

Statement before the House of Representatives Committee on Agriculture Hearing
“Innovation, Employment, Integrity, and Health: Opportunities for Modernization in Title
IV”

The Supplemental Nutrition Assistance Program: Toward Better Employment and Health Outcomes

Angela Rachidi

Senior Fellow and Rowe Scholar in Poverty Studies
American Enterprise Institute

June 7, 2023

Chairman Thompson, Ranking Member Scott, and members of the Agriculture Committee. Thank you for the opportunity to testify on this important issue. My name is Angela Rachidi and I am a Senior Fellow on poverty and opportunity at the American Enterprise Institute, where I have spent the past several years researching policies aimed at reducing poverty and increasing employment for low-income families. Before I joined AEI, I was a Deputy Commissioner for the New York City Department of Social Services, where for more than a decade I oversaw the agency's policy research, including evaluating the Supplemental Nutrition Assistance Program, or SNAP.

As this committee considers a Farm Bill for 2023, I wanted to highlight two key issues as it relates to SNAP: employment and health. I have spent much of my career researching the federal government's safety net programs and identifying policies aimed at helping low-income families achieve the type of opportunity and social mobility that every American deserves. In the course of my research, three key themes have emerged. **First**, consistent and sustained employment is one of the most crucial ingredients for reducing poverty and increasing upward mobility, along with family structure. **Second**, poor health is one of the largest barriers to employment for low-income Americans. **Third**, SNAP's lack of dietary guidelines often leaves its recipients in poor health, preventing them from working and escaping poverty.

Let me begin by acknowledging the ways in which the recently enacted Fiscal Responsibility Act of 2023 has improved the employment prospects of SNAP recipients. The Act strengthened SNAP's work requirements by extending the work expectation to more working-age adults. It also added as a new stated purpose the program: "To assist low-income adults in obtaining employment and increasing their earnings." If SNAP is to accomplish its core goal of supporting Americans in their path out of poverty, emphasizing the importance of employment is an integral first step.

Employment must be a clear goal of SNAP for two reasons. First, employment provides the only realistic path for low-income households to escape poverty and move up the income ladder. As we learned from welfare reform in 1996, when government assistance programs add an employment expectation, benefit recipients respond by going to work and improving their wellbeing. Second, low levels of labor force participation and high numbers of job openings suggest that there are ample jobs for all Americans. The latest jobs report showed strong job growth and the national unemployment rate remains below 4 percent. However, it also showed a labor force participation rate far below levels from a decade ago as older Americans have exited the labor force and prime-age workers have failed to pick up the slack.¹ The implication is that the US labor market needs more workers; and safety net programs such as SNAP must encourage, not discourage, labor force participation.

Despite the benefits of employment to individuals and the broader economy, work-capable

¹ Jeffrey Sparshott, "Behind Rise in Unemployment, Job Market Is Really Strong," *Wall Street Journal*, June 2, 2023, https://www.wsj.com/articles/mixed-signals-in-u-s-jobs-report-a57b18fd?mod=economy_more_pos1.

SNAP participants have very low employment rates, partly because SNAP disincentivizes work, as research has shown². In a recent report, Thomas O'Rourke and I analyzed SNAP Quality Control data to document the employment rate among different groups of adult SNAP participants. We found that the employment-to-population ratio among non-disabled SNAP participants without dependents – often called ABAWDs –has hovered between 15 and 30 percent over time.

