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Dynamics of Supplemental Nutrition Assistance Program Participation from 2008 to 2012

Testimony for Hearing on
The Supplemental Nutrition Assistance Program

Nutrition Subcommittee
Committee on Agriculture
U.S. House of Representatives

February 26, 2015

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Thank you, Chairwoman Jackie Walorski, Ranking Member Jim McGovern, and members of the Nutrition Subcommittee for this opportunity to testify on the Supplemental Nutrition Assistance Program (SNAP). I was asked to testify before this committee as part of an evidence-based approach to understanding the SNAP population. Critical to developing effective SNAP policy, this review of SNAP dynamics will help Congress to understand changes in SNAP participation patterns and the national caseload under different economic conditions and policy environments.

My testimony is based on a recent study of SNAP participation dynamics conducted by my organization, Decision Demographics, and our partners at Mathematica Policy Research, for the U.S. Department of Agriculture's Food and Nutrition Service, Office of Policy Support. I will present findings from one of our study reports, "*Dynamics of SNAP Participation from 2008 to 2012*," a link to which can be found on our website.¹ My colleagues, Principal Investigator James Mabli, who coauthored this testimony, as well as authors Joshua Leftin, Thomas Godfrey, and Nancy Wemmerus contributed to this report. The study used data from the 2008 panel of the Survey of Income and Program Participation (SIPP), a nationally representative longitudinal sample survey that collected detailed information for five years, beginning in 2008, on monthly labor force activity, income, family circumstances, and program participation.

This afternoon I will describe patterns of SNAP caseload dynamics over the past decade. By "dynamics," we mean the flow of participants into and out of the program. I will specifically address:

¹ Leftin, Joshua, Nancy Wemmerus, James Mabli, Thomas Godfrey, and Stephen Tordella, (2014). Dynamics of SNAP Participation from 2008 to 2012. Prepared by Decision Demographics for the U.S. Department of Agriculture, Food and Nutrition Service: Alexandria, VA. Available online at <http://www.fns.usda.gov/sites/default/files/ops/Dynamics2008-2012.pdf>

- Who goes onto SNAP and at what rates do they enter the program?
- Once participants are on the program, how long do they stay?
- When they leave the program, how long is it before they come back?
- What events are associated with people entering or exiting SNAP?
- How do different groups of people participate in the program?
- How do SNAP dynamics drive changes in participation patterns and the national caseload over time?

