



Statement before the House of Representatives Committee on Agriculture Hearing “The Power of Work: Expanding Opportunity through SNAP”

The Supplemental Nutrition Assistance Program: Supporting Employment

Angela Rachidi

Senior Fellow and Rowe Scholar in Opportunity and Mobility Studies
American Enterprise Institute

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Chairman Thompson, Ranking Member Craig, 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 in poverty and opportunity studies at the American Enterprise Institute. I have spent much of the past 20 years researching and analyzing federal safety net programs for low-income families in the U.S. Starting in the early 2000s, I worked for the New York City Department of Social Services as the head of research and since 2015 I have continued this work for the American Enterprise Institute.

Among other federal programs, my work has focused on the Supplemental Nutrition Assistance Program, or SNAP. I have studied the effectiveness of SNAP in reducing food insecurity, improving nutrition, reducing poverty, and most relevant for today's hearing, its effects on employment.

I want to highlight three key themes related to SNAP and employment: **First**, SNAP serves a crucial role in helping low income families meet their food needs, but it also discourages work making upward mobility more challenging for families. **Second**, SNAP is intended to be countercyclical, meaning that caseloads should increase during a weak economy due to increased need and decrease during economic recoveries as people return to work. However, evidence suggests that SNAP enrollment has not followed this pattern in recent years, instead growing during weak and strong economies, including remaining at or near historically high levels even when unemployment rates are low. **Third**, to strengthen the connection between SNAP and employment policymakers can focus on two key areas: strengthening and expanding work requirements and addressing benefit cliffs. These policy changes combined with investments in employment and training services at the state level will ensure that SNAP participants can enjoy the financial and nonfinancial benefits of employment.

SNAP and Employment

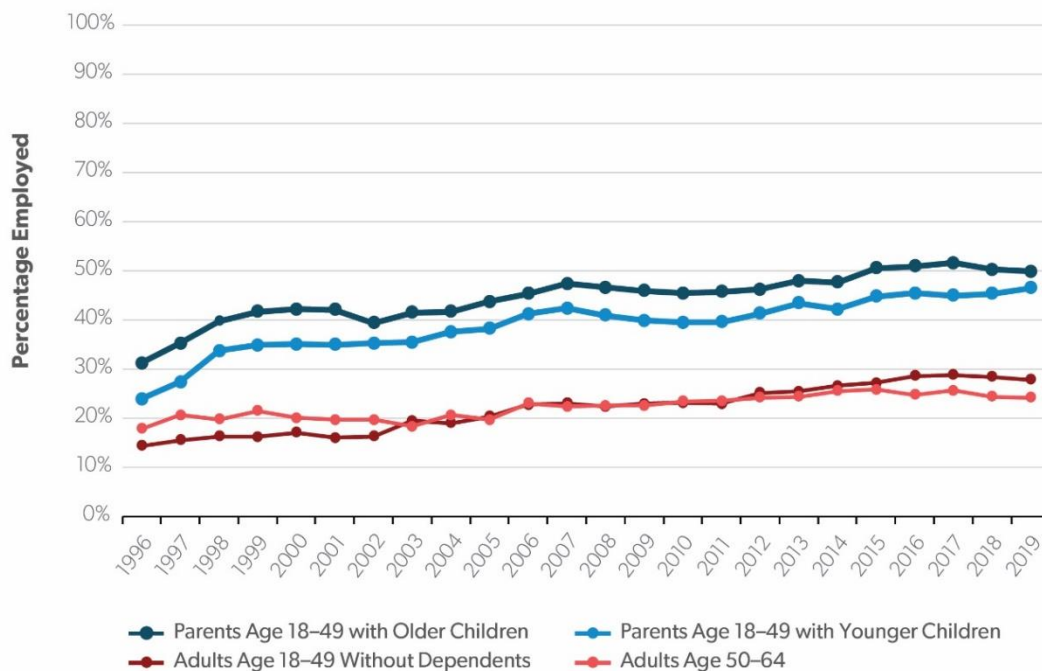
SNAP provides low-income households with a monthly benefit to help them purchase groceries. To be eligible, households must have gross income below 130 percent of the federal poverty level, or \$34,645 annual for a household size of three in 2025. Approximately 42 million people in 22 million households in the US receive SNAP currently, accounting for approximately 12.5 percent of the US population.¹ Children make up 40 percent of total SNAP recipients, leaving approximately 25.4 million adults receiving SNAP. Among all SNAP adults, approximately 42 percent are disabled or elderly, with the remaining 58 percent not disabled and of working age.²