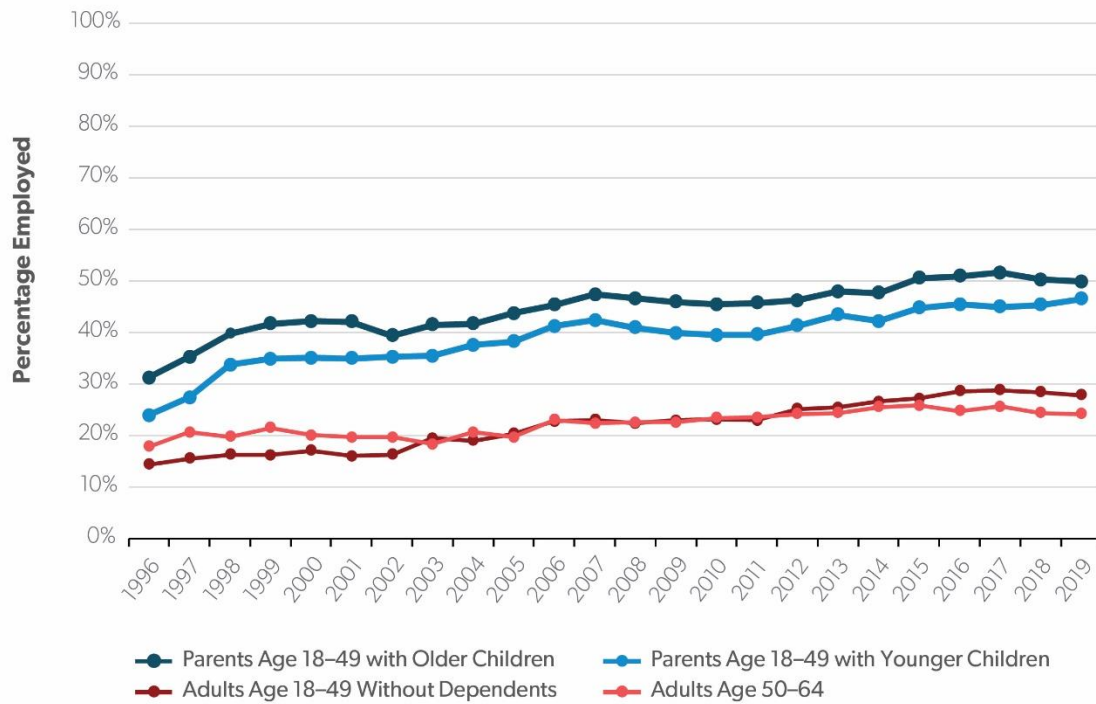
In the very strong labor market of 2019 (the most recent year of data), 30 percent of nondisabled SNAP participants without dependents between age 18-49 – the ABAWD population – worked while receiving SNAP; among non-disabled, childless 50-64 year olds receiving SNAP, only 24 percent worked.³ A 2018 report by the Council of Economic Advisors analyzed household survey data and found that a slightly higher share of SNAP participants worked while receiving SNAP, but even their analysis suggested that 50 percent or fewer worked. The discrepancies between administrative data and survey data can either be due to misreporting on surveys or a failure on the part of participants to disclose earnings to SNAP agencies.⁴ Either way, employment levels remain very low among non-disabled SNAP participants without children.

² Hilary Williamson Hoynes and Diane Whitmore Schzenbach, "Work Incentives and the Food Stamp Program," (working paper, National Bureau of Economic Research, Cambridge, MA, July 2010), <https://www.nber.org/papers/w16198>.

³ Angela Rachidi and Thomas O'Rourke, "Promoting Mobility Through SNAP: Toward Better Health and Employment Outcomes," American Enterprise Institute, May 1, 2023, <https://www.aei.org/research-products/report/promoting-mobility-through-snap-toward-better-health-and-employment-outcomes/>.

⁴ The Council of Economic Advisors, "Expanding Work Requirements in Non-cash welfare Programs," July 2018, <https://trumpwhitehouse.archives.gov/wp-content/uploads/2018/07/Expanding-Work-Requirements-in-Non-Cash-Welfare-Programs.pdf>

Figure 1. Percentage of Non-disabled SNAP Recipients Employed by Group, 1996–2019

