Policy Update

No More Free Lunch

BY ERIC LaROSE

In December 2012, an all-time high of 47.8 million Americans participated in the Supplemental Nutrition Assistance Program (SNAP), more commonly known as food stamps, up from 26.3 million in 2007. In addition to the Great Recession, changes in eligibility requirements accounted for much of this increase. Normally, under the 1996 Welfare Reform Act, SNAP allows able-bodied adults without dependents (ABAWDs) to receive benefits for only three months in a 36-month period unless they are employed or in a training program for at least 20 hours a week. The Act allows the U.S. Department of Agriculture (USDA) to approve waivers to these requirements for high-unemployment states, however, and in 2009, the agency waived the requirements nationwide.

These work requirements were initially implemented in the Welfare Reform Act due to concerns that the food stamp program provided a disincentive for recipients to work. The employment effects of work requirements for SNAP specifically have not been extensively studied, but broader studies of the Welfare Reform Act have found that it had a positive impact on employment incentives. For instance, a 2003 article in the *Review of Economics and Statistics* found that time limits for welfare alone explained "about 7 percent of the rise in employment" from 1993-1999.

With unemployment now returning to pre-recession levels, most states have been reinstating work requirements. On Jan. 1, 2016, some 22 states reinstated requirements, the largest number to do so simultaneously since the 2009 waiver. Of these states, six eliminated the waiver entirely; the remaining 16, including Maryland, North Carolina, and West Virginia, switched to a system of partial waivers for high-unemployment areas. These changes are estimated to affect between 500,000 and 1 million ABAWDs, who must either find employment or risk losing benefits.

States began reinstating work requirements as early as 2011, and many have seen a drastic reduction in SNAP caseloads. Robert Rector, a researcher at the conservative Heritage Foundation and an architect of the Welfare Reform Act, noted that within three months of Maine reinstating the requirements, "its ABAWD caseload plummeted by nearly 80 percent, falling from 13,332 recipients in December 2014 to 2,678 in March 2015." Similarly, Kansas saw a 75 percent reduction.

Pointing to these states and others, advocates of these reforms argue that work requirements make good fiscal sense and help ensure that SNAP functions as a short-term safety net rather than a long-term dependency trap. Data from the Department of Labor and the Bureau of Labor Statistics indicate that in the two decades prior to the 1996 instatement of work requirements, nearly 70 percent of SNAP spending went to individuals who had been enrolled in the program for five or more years. More recently, a Census Bureau survey conducted from 2009-2012 found that 38.6 percent of individuals who received any SNAP benefits during this 48-month period received them for at least 37 months, raising concerns that the nationwide 2009 waiver had encouraged the return of this long-term dependency.

Additionally, the doubling of SNAP program costs since 2008 — the USDA spent $74 billion on the program in 2015 — has been driven partially by the increase in ABAWD caseloads. Reduced caseloads resulting from work requirements will help trim the $10.5 billion per year spent on benefits for this group as well as administrative costs borne by states.

In contrast, opponents of these policy changes maintain that the vast majority of ABAWDs on food stamps genuinely need the benefits. Indeed, such individuals on average have much lower incomes than other SNAP recipients. A report from the liberal Center on Budget and Policy Priorities (CBPP) found that "unemployed, nondisabled childless adults on SNAP" had gross incomes averaging "17 percent of the poverty line — about *$2,000 per year* for a household of one in 2015 — compared to gross income of 57.8 percent of the poverty line for the average SNAP household overall." Thus, CBPP contends that many of the individuals at risk of losing food assistance are those who rely on it the most.

Even the best efforts of many unemployed ABAWDs to maintain SNAP eligibility may prove futile. Searching for employment, even for 20 hours or more per week, does not satisfy work requirements. Even while actively searching for work, ABAWDs have a hard time securing employment; a Government Accountability Office study found that they often lack basic job skills and are "the most difficult to serve and employ of all" SNAP recipients. Training programs, which can provide needed skills, do count toward work requirements, but states are not required to provide such programs.

To remain eligible for food stamps, affected individuals must find employment or a spot in a training program within three months of their states restoring requirements. Many have been unable to do so. In Wisconsin, only 12,000 ABAWDs were able to find work or a spot in a training program within three months, while 41,000 lost access to food stamps. In Kansas, which reinstated requirements in January 2014, only 60 percent of those affected found a job by the end of the year.

Food stamp enrollment fell from 45.2 million to 44.3 million between December 2015 and March 2016, and at least some of this decrease is likely due to reinstated work requirements. If enrollment continues to decline over the coming months, as it has over the past few years, an improving economy may not be the only explanation. **EF**