure 11: SNAP Accessions and Terminations, FY 2000-2015

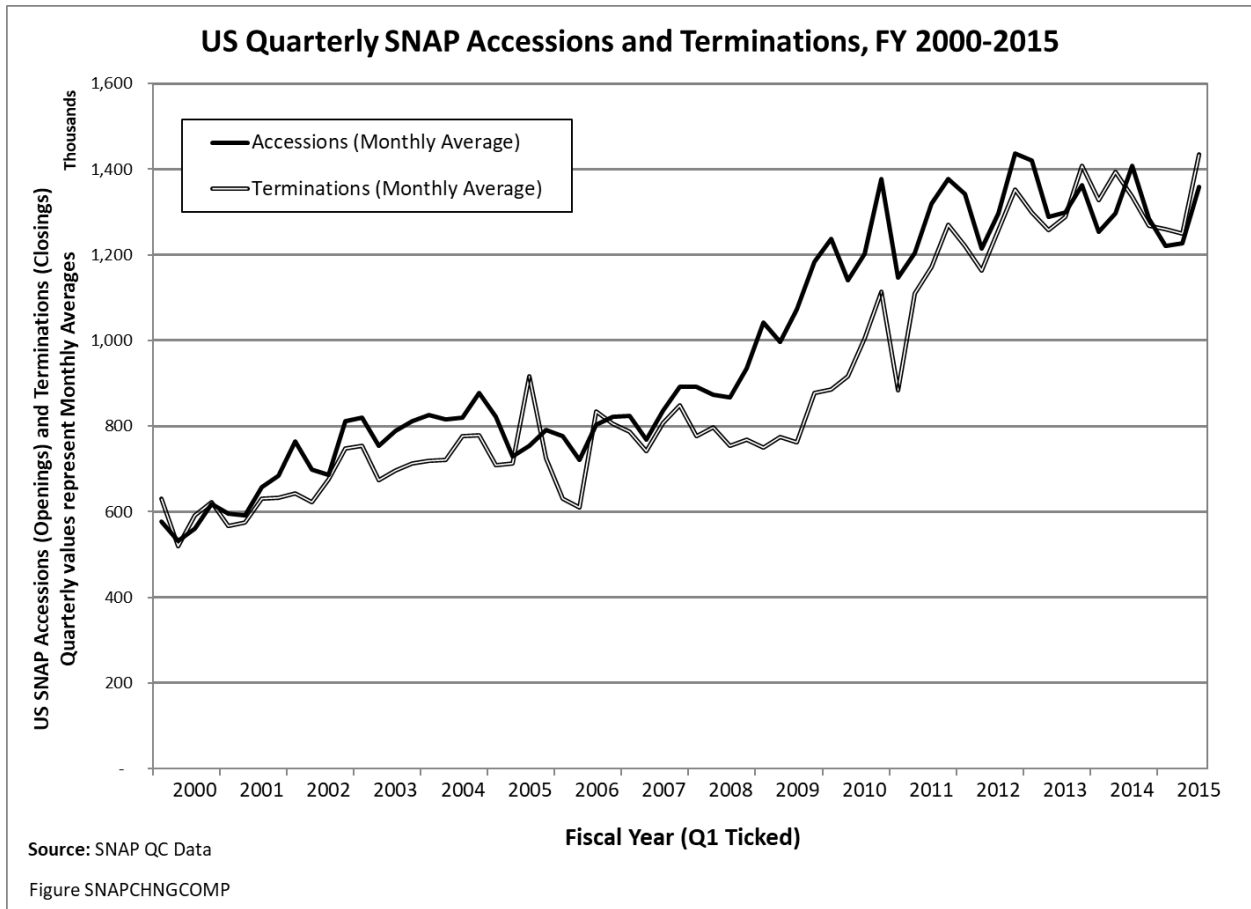


Figure 12: State SNAP Caseloads, FY 2004-2016

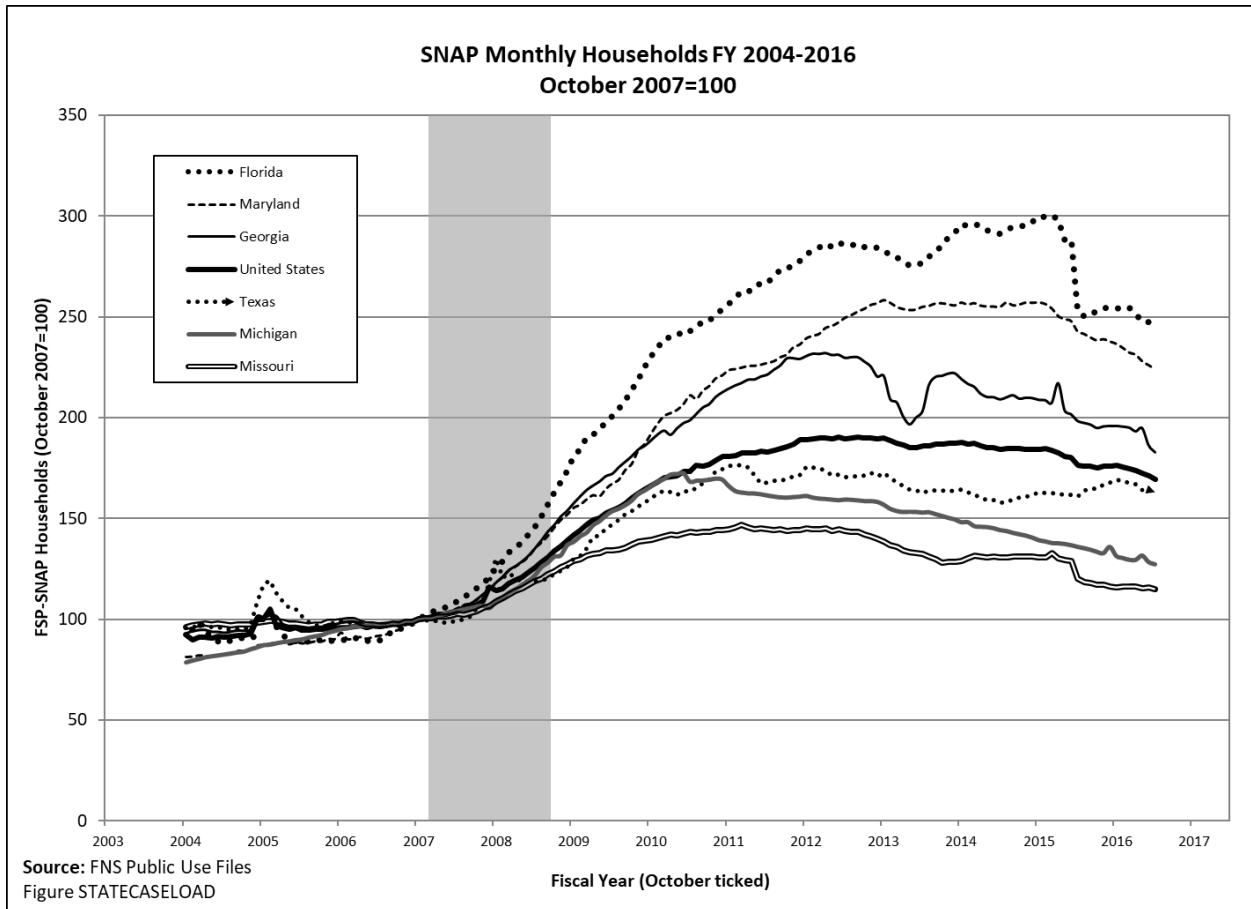


Figure 13: Estimated Participation of SNAP Eligibles, 2000-2014

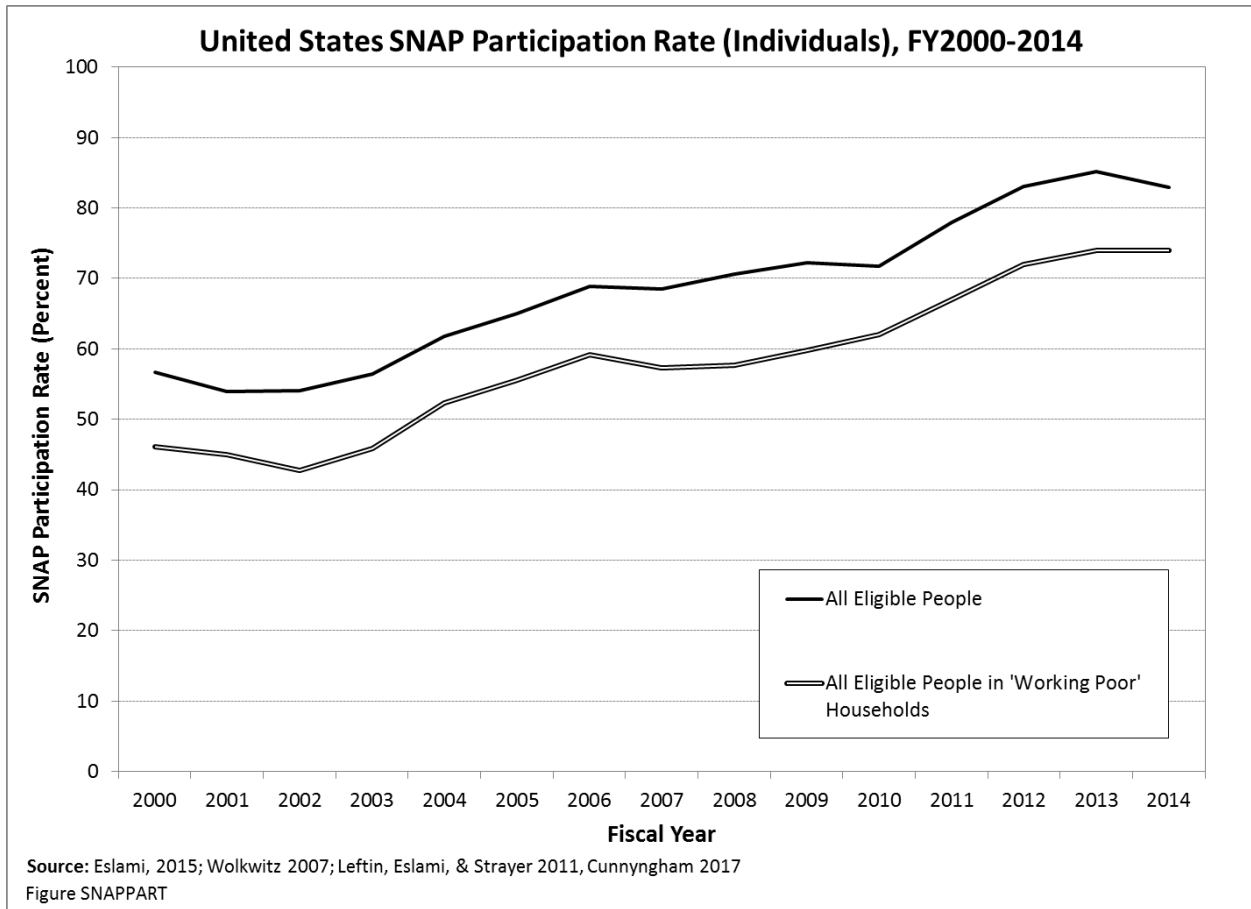


Table 1: Estimated State SNAP Participation Rates, All Eligible Individuals: Selected Years

State Level SNAP Participation Rates, All Eligible Individuals					
	2003	2007	2010	2013	2014
Florida	0.48	0.57	0.74	0.93	0.90
Georgia	0.64	0.63	0.75	0.93	0.89
Maryland	0.49	0.59	0.67	0.90	0.97