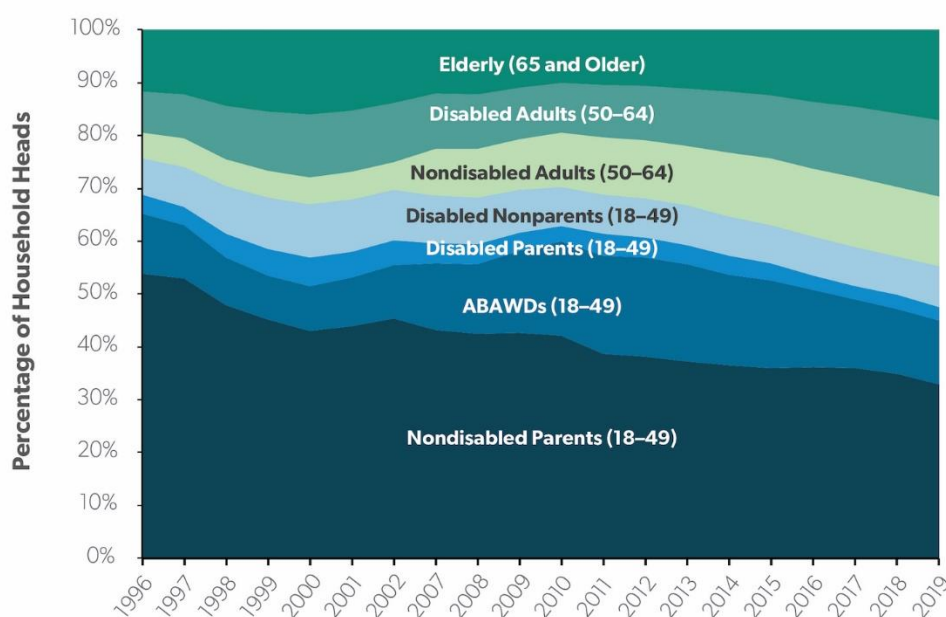


Source: “Promoting Mobility Through SNAP: Toward Better Health and Employment Outcomes,” American Enterprise Institute, May 1, 2023.

We might be less concerned about very low employment rates among prime-age, work-capable SNAP recipients if their share of SNAP expenditures were shrinking over time. But our research also found that the share of SNAP adults who are capable of work—meaning childless, non-disabled recipients—has *grown* over time. For example, in 1996, the share of SNAP household heads age 18–49 with children outnumbered those without children three to one, but by 2019, the ratio was 1.8 adults with children to every one household head without children. During this same time, SNAP expenditures have increased five-fold in real dollars due to higher participation and larger per-person benefits.⁵

⁵ United States Department of Agriculture, Food and Nutrition Service, SNAP Monthly and Annual Participation and Costs historical data, <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>.

Figure 2. SNAP Composition by Age, Disability, and Parental Status Among Household Heads, 1996–2019

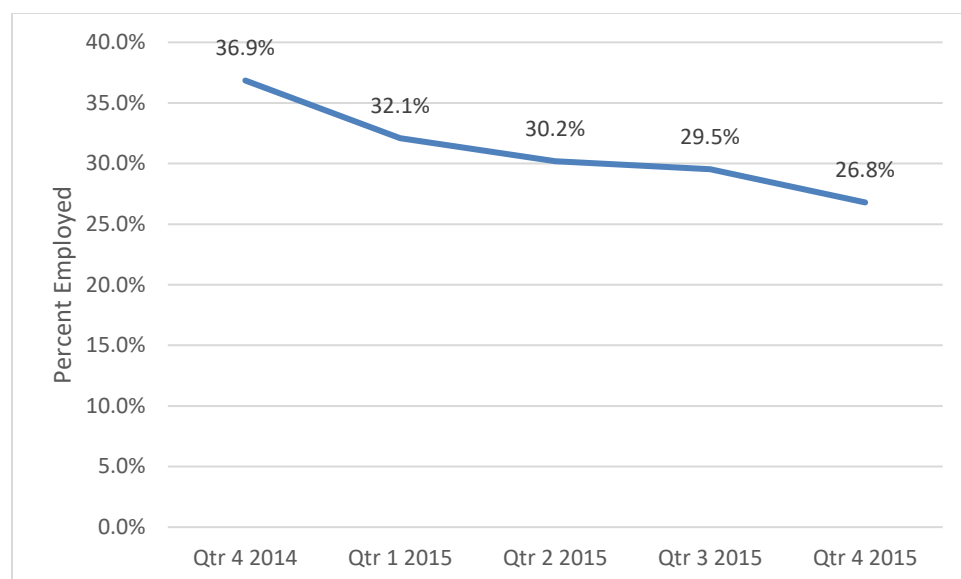


Source: “Promoting Mobility Through SNAP: Toward Better Health and Employment Outcomes,” American Enterprise Institute, May 1, 2023.

Granted, limited employment is part of the reason participants receive SNAP in the first place, but a longitudinal look at employment rates among non-disabled SNAP participants paints an equally concerning picture. While it is true that most non-disabled SNAP participants move in and out of employment, at any given point in time, their employment rates are very low relative to the general population. In years when unemployment rates are at historical lows (such as now) and employers cannot find enough workers, such low employment rates are difficult to explain.

Based on my own research using longitudinal SNAP administrative data from Wisconsin, I found that quarterly employment rates among ABAWDs were low across time. I explored a cohort of ABAWDs receiving SNAP during a 6-month period in 2014 and 2015, and found that the quarterly employment rate was consistently below 40 percent and declined over the course of the next year (Figure 3). Although 70 percent of this cohort had employment in at least one quarter in 2015, their employment was inconsistent and not sustained, raising concerns about their ability to escape poverty and achieve upward mobility over the long term. To the extent that SNAP contributed to these low average work rates, policymakers should enact reforms that strengthen recipients’ attachment to the labor force.