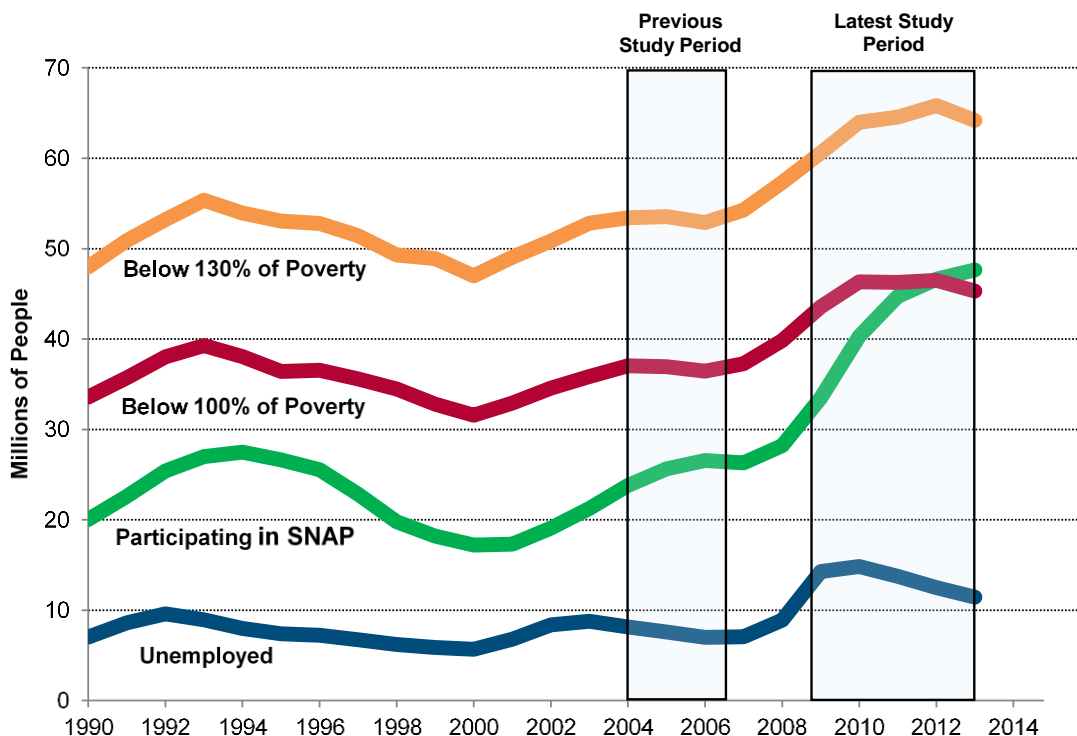
First, for context, I will highlight SNAP participation trends over the last decade. Next, I will review our findings on SNAP caseload dynamics. I will discuss observed differences in these dynamics over the past ten years; describe distinctions by demographic, economic and family characteristics; and present factors associated with SNAP entry and exit. I will close by discussing how changing patterns in dynamics have shaped overall caseload changes, comparing findings from our two most recent studies, which looked at the periods 2004-2006 and 2008-2012.

SNAP Today

SNAP is the largest of the 15 domestic nutrition assistance programs administered by FNS. The number of SNAP participants has increased dramatically over the past decade, from an average monthly caseload of 24 million in fiscal year 2004 to its peak of 47.6 million in fiscal year 2013. It declined modestly to 46.5 million in fiscal year 2014. Understanding SNAP participation dynamics over time is critical to understanding these participation changes. Figure 1 provides a snapshot of changes in SNAP participation and concurrent rates of unemployment and poverty, since 1990.

Figure 1

Trends in Poverty, the SNAP Caseload, and the Number of Unemployed Individuals, 1990–2013