Michigan	0.63	0.89	0.94	1	1
Missouri	0.77	1	0.86	0.93	0.86
Texas	0.48	0.55	0.63	0.77	0.73
United States	0.56	0.69	0.72	0.85	0.83

Source: Mathematica Policy Research

Table STATEPART

Table 2: Estimated Proportion of SNAP Monthly Caseload by Unit Composition: Selected Years

Estimated Proportion of SNAP Caseload by Unit Composition: Selected Years 2003-2015					
	2003	2007	2010	2013	2015
Total Cases (Thousands)	8,971	11,563	18,369	22,802	22,293
Child only	0.06	0.06	0.07	0.06	0.06
Elderly only	0.17	0.16	0.14	0.16	0.18
Units with adult(s) 18-59	0.78	0.78	0.79	0.78	0.76
with children	0.48	0.45	0.42	0.38	0.36
without children	0.29	0.33	0.38	0.40	0.40
"Other" Units	0.14	0.17	0.24	0.25	0.25
with adult 18-49	0.10	0.11	0.16	0.17	0.17
<p>Note: 'Child only', 'Elderly only' and 'Units with adults(s) 18-59' categories are mutually exclusive. 'Other Units' are the subset of 'Units with adult(s) 18-59 without children' that also do not include any elderly or disabled individuals. The 'Elderly only' category includes a small number of cases (less than 1 percent) with children.</p> <p>Source: SNAP Annual QC Data; Author's Tabulation Figure CASECHAR; last update 28 July 2017</p>					