¹ USDA FNS, "Supplemental Nutrition Assistance Program Participation and Costs," 2024, <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-annualsummary-3.pdf>; Angela Rachidi and Thomas O'Rourke, "How Large Would SNAP Be? Simulating the Size of SNAP Based on Changes to the Unemployment Rate" (working paper, AEI Center on Opportunity and Social Mobility, March 2025), <https://www.aei.org/research-products/working-paper/how-large-would-snap-be-simulating-the-size-of-snap-based-on-changes-to-the-unemployment-rate/>

² According to the USDA Economic Research Service, in FY 2022 39.6 of SNAP participants were children and 61.4 were adults. Using SNAP QC data from the USDA, we calculated that 42 percent of adults were disabled (received

Many of these non-disabled, working-age adults do not work while receiving SNAP.³ My colleague Thomas O’Rourke and I analyzed SNAP Quality Control data in a 2023 report and found that roughly 50 percent of nondisabled parents worked while receiving SNAP in 2019, but fewer than 30 percent of nondisabled adults without dependent children worked while receiving SNAP (Figure 1). These rates have held roughly steady over the past two decades.⁴

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.

Analyses of Census data often show higher rates of employment among SNAP recipients (Figure 2) – that is, between 50-65 percent – but this discrepancy can be related to misreporting or survey respondents working at some point but not while receiving SNAP.⁵

disability assistance) or were elderly in 2019. See 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/>.

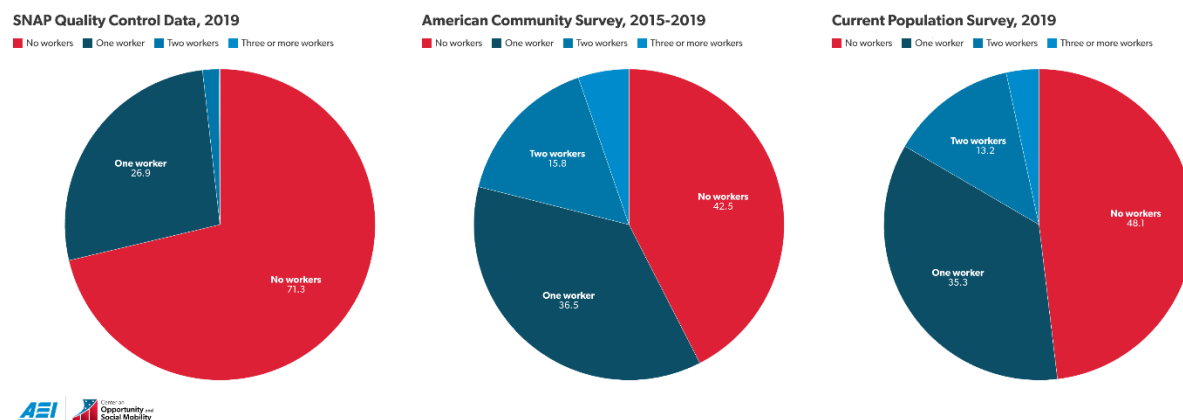
³ This translates into approximately 14.7 million non-disabled and non-elderly adults age 18-64 receiving SNAP in the average month according to SNAP QC data.

⁴ Rachidi and O’Rourke, “Promoting Mobility Through SNAP: Toward Better Health and Employment Outcomes.”

⁵ Angela Rachidi and Thomas O’Rourke, “Employment and SNAP: Setting the Record Straight,” American Enterprise Institute, July 12, 2023, <https://www.aei.org/opportunity-social-mobility/employment-in-snap-setting-the-record-straight/> and Angela Rachidi and Thomas O’Rourke, “The Role of Full-Time and Part-Time Work in SNAP,” American

In truth, only a minority of work-capable adults report working while receiving SNAP.

Figure 2: Number of Workers (at the time of the survey) in SNAP Households According to Three Data Sources



Source: Author's calculations using SNAP QC Data, 2019, ACS data 2015-2019, and CPS data 2019.

SNAP and the Economy

To be fair, SNAP serves low-income households, meaning that we should expect work rates among SNAP adults to be lower than the general population because job loss often causes households to need and enroll in SNAP.⁶ We should also expect that when jobs are available, these individuals return to employment, increasing their income to the point that they no longer need SNAP.

This is why SNAP has historically been considered a countercyclical program; that is, as the unemployment rate increases, the SNAP caseload also increases, and when the unemployment rate declines the SNAP caseload also declines.