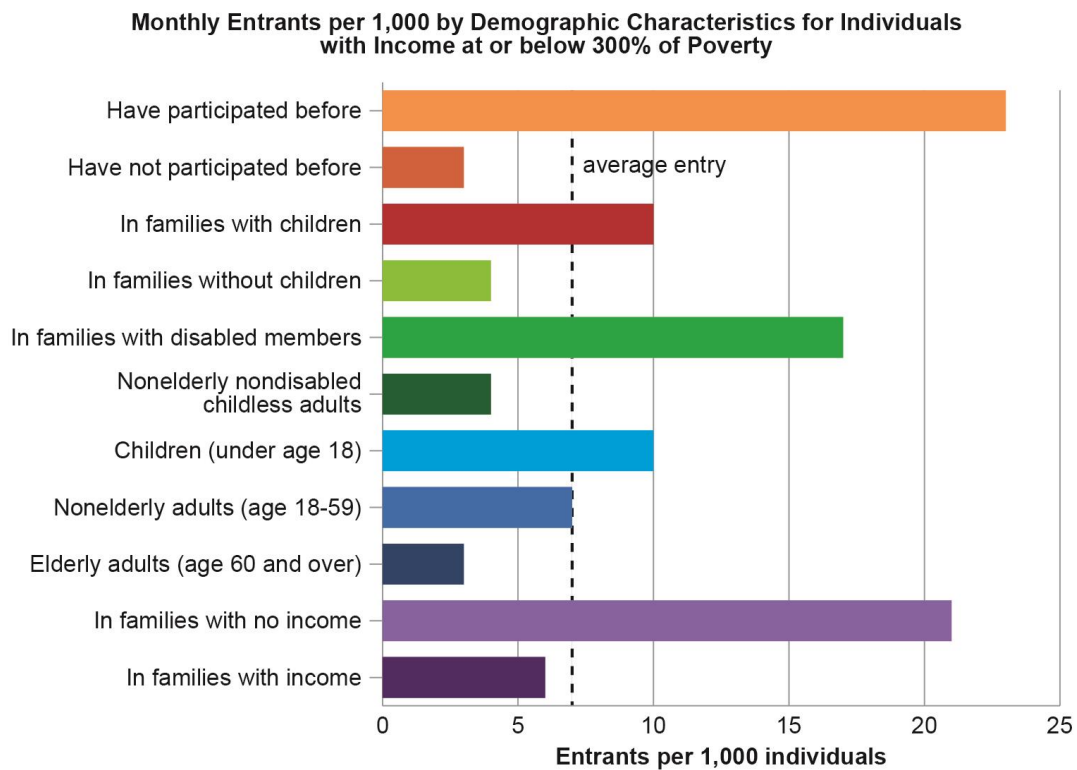
Examining SNAP Entry Rates

Between mid-2008 and the end of 2012—the period for which SIPP followed the respondents on which we based this study—an average of 7 out of every 1,000 people in low-income families who were not receiving SNAP entered SNAP in the next month.² This is a 40 percent increase over the 2004 to 2006 study period (referred to as the mid-2000s), when 5 out of every 1,000 people in low-income families joined the program each month, and substantially higher than the period from 2001 to 2003, when 4 out of every 1,000 people in low-income families joined SNAP each month on average.

² We considered individuals to be in a low-income family if they had family income less than 300 percent of poverty.

SNAP entry patterns differ by family situation and income. For example, individuals who received benefits in the past were much more likely to enter than those who had not received benefits. Three of every 1,000 low-income nonparticipants who had never received SNAP benefits during their adult lives entered the program in a given month, compared with 23 out of 1,000 people who had participated previously (see Figure 2). Entry rates were also higher than average for individuals in families with children or disabled members, and those in families without income. Nondisabled adults age 18-49 in households without dependents (commonly referred to as “ABAWDs”), and elderly adults, had lower than average SNAP entry rates.

Figure 2



Factors Associated with Entering SNAP

The detailed SIPP monthly data allow us to observe life events or changes that may be associated with entering (or exiting) SNAP. Although we cannot definitively ascertain that these events caused SNAP entry, we can show to what degree certain events or changes in circumstances, which we call “triggers,” immediately precede SNAP entry.

The most common events associated with entry into SNAP were related to decreases in family earnings, loss of employment, and changes to the family situation. Among those who entered SNAP in the study period, 30 percent experienced a substantial decrease in family earnings in the previous four months, while 23 percent experienced a substantial loss in other family income—income aside from earnings and Temporary Assistance for Needy Families (TANF). Nearly 16 percent of those who entered SNAP were in families where a member became unemployed within the previous four months, and 12 percent experienced a change in their family situation within the previous four months, such as a pregnancy, a new dependent in the family, or a separation or divorce.

Once Participants Are On SNAP, How Long Do They Stay?

