

## **Episode 109 - Dr. Luke Shaefer: The Supplemental Nutrition Assistance Program (Food Stamps) and the Material Well-Being of Low-Income Families with Children**

[00:00:08] Welcome to living through a podcast series of the University at Buffalo School of Social Work at [www.socialwork.buffalo.edu](http://www.socialwork.buffalo.edu). We're glad you could join us today. The series Living Proof examines social work research and practice that makes a difference in people's lives. I'm your host Peter Sobota. Thanks for downloading more than 300000 of our podcasts. We'd love it if you took a minute to tell us what you like or don't like about them and what you'd like to see us do next. If you're an educator and you are using our podcasts and your courses please let us know how. I know some of you are as I've seen them on course syllabi out there. So let us know. Go to our Web site at [www.socialwork.buffalo.edu/podcast](http://www.socialwork.buffalo.edu/podcast) and click the Contact Us button. We'd be thrilled to hear from

rhythm of life in western New York continues with the opening of a rotary rink. Our free downtown ice skating destination where it's possible to turn a few figure eights and then take the train down Main Street to the birthplace of the supremely not nutritious but exceedingly popular delicacy called the chicken wing. At the world famous anchor bar your wings can be accompanied by live jazz on the weekends. I'm Peter Sobota.

[00:01:37] If you haven't looked into the food stamps program lately you might want to give a listen to the work of our guest Dr. Luke Shaefer in this episode Dr. Shaefer discusses the effects of the United States largest means tested income support program now known as the Supplemental Nutrition Assistance Program or SNAP. That was formerly known as the food stamp program. Research attempting to assess the effects of major public programs has traditionally been difficult because of a serious selection issues related to program participation. However recent breakthroughs in research methods have allowed us to better measure these effects and results suggests that snap as Dr. Shaefer says for many people the only game left in town improves food security. Among the participating households as well as non-food material well-being Dr. Shaefer concludes his discussion with an invitation for both consumers and other researchers to contact him with their direct experience of this program. H Luke Shaefer Ph.D. is an assistant professor at the University of Michigan School of Social Work. His research on the effects of public programs has been published in social service review and health services research and he has been funded by the U.S. Census Bureau and the U.S. Department of Agriculture. Dr. Shaefer has been a visiting scholar at the Institute for Research on Poverty at the University of Wisconsin Madison and a visiting fellow at the Harvard Kennedy School. Dr. Shaefer was interviewed by telephone by are always tall and dynamic. Charles Sims clinical associate professor here at the UB School of Social. Good morning Dr. Shaefer. Good morning. I'm very interested in this discussion on food particularly. I've been doing some reading on it recently and I'm curious as to how you got interested in your work. Sure. So my research mainly focuses around low wage working families and the public policies that are directed towards them that support them.

[00:03:52] And one of the big transformations in the social safety net such as it is has been an expansion and food stamps which has now called the Supplemental Nutrition Assistance Program SNAP. So just in the efforts to pursue my research agenda and became clear that really understanding this program how people use that the impacts of it was going to be critical. So that's really sort of started me down this line of research maybe about two years ago and continuing on today. Interesting are the old food stamp program SNAP essentially the same program. Are there some basic differences that people ought to be aware of it's exactly the same program. They change the name I think in an effort to get away from the stigma of food stamps the name. The main difference that has taken place in about the last decade is that it's no longer a program of stamps. In

virtually the entire country benefits are delivered in the form of electronic benefit transfer. It looks pretty much like a credit card. And so the benefits are actually loaded on to a person's card every month and they take it to the grocer and they can swipe it just like they would a credit card of course the items that they can get are limited to food. Do we know how many people are on the SNAP program. So right now we have about 46 million people on SNAP every single month. So that's sort of the running average at this point. That's about a little bit over 14 percent of the U.S. population about one out of every seven people and we spend about 75 billion dollars on the program. That's what we spent in fiscal year 2011. That's up considerably from before the Great Recession.

[00:05:50] But it makes it our primary near cash means tested program in the U.S. just to put it in a little bit of context. There are only about four point four million folks on TANF that's about one point six per cent of the population. And the expenditures on TANF are only a small fraction of what we spend on snap every year. Sounds like the rules have gotten significantly larger there. SNAP has followed a really interesting trajectory. So our listeners may know about the 1996 welfare reform that really fundamentally transformed our means tested aid in this country. And that was coupled with a lot of other changes that we made including expansion of benefits for the working poor and you could really actually in some ways put SNAP in that category. The snap rolls actually fell during the late 1990s probably driven partly because of the economy but also probably because there's a lot of confusion as people were being moved off cash assistance as a transition from the entitlement program AFDC to TANF. But then if you think back about the 2000s the last decade it could be called a lot of things that could also be called the snap decade because the roles just expanded throughout the entire decade they grew by about 60 percent from 2001 to 2007. They've grown about another 60 percent since then. So we have more folks on the program than we've ever had before.