In a recent study, my colleague Thomas O'Rourke and I found that SNAP is only partly countercyclical. SNAP's caseload-to-population ratios tend to grow when the unemployment rate rises, but remain elevated when the economy improves. Based on our analysis, if SNAP's caseload changed only with respect to the unemployment rate since 2000, the program would be between one-half and one-third of its current size.⁷

In concrete terms, this means that if SNAP had only responded to the business cycle, the

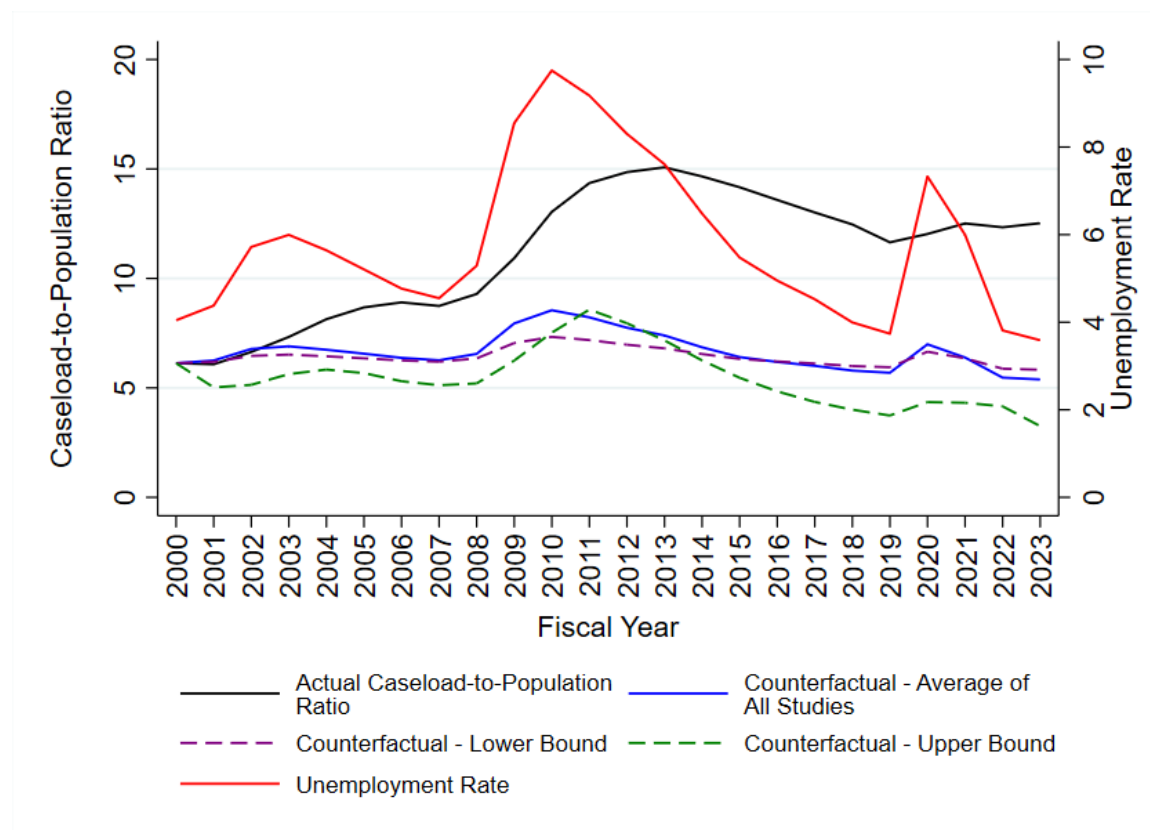
Enterprise Institute, August 15, 2023, <https://www.aei.org/opportunity-social-mobility/the-role-of-full-time-and-part-time-work-in-snap/>

⁶ Derek Wu and Jonathan Zhang, "Sliding into Safety Net Participation: A Unified Analysis Across Multiple Programs," *National Tax Journal* 28, no. 1 (2025), <https://www.journals.uchicago.edu/doi/abs/10.1086/732787>

⁷ Angela Rachidi and Thomas O'Rourke, "How Large Should SNAP Be: Simulating the Size of SNAP Based on Changes to the Unemployment Rate", American Enterprise Institute, COSM Working Paper Series, March 26, 2025, <https://www.aei.org/research-products/working-paper/how-large-would-snap-be-simulating-the-size-of-snap-based-on-changes-to-the-unemployment-rate/>

program would serve between 3 and 6 percent of the population rather than 12.5 percent of the population. Extrapolating these findings to expenditures and adjusting for inflation and population change, we found that annual SNAP costs would be approximately \$34 billion per year had the caseload changed in response to unemployment conditions alone, rather than the \$108 billion spent in FY 2023.