Table 3: Looking for ABAWDs, FY2013

Looking for ABAWDs, FY2013				
	Units (Thousands)	Share of Units	Adults 18-59 (Thousands)	Share of adults 18-59
Total Cases	22,802	1.00	21,845	1.00
Child only	1,376	0.06	-	0.00
Elderly only	3,627	0.16	-	0.00
Units with adult(s) 18-59	17,801	0.78	21,845	1.00
with children	8,759	0.38	11,787	0.54
without children	9,042	0.40	10,058	0.46
'Other' Units	5,653	0.25	6,221	0.28
with AABAWD	3,930	0.17	4,759	0.22

Note: 'Child only', 'Elderly only' and 'Units with adults(s) 18-59' categories are mutually exclusive. 'Other Units' are the subset of 'Units with adult(s) 18-59 without children' that also do not include any elderly or disabled individuals. The 'Elderly only' category includes a small number of cases (less than 1 percent) with children.

*AABAWD is "Apparent Able-Bodied Adults without Dependents." They are adults 18-49 in units with no children, no disabilities, and no elderly co-residents. Total adults here include some age 50-59 individuals not subject to the ABAWD time limit.

Source: SNAP QC Data 2013
Figure CHASECHARABAWD

Figure 14: Proportion of Adult SNAP Recipients Age 18-59 in Units Containing at Least 1 ABAWD, U.S. and Project States, FY2003-FY2015