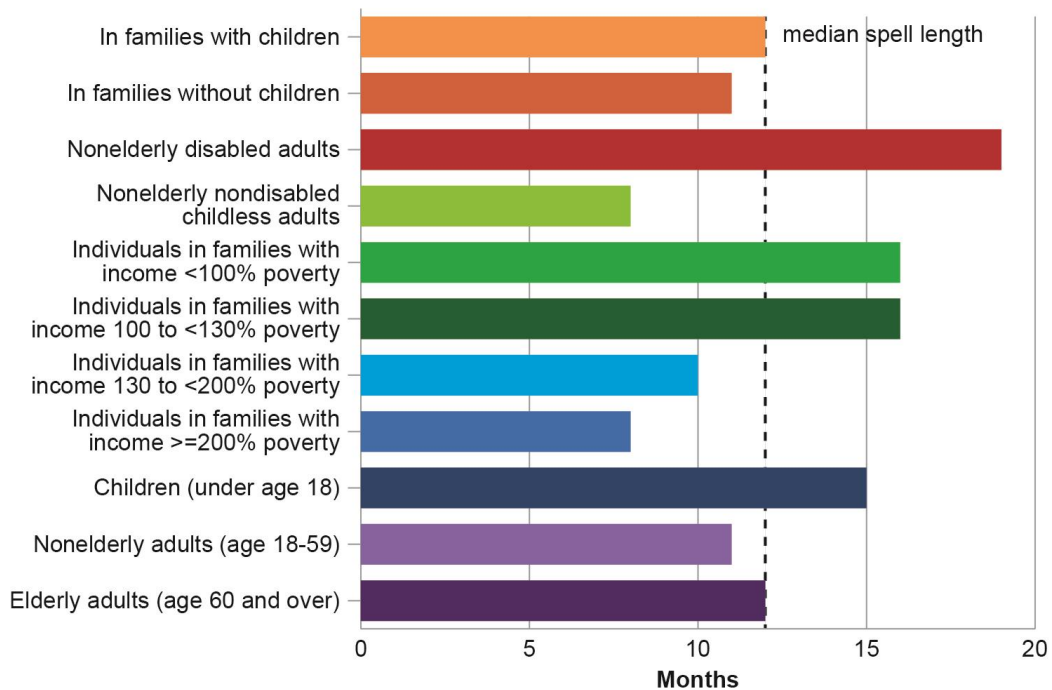
Because time on the program contributes to overall caseload and program costs, there is great interest in understanding how long SNAP participants typically receive assistance. Dynamics research refers to each participation period as a “spell” and the number of months a participant receives SNAP benefits in one session as a “spell length.”

SNAP spells have gotten longer over the past decade: half of those who entered the program between 2008 to 2012 (“new entrants”) exited within 12 months, compared to 10 months during the mid-2000s and 8 months in the early 2000s. SNAP spell lengths were shorter for individuals in families without children and for ABAWDs (see Figure 3). Spell lengths were longer for new

entrants living in poverty, those in single-parent families, nonelderly disabled adults, and children. Overall, however, most entrants left the program within two years.

Figure 3

Median SNAP Spell Lengths for New Entrants by Demographic Characteristics and Income



In the findings presented above, we observed individuals who entered SNAP any time during the 2008 to 2012 survey period, and followed them to determine how long they remained on the program. However, looking only at these new entrants does not allow us to understand the behavior of longer-term SNAP participants; many long-term participants were already receiving SNAP when this round of the SIPP survey began, so by following only new entrants during the survey period, we necessarily miss many of those whose stay began before the survey period. To more completely understand caseload dynamics, we also took a slice of the population at an early point in the survey (called a cross-section) and looked at who was receiving SNAP and how long they had already been on the program. We then followed these cases forward, determining

whether they exited the program during the survey period. As expected, this cross-section of SNAP participants has longer spells than the new entrants: a median length of 8 years, up from 7 years in the mid-2000s (in other words, half of those who were participating early in the 2008 panel period exited within 8 years, but half remained on the program longer than 8 years). Elderly individuals had higher than average median spell length while ABAWDS had a median spell length of 3 years.

What Factors are Associated with Exiting SNAP?

The SNAP exit rate is the percentage of participants that exit the program over a fixed period of time. As with entry rates, changes in average exit rates over time can help explain changes in overall caseload size. Examining individuals' circumstances around the time of exit can provide clues as to why individuals may leave the program. We found that factors contributing to exit from SNAP differ for people in different demographic or economic circumstances.

In about 30 percent of households that exit SNAP, the data do not show an event related to improved financial circumstances or reduced need in the previous four months that we would readily associate with exit from the program. About 70 percent experienced a substantial increase in income or a decrease in the number of family members. Thirty-seven percent experienced more than one of these events in the four months before exiting. Increases in earnings were the most common of the events we examined that preceded exits. These events, however, are common and do not always lead to exiting SNAP.