Figure 3: SNAP Caseload-to-Population Ratios, Actual and Counterfactual Estimates, 2000-2023



Source: Angela Rachidi and Thomas O'Rourke, "How Large Should SNAP Be: Simulating the Size of SNAP Based on Changes to the Unemployment Rate", American Enterprise Institute.

While policy changes explain some of these caseload dynamics, another consideration are work disincentives. I want to touch on two crucial ways that SNAP alters decisions around employment and suggest policy reforms to address them.

Work Requirements

Economic theory suggests that when government assistance replaces the need for earnings, employment rates decline. Research on the roll-out of the food stamp program in the 1970s supported this theory, finding that the availability of food stamp benefits reduced

employment in a small but meaningful way.⁸ It is important to consider the positive effects of the food stamp program, including better child and adult health, in conjunction with the negative employment effects.⁹ But it is equally important to acknowledge and attempt to mitigate any negative employment effects because employment is so crucial for long-term success.

One way to address work disincentives is through work requirements. Congress created a work requirement for able-bodied adults without dependent children or ABAWDs in 1996.¹⁰ Currently, ABAWDs – defined as nondisabled SNAP recipients age 18-54 and without dependents – can only receive SNAP for three months in a three year period unless they work or participate in a work-like activity on average 20 hours per week. This requirement can include paid work or unpaid volunteer hours, as well as employment and training services.

Since their implementation, research on the effectiveness of ABAWD work requirements at increasing employment rates has been mixed. Studies consistently find that the work requirement reduces SNAP receipt, and some studies find positive effects on employment while others find negative or null effects.¹¹ The lack of a consensus on the effectiveness of ABAWD work requirements on employment stems from multiple complicating factors.

One crucial limitation in studying the effectiveness of ABAWD work requirements is the availability of data on SNAP receipt, employment, and inconsistencies in the enforcement of work requirements. For example, many studies rely on survey data, which underestimates SNAP receipt and employment. Even among studies that use administrative data, informal employment remains undercounted as an outcome. Finally, enforcement of work requirements and the application of waivers varies across time and geographies, creating challenges in measuring ABAWD's exposure to work requirements.

The effectiveness of ABAWD work requirements is also complicated by the ability of states to waive the requirement. States are permitted to waive the work requirement in any area that has a high unemployment rate or lacks a sufficient number of jobs. In order to meet the “lack of sufficient jobs” criteria, the USDA Food and Nutrition Service (FNS) requires that a

⁸ Hilary Hoynes and Diane Schanzenbach, “Work incentives and the food stamp program,” *Journal of Public Economics* 96, no. 1-2, pp.151-162, <https://www.sciencedirect.com/science/article/abs/pii/S0047272711001472>

⁹ For a brief review of this literature, see Rachidi and Weidinger (2024), Chapter 5, “A Federal Safety Net to Build a Better Future”, in Levin, Streeter, and Winship (Eds.), *Doing Right by Kids*, <https://www.aei.org/wp-content/uploads/2024/09/doing-right-by-kids-2024-Chapter-5.pdf?x85095>.

¹⁰ A general work requirement also exists that requires non-disabled SNAP adult recipients to register for work, accept work when offered, not leave employment voluntarily, and participate in SNAP E&T if required by the state (no state requires this beyond the ABAWD work requirement).

¹¹ Gray et al. “Employed in SNAP? The Impact of Work Requirements on Program Participation and Labor Supply,” *American Economic Journal: Economic Policy* 15, no. 1, pp.306-341 (2023), <https://www.aeaweb.org/articles?id=10.1257/pol.20200561>; Timothy Harris, “Do SNAP Work Requirements Work?” *Economic Inquiry* 59, no. 1, pp. 72-94 (2023), <https://onlinelibrary.wiley.com/doi/abs/10.1111/ecin.12948>; Jeehoon Han, “The impact of SNAP work requirements on labor supply,” *Labour Economics* 74 (2022), <https://www.sciencedirect.com/science/article/abs/pii/S092753712100124X>.

state—or any area within a state—meet one of six criteria. One of those criteria allows a state to waive any area that has a 24-month average unemployment rate greater than 120 percent of the national average unemployment rate. Additionally, existing regulations allow states to gerrymander areas within their state to maximize their waiver coverage.

Together, these provisions allow states to waive the work requirement even when economic conditions are strong. For example, in 2019, California was able to waive 52 of its 58 counties by combining them into a single area. Because the combined area had an unemployment rate of 5.5 percent—greater than 120 percent of the national unemployment rate of 4.6 percent—California was able to waive almost the entire state.