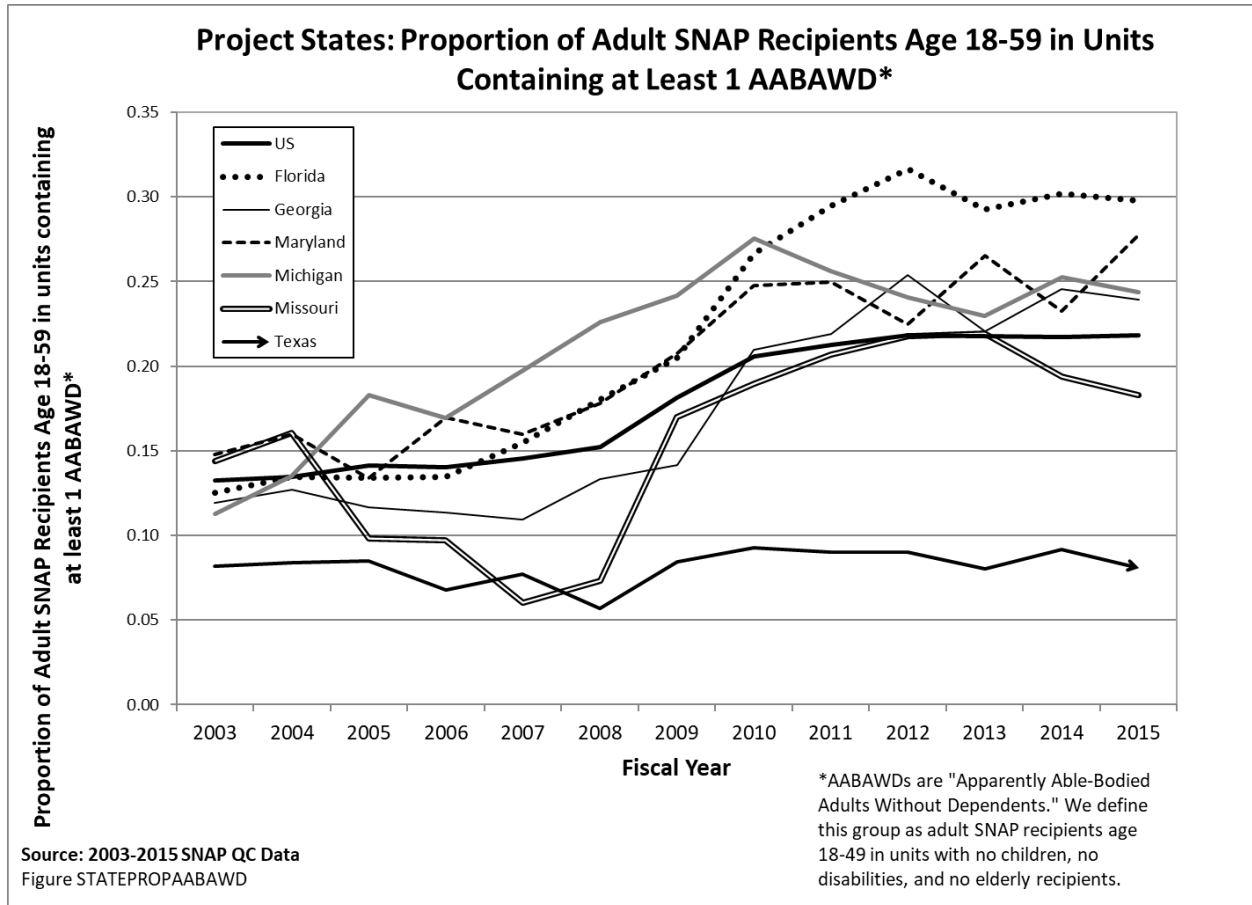


Figure 15: Proportion of SNAP Caseload with Recorded UI Income, FY2003-2015

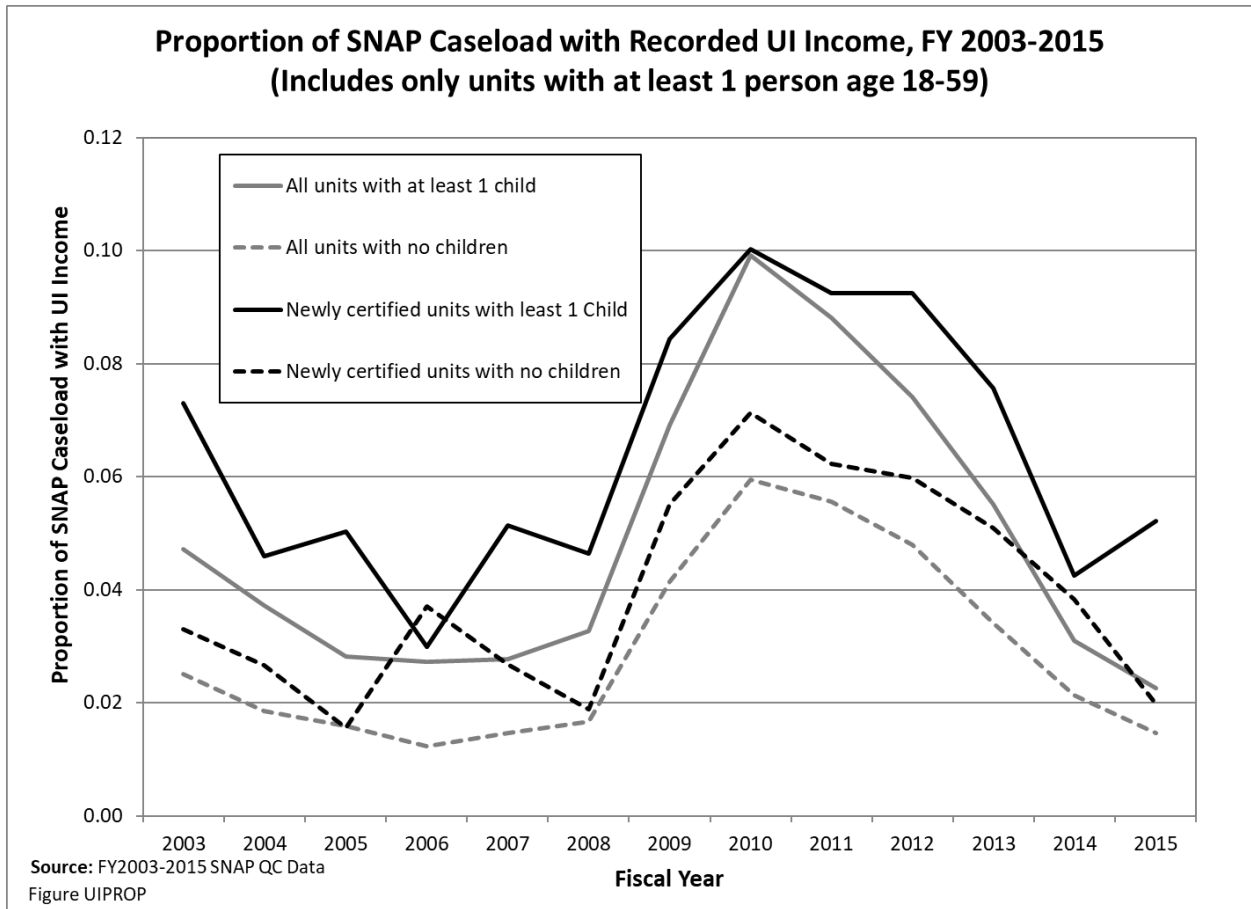


Table 4: Proportion of SNAP Households Reporting Current Income from UI by Composition, Average Month, Selected Years 2003-2015