At What Rates do Individuals Re-Enter the Program?

SNAP re-entry patterns measure the extent to which individuals transition on and off the program. Forty-seven percent of SNAP participants who exited the program in the panel period re-entered within 12 months. Another 12 percent re-entered within two years, for a total of 59

percent re-entering within 24 months. Participants returned to the program more quickly during 2008 to 2012 than prior study periods. In the mid-2000s, 53 percent of participants re-entered within two years.

Some subgroups re-entered SNAP more quickly than others. In particular, individuals in families whose income was below the poverty level when they exited returned to SNAP more quickly than those who had higher incomes. Similarly, individuals in families with children returned to SNAP more quickly than those in families without children.

How Entry Rates and Duration Explain Increases in SNAP Participation

As noted at the beginning of this testimony, the SNAP caseload grew substantially from the 2004 to 2006 period to the 2008 to 2012 period, and in each year over the course of the 2008 to 2012 period. For a caseload to grow, people must be entering the program at higher rates, staying in the program longer, or both—which is what occurred during 2008 to 2012. This continues a trend in SNAP dynamics observed from the early 2000s to the mid-2000s; yet while the economy was improving during the mid-2000s, this was not the case during much of the 2008 to 2012 period. As a result, the increases in entry and duration from the mid-2000s to the 2008 to 2012 time period were greater than those from the early to mid-2000s. Finally, although the caseload grew each year from 2008 to 2012, there was a slowdown in growth over this period due to a year-to-year decline in the number of SNAP entrants relative to the total caseload.

Policy Implications from Examining SNAP Dynamics

We hope that this objective analysis will contribute to the research base on SNAP program dynamics, especially as Congress conducts an evidence-based investigation of the program. Through this research, we investigated SNAP caseload dynamics to better understand what drives changes in SNAP participation over time.

This study of SNAP dynamics provides two key insights into the rise in the SNAP caseload over the past ten years. First, SNAP participation in 2008 to 2012 increased, relative to the mid-2000s, due to both an increase in entry rates and the length of time spent on SNAP. The proportion of low-income individuals not already on the program who entered in an average month increased by 40 percent and the median spell of SNAP participation among new entrants lasted 20 percent longer than during the mid-2000s.

Second, SNAP dynamics closely reflect individual circumstances. SNAP entry rates were highest among the poorest individuals, and decreased with income. Similarly, the length of time spent on SNAP was longest for poorest individuals, and decreased with income. Changes in employment and earnings were the most common factor associated with entering and exiting the program. Job losses and decreases in earnings were strongly associated with entering SNAP, and job gains and increases in earnings were strongly associated with leaving the program. These findings suggest that the program is responding to changing economic conditions and individuals' increased needs in the way in which it was originally designed.

Thank you again for giving us the opportunity to testify before the House Committee on Agriculture about this important topic.

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DECISION DEMOGRAPHICS

Stephen J. Tordella, President

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Stephen Tordella, President of Decision Demographics (<http://www.decision-demographics.com/>), is a national leader in applied demography with more than 40 years of experience in research and consulting. Mr. Tordella helps government, professional association, and business clients draw effective information from existing public and private data resources, advising them on longitudinal data, population estimates and projections, demand for social programs, workforce demographics, and customer segmentation. He and Decision Demographics are eight-time recipients of federal Small Business Innovation Research awards.

Mr. Tordella directed the two most recent SNAP Dynamics studies for the USDA Food and Nutrition Service (FNS). His current research work for the FNS and the US Census Bureau occurs at the juncture between those organizations' data and analysis interests, spanning SNAP administrative records and the major Census surveys. He is the principal investigator of the SNAP Data Quality project, assessing the quality of state SNAP administrative caseload files and profiling SNAP recipients for each state by merging State administrative caseload data with major Census surveys such as the American Community Survey and Survey of Income and Program Participation.