Figure 3. ABAWD Employment Rate in Wisconsin, 2014-2015



Source: Authors calculations using Wisconsin administrative data on ABAWD SNAP receipt and employment using wage reporting data.

SNAP could be doing more to help these participants seek and find stable employment. Establishing employment as a program purpose in the recent debt limit bill is a positive development. But work requirements can also play a role, as long as states implement them properly. This approach has proven to work in other contexts, such as TANF, and federal policy should ensure that states encourage SNAP participants to work insofar as they are able, rather than providing unconditional transfer payments. For these reasons, Congress should further strengthen existing work requirements by tightening the criteria by which states can waive work requirements, and by conducting evaluations to test the effectiveness of work requirements on new populations.

The second point I want to make relates to nutrition and health. Through my research, I have documented extremely concerning health outcomes among SNAP participants, which regrettably are worse for SNAP participants than income-eligible nonparticipants and higher income adults. For example, I found that in 2018 (the most recent year of data), 65 percent of SNAP adults age 50-64 had ever been diagnosed with diet-related disease, and 42 percent were obese. Compared to other groups of Americans not receiving SNAP—both high- and low-income—SNAP recipients exhibited much worse health outcomes.

Research shows that diet-related disease, such as diabetes and heart disease, can have severely negative outcomes for individuals, such as limited mobility, limited work productivity, mental health problems, and reduced quality of life. A stated goal of SNAP is to help low-income households afford a nutritious diet, to promote good health. Yet, SNAP has no nutritional standards and the data show that SNAP participants spend a large share of

benefits on non-nutritious foods, such as sugary beverages and prepared desserts.⁶ Our nation's largest nutrition assistance program, which transfers over \$100 billion per year to low-income households, is well positioned to encourage healthier eating among low-income populations, laying the foundation for upward mobility.⁷

There is bipartisan, bicameral support to improve SNAP's approach to nutrition and diet quality, and there are incremental steps that Congress can take as part of a Farm Bill. Congress should make improving diet quality a core SNAP objective, while requiring the USDA to measure diet quality among SNAP households as an accountability metric. Congress should also require the USDA to regularly track and publish the dietary quality of foods purchased with SNAP benefits. Finally, Congress should establish nutrition standards in SNAP, similar to those in other federal nutrition programs such as the National School Lunch Program and WIC.⁸ As a part of these standards, Congress should impose common sense restrictions on SNAP purchases, disallowing recipients from using benefits to purchase sugary beverages, as the National Commission on Hunger recommended in 2015,⁹ as well as other foods with limited nutritional value.

Conclusion

In closing, I want to restate the purpose of SNAP as legislated in the 2008 Farm Bill and the recent Fiscal Responsibility Act of 2023. The first purpose states: "It is declared to be the policy of Congress, in order to promote the general welfare, to safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households." The Fiscal Responsibility Act of 2023 added at the end of the paragraph: "That program includes as a purpose to assist low-income adults in obtaining employment and increasing their earnings."

The data I have presented today clearly shows that SNAP is falling short in meeting the stated purpose of SNAP by Congress. However, Congress has an opportunity through the Farm Bill to enact reforms.

Thank you and I look forward to answering your questions.

⁶ United States Department of Agriculture, Food and Nutrition Service, "Foods Typically Purchased by Supplemental Nutrition Assistance Program (SNAP) Households," Nov 2016, <https://www.fns.usda.gov/snap/foods-typically-purchased-supplemental-nutrition-assistance-program-snap-households>.

⁷ Jerold Mande and Grace Flaherty. 2023. "Supplemental Nutrition Assistance Program as a health intervention," *Current Opinion in Pediatrics* 35, no. 1 (February), 33-38.

⁸ Angela Rachidi, "A 21st-Century SNAP: Considerations for the 2023 Farm Bill," American Enterprise Institute, February 23, 2023, <https://www.aei.org/research-products/report/a-21st-century-snap-considerations-for-the-2023-farm-bill/>.

⁹ National Commission on Hunger, "Freedom From Hunger: An Achievable Goal for the United States of America," 2015, <https://cybercemetery.unt.edu/archive/hungercommission/20151217000051/http://hungercommission.rti.org/>