Proportion of SNAP Households Reporting Current Income from UI by Composition, Average Month, Selected Years 2003-2015					
	2003	2007	2009	2010	2015
Households with Children					
Single Parent	0.43	0.41	0.33	0.33	0.31
Married Couple	0.20	0.22	0.22	0.19	0.19
Other Multiple Adult	0.09	0.08	0.09	0.10	0.06
Child Only	0.03	0.01	0.02	0.02	0.02
Households without Children	0.24	0.28	0.34	0.36	0.43
Total Households Receiving SNAP and UI (thousands)	281	202	697	1227	331
Proportion of Total SNAP Households	0.03	0.02	0.05	0.07	0.01
Source: SNAP Quality Control Samples					
Table SNAPUIHHLDCOMP					
170728					

Table 5: The Importance of the Excess Shelter Cost Deduction

The Importance of the Excess Shelter Cost Deduction (SNAP units with at least one adult recipient age 18-59)							
Year	2005	2007	2009	2011	2013	2014	2015
Total Units (Monthly)	8,502,615	9,001,244	11,738,020	16,374,692	17,801,241	17,145,432	16,984,287
Proportion with ESD							
All	0.691	0.704	0.697	0.717	0.722	0.714	0.658
with No UI	0.689	0.702	0.694	0.710	0.717	0.711	0.656
with UI	0.765	0.752	0.754	0.796	0.821	0.827	0.757
Proportion of All Units							
with No UI	0.977	0.978	0.943	0.928	0.956	0.974	0.982
with UI	0.023	0.022	0.057	0.072	0.044	0.026	0.018
Proportion of benefits attributable to ESD							
All	0.180	0.208	0.179	0.192	0.195	0.210	0.207
with No UI	0.179	0.206	0.175	0.185	0.190	0.207	0.205
with UI	0.256	0.304	0.256	0.284	0.294	0.331	0.327
Source: Calculations by author from SNAP Quality Control data Table ESDIMP							

Table 6: Broad-Based Categorical Eligibility and the Income Tests, 2014

Broad-Based Categorical Eligibility and the Income Tests, 2014				
Units with at least one adult age 18-59 and no disabled or elderly persons				
	All Units		Newly Opened	
	Total	Proportion	Total	Proportion
All units in category	12,425,481	1.00	2,568,510	1.00
Units that pass Gross & Net Income tests	11,961,034	0.96	2,467,099	0.96
Units that passed Gross, failed Net	6,646	0.00	531	0.00
Units that passed Net, failed Gross	336,329	0.03	76,904	0.03
Units that fail both Net and Gross	104,473	0.01	21,581	0.01
Units w/ Net Income results coded 'missing'*	16,997	0.00	2,395	0.00

*Includes units enrolled under the Minnesota Family Investment Program
 Source: Calculations by author using 2014 SNAP QC data; see text
 Table BBCE2014

Table 7: Proportion of SNAP Units Passing both Net and Gross Income Tests, 2004-2015

Proportion of SNAP Units passing both the Net and Gross Income Tests, 2004-2015							
Units with at least one adult age 18-59 and no disabled or elderly persons							
State	2004	2006	2008	2010	2012	2014	2015
Florida	0.999	1.000	1.000	0.993	0.968	0.953	0.927
Georgia	1.000	1.000	0.999	1.000	1.000	0.991	0.988
Illinois	1.000	1.000	1.000	0.997	0.974	0.997	0.998
Maryland	0.952	0.954	0.954	0.933	0.919	0.900	0.909
Michigan	0.936	0.926	0.926	0.902	0.912	0.958	0.940
Missouri	1.000	0.993	0.993	0.995	0.991	0.995	1.000
Texas	0.968	0.948	0.960	0.924	0.930	0.946	0.906
US	0.984	0.982	0.981	0.967	0.940	0.963	0.953
Source: Authors' calculations based on SNAP QC Data							
Table BBCEAll							