Mr. Tordella is a leader in his profession, fostering the development, improvement, and funding of federal statistical systems and large-scale data resources. He currently serves on the Population Association of America's Government and Public Affairs Committee; he is also a treasurer of the Committee of Professional Associations on Federal Statistics. He has been Chairman of both the Applied Demography and Business Demography committees of the Population Association, and a member of its Committee on Population Statistics. He was also part of the Census Bureau's Survey Costs Task Force on the Current Population Survey. A Delaware native, Mr. Tordella regularly addresses national and local audiences on demographic issues.

Education

M.A., Demography and Sociology, Brown University, Providence, RI, 1975

B.A., Sociology, University of Delaware, Newark, DE, 1973

Professional Experience

1987-present President, Decision Demographics, Arlington, VA

Mr. Tordella develops, manages, and delivers a broad array of research and demographic consulting services. He provides custom analysis and strategic planning for diverse clients such as USDA FNS, the US Census Bureau, the National Education Association, the National Restaurant Association, and the American Library Association.

1985-1987 Director, Demography Center & Technical Services, CACI, Inc., Washington, DC

Mr. Tordella developed annual estimates and projections of population and composition for a national system of over 70,000 small areas of the United States, created new measures of demand for products and services, provided technical assistance to clients and staff and managed the technical staff in the creation and maintenance of information systems on multiple platforms.

1975-1984 Demographic Specialist, Applied Population Laboratory, University of Wisconsin

Mr. Tordella established and managed consulting and information services, providing clients with custom demographic studies, primary survey research, and custom census data to address policy questions. He pioneered the WISPOP computer system to let clients profile any area of Wisconsin.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since January 1, 2013.

Name: _____

Organization you represent (if any): _____

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since January 1, 2013, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since January 1, 2013, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____

Source: _____ Amount: _____

3. Please list any payment or contract originating with a foreign government (including subcontracts) you have received since January 1, 2013, as well as the country of origin and amount of each payment or contract.

Country of Origin: _____ Amount: _____

Country of Origin: _____ Amount: _____

4. Please list any payment or contract originating with a foreign government (including subcontracts) the organization has received since January 1, 2013, as well as the country of origin and amount of each payment or contract.

Country of Origin: _____ Amount: _____

Country of Origin: _____ Amount: _____

Attachment to

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form
For: Stephen J. Tordella

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since January 1, 2013, as well as the source and the amount of each grant or contract:

Decision Demographics: Federal contracts received since 1/1/13

Source	Partner Contractors	Project	Amount
USDA FNS ¹	Mathematica ³ (sub)	Dynamics of SNAP Participation from 2008 to 2012	\$443,994
USDA FNS	Mathematica (prime)	Measuring Program Access, Trends, and Impacts for Nutrition Assistance Programs: Task 0002- Acquire and Prepare Census Data Year ["Microsim QC," CY 2013]	\$ 80,526
USDA FNS	Mathematica (prime)	Microsim QC, CY 2014	\$ 96,332
USDA FNS	Mathematica (prime)	Microsim QC, CY 2015	\$111,184
USDA FNS	Mathematica (prime)	Measuring Program Access, Trends, and Impacts for Nutrition Assistance Programs: Task 0009- Assess Impact of Changes to SIPP	\$ 59,140
USDA FNS	Insight ⁴ (prime)	Commonwealth of the Northern Mariana Islands (CNMI) SNAP Feasibility Study	\$ 29,887
Census Bureau CARRA ²	Sabre (prime) ⁵	Analyzing SNAP Data Quality	\$287,833
Census Bureau CARRA	Sabre (prime)	Improving Administrative Records Acquisitions and Processing	\$598,427

¹ US Department of Agriculture, Food and Nutrition Service

² Center for Administrative Records Research and Applications

³ Mathematica Policy Research, Inc.

⁴ Insight Policy Research, Inc.

⁵ Sabre Systems, Inc.