One way to improve the effectiveness of work requirements is to ensure that work requirements are applied consistently and evenly across the country. In a recent study with Rich Burkhauser, Kevin Corinth and Thomas O'Rourke, we found many states have been able to waive SNAP's work requirement even when economic conditions are strong. For example, we found that 25 percent of counties that received a waiver from 1997 to 2023 had unemployment rates below 5 percent, suggesting that waivers are poorly targeted to high-unemployment areas.¹² When we modeled reforms introduced in 2019 by the FNS to tighten the criteria for ABAWD waivers, we found that those regulatory changes would have resulted in stronger responsiveness to unemployment conditions and better targeting.

We need more research to understand how tightening the ABAWD work requirements would impact their effectiveness in increasing employment, but it is likely that the way states have used ABAWD waivers has altered this relationship.

Benefit Cliffs

Another way SNAP negatively affects employment is through high effective marginal tax rates and benefit cliffs. This occurs when additional earnings, either from increased hours or higher wages, result in a loss of benefits that fully or partly offsets increased earnings. We call the most extreme case of this a “benefit cliff” when 100 percent of new earnings is lost to reductions in benefits.

SNAP has a benefit cliff problem. Although SNAP benefits reduce at a rate of between 24 and 30 percent as income increases (we also call this an earnings loss rate because 24-30 percent of any earnings increase is lost to a reduction in SNAP benefits), the expansion of income deductions in recent years combined with benefit increases has resulted in households reaching the income eligibility limit before their SNAP benefits phase out to zero dollars. In some scenarios, households face an earnings loss rate of 50 to 60 percent, meaning that they take home less than half of their earnings increase.¹³ This creates a large

¹² Burkhauser, Richard V., Kevin Corinth, Thomas O'Rourke, and Angela K. Rachidi. “Coverage, Counter-cyclical and Targeting of Work Requirement Waivers in the Supplemental Nutrition Assistance Program.” No. w33316. National Bureau of Economic Research, 2024.

¹³ Erik Randolph, “Solving the Food Assistance (SNAP) Benefits Cliffs,” Georgia Center for Opportunity, October 4,

work disincentive for households receiving SNAP benefits.

Some question whether high earnings loss rates truly affect behavior. But in a survey conducted by the federal government’s Administration for Children and Families, only 67 percent of respondents reported that they would accept a higher paying job if it resulted in a benefit reduction for a program that required reapplying, compared to 85 percent that reported that they would accept a higher paying job if it resulted in no benefit loss.¹⁴ Losing a large share of new earnings to benefit losses can be demoralizing for families seeking to improve their employment situation and can impede their ability to move up the income ladder.

Solving this problem requires realigning the maximum benefit, the tapering point, the benefit reduction rate, and the exit point. My colleague Erik Randolph from the Georgia Center for Opportunity and I recently presented a proposal to drastically reduce the effective marginal tax rates in SNAP at program exit by eliminating income deductions, reducing the benefit reduction rate, and slightly expanding the income eligibility limit.¹⁵ Proposals such as this are needed to ensure that working SNAP recipients are incentivized to work more and leave SNAP permanently.

Conclusions

Employment offers a path out of poverty for low-income families, providing both financial and nonfinancial benefits. Research suggests that work can improve health and social connectedness among the employed,¹⁶ while offering the necessary financial resources to achieve self-sufficiency and upward mobility. A stated purpose of SNAP is “to assist low-income adults in obtaining employment and increasing their earnings” and federal policymakers have a responsibility to direct public dollars in efficient and effective ways. Congress can strengthen the relationship between SNAP and employment by improving SNAP’s work requirements and addressing benefit cliffs.

Thank you and I look forward to answering your questions.

2023, <https://d1f2pmkajn85sd.cloudfront.net/wp-content/uploads/2023/10/SNAP-Cliffs-Solution-v1.9.pdf>.

¹⁴ Gayle Hamilton et al, “How Effective are Different Welfare-to-Work Approaches? Five-Year Adult and Child Impacts for Eleven Programs.”

¹⁵ Angela Rachidi and Erik Randolph, “Eliminating the Benefit Cliff and Achieving Savings for Taxpayers: A Reform Proposal for the Supplemental Nutrition Assistance Program”, American Enterprise Institute, March 2025, <https://www.aei.org/research-products/report/eliminating-the-benefit-cliff-and-achieving-savings-for-taxpayers-a-reform-proposal-for-the-supplemental-nutrition-assistance-program/>.

¹⁶ Angela Rachidi, “Health and Poverty: The Case for Work”, American Enterprise Institute, April 2020, <https://www.aei.org/wp-content/uploads/2020/04/Health-and-Poverty-The-Case-for-Work.pdf>.