Table 7: SNAP Receipt and Poverty Before and After Job Separation and UI Exhaustion

SNAP Receipt and Poverty Before and After Job Separation and UI Exhaustion								
2001 and 2008 SIPP Panels (from Rothstein and Valletta, 2014)								
	2001 SIPP Panel				2008 SIPP Panel			
	Obs.	Pre	Post	Diff	Obs.	Pre	Post	Diff
Before and After Job Separation*	9,341				17,663			
UI Receipt		0.036 [0.148]	0.780 [0.225]	0.743 [0.018]		0.090 [0.258]	0.825 [0.242]	0.735 [0.015]
SNAP Receipt		0.076 [0.256]	0.125 [0.302]	0.049 [0.015]		0.130 [0.329]	0.175 [0.355]	0.045 [0.011]
In Poverty		0.074 [0.224]	0.239 [0.357]	0.165 [0.022]		0.079 [0.248]	0.209 [0.362]	0.130 [0.015]
Before and After UI Exhaustion**	504				1,098			
SNAP Receipt		0.146 [0.353]	0.155 [0.362]	0.009 [0.019]		0.216 [0.412]	0.261 [0.439]	0.044 [0.012]
In Poverty		0.253 [0.435]	0.418 [0.494]	0.165 [0.032]		0.216 [0.412]	0.377 [0.485]	0.160 [0.021]

Source: Transcribed from data in Tables 2 and 3 of Rothstein and Valletta (2014). Sample sizes are estimated from information in Table 1.

Notes: The "universe" for the first set of tabulations is all job separations reported for working adults over all waves of the indicated SIPP Panel. The sample is restricted to separations lasting at least 26 weeks (Rothstein-Valletta 2014, 17). The second set of tabulations involves only the subset of job separations in which UI terminated before employment was regained. Proportions are unweighted; choice of appropriate weights given the time frames is ambiguous. Experiments with various weighting choices suggest general outcomes are not sensitive to weighting strategies.

* (From source, Table 2.) "Pre" columns report average values and standard deviations (in brackets) over the three months prior to the month in which job separation occurred. "Post" columns report average values over the period beginning the month after job separation and ending 6 months later or in the last month of the nonemployment spell, whichever comes first. "Diff" column reports the difference in means and the standard error (in parentheses) of this difference. Differences that are statistically significant at the 5% level are bolded.

** (From source, Table 3.) "Pre" columns report average values and standard deviations (in brackets) over the three months prior to the last month in which UI income was received. "Post" columns report average values over the period beginning the month after the last month of UI receipt and ending 6 months later or in the last month of the nonemployment spell, whichever comes first. "Diff" column reports the difference in means and the standard error (in parentheses) of this difference.

Table RVB&A; last update 3 September 2015

Table 8: Ganong-Liebman Estimates of SNAP Enrollment Effects of Eligibility Changes, 2007-2011

Ganong-Liebman Estimates of SNAP Enrollment Effects of Eligibility Changes, 2007-2011				
	Enrollment (Millions of Recipients)			
	Actual		Counter- factual 2011	Policy- Induced (2)-(3) 2011
	2007	2011		
	(1)	(2)	(3)	(4)
Total Enrollment	26.04	45.14		
(1) Eligible under Standard Rules	24.01	38.46		
(2) Relaxed income and Assets Limits				
Income > Standard Threshold	0.42	1.68	0.67	1.01
Assets > Standard Threshold	0.09	0.71	0.15	0.56
(3) Waiver of Time Limits for Childless Adults	1.52	4.30	2.43	1.87
Total Enrollment Change, 2007-2011			19.1	3.44
Share Attributed to Eligibility Changes				0.18

Source: Reproduced from Ganong and Liebman (2013), Table 4.
Table GLEST

Table 9: Comparison of Ganong-Liebman and Mulligan Policy Impact Estimates

Policy	% of Enrollment Due to Policy Changes	
	GL (2011)	CM (2010)
Relaxed Vehicle Policies	0.0%	12.0%
State BBCE Adoption	3.5%	5.7%
ABAWD Waivers	4.1%	2.3%
Total	7.6%	20.0%

Source: Ganong and Liebman (2013)
Table GLCMCOMP

Figure 16: Intercept plus Year Fixed Effects, Ziliak (2016) SNAP Participation Equation