[00:07:24] Part of the reason for that is a lot of things that we did to liberalize eligibility requirements so one thing that we know really matters for whether or not people actually stay on the program is called recertification because how often do people have to go back and sort of recertify their income recertify that they're eligible and then in the 1990s there had been a push to collapse that down to about three months so that a lot more people had to go every three months or recertify. And a lot of people sort of fall off whether because they don't understand or their lives are too busy. They tend to fall off the rolls at the time of recertification Well a lot of states now have extended their recertification period to 6 9 or 12 months. So it keeps people on for longer periods. We also we did that a lot of things to make it easier to apply for SNAP's and these mainly come through the domain of categorical stability. So if you were to go in and ask for any kind of help at a DHS office the Department of Human Services or public aid whatever is called in your state you'd really be fast tracked to get on snap. At least that's what the law says and this allows a lot of states to reduce the limits on people's assets whereas there are stricter limits on what kind of assets you can have in a bank account because you own house. Those have really been liberalized. And as a result of all these changes a big part of the increase that we've seen in the last decade has been among the working poor. So we're not talking about the poorest of the poor who are seeing big increases in their probability of getting on snap a really big proportion of them are already on snap and it fell during the 1990s and it's come back about where it was.

[00:09:11] But among the working poor we see a lot more SNAP participation families who are working have somebody working full time on a regular basis who still need snap to make ends meet. Just to give you a sense of what the snap benefit is for the average net benefit for a household with about 284 dollars but if you're a family of three you would get about five hundred twenty six dollars every month in 2012. And that's another way that's SNAP has become bigger as part of our economic stimulus passed by Congress and signed by President Obama. We actually increase SNAP benefits by about 13 to 15 percent and that took effect in 2009. So that's also been sort of a

big income increase for families in a way. So it sounds like SNAP has been really helpful in ensuring that individuals who are selling food with access to proper are good nutritional level what they get. Yeah I think the limits on exactly what kind of food people spend their SNAP dollars on they're relatively weak but and getting to the first point there is no doubt that SNAP has played an important role and as a safety net you might say if you think about a program that catches people in the fall. So if you're going along as a low wage worker you're trying to make ends meet maybe you lose your job and a lot of ways SNAP is the only game left in town. We've pretty much gotten rid of our cash assistance program it's just this tiny amount of people on it's less than 2 percent of the whole U.S. population.

[00:10:49] So SNAP's really all that's left and for better or for worse. The Federal Government has decided to really increase the resources that are spent on snap. Now there is some talk now that we can get into a little bit later about possibilities of retrenching the program going forward. But as of right now we spend far more on snap than we ever have in the past. Have far more people on it and it's far easier to get on it than it ever was. If folks have access to food for lack of a better term right now through snap that opened up or free up other resources for other kinds of things. Exactly. So this is the question that has in the past and really continues to keep me up at night. The question is how much did people actually use SNAP to pay for their food. Now the benefits that they receive are really limited to food they can only go in and buy food with the benefits but especially when you think about a lot of this expansion has been among the working poor and really most of these families have some forms of income that they were probably spending some part of On Food prior to going on snap. You know there's a very real possibility that they might reallocate a lot of the money that they were already spending on food to something else. So for example let's say you were spending three hundred dollars. Your family of three you spending 350 dollars on food every month and you were just barely scraping by. We know that ramen noodles are a staple of the desperately poor in the U.S. and you get on snap and you get a benefit of 526 dollars.

[00:12:27] Are you then going to keep the entire 350 dollars that you are already spending on food or are you going to reallocate those dollars to something else. And so that's what I think is probably true that people will reallocate a lot of those dollars somewhere also in the paper that I have with my colleague Gutierrez Supplemental Nutrition Assistance Program and material hardship among low income households particularly with children. We were interested particularly in households with children. To what extent does snap reduce hunger. And to what extent does the reduce other material hardships like the possibility of falling behind on your rent or your utilities which might ultimately lead to eviction or gas cut off. What about the probability of not seeking medical care. I was wondering if you could kind of summarize some of your major findings if that's possible sure. The thing that's tricky about this it would seem really when I started out it seemed really straightforward and of course map is going to reduce the material hardships. We'll just take some nationally representative data and we'll see who's on snap and we'll see who's sort of in the same income bracket will control for some things and see what happens.

[00:13:39] But I was faced with the same conundrum that researchers have been faced with for a long time which is when you look at the SNAP benefits when you just do a regular old sort of compare people who look a lot like on observable factors the people who are on SNAP actually look a lot worse than the people who aren't they tend to have higher levels of food insecurity they tend to be more likely to fall behind on their rent than their gas and electricity bills. So we have this conundrum and it really all comes down to selection issues right. So any data that you have things like income you have things like education that you can control for race and ethnicity family structure but there's a whole lot more of that happening in the lives of people. Social workers know right sort of observable facts in data that don't really capture the experience of people and there's something about the people who are going on snap that makes them worse off than the families who sort of look comparable but aren't. And you might imagine that sort of being hungry might be a

major reason why people are driven to go on snap. So what we do in the paper is we use a couple of different techniques we bring in some external information like I mentioned the recertification periods right. They got really short and that affects who's on snap and then they got really long again. So you can use that information in a statistical environment and try to use that information to predict who would be on snap and who wouldn't be based simply on that external information you know try to capture the people who are sort of coming on and coming off because of that information. Some states had fingerprinting. Some states still do. But it's actually fewer states now than that. And you might imagine that being fingerprinted sort of affects people's willingness to go on SNAP I think they're treating me like a criminal. I don't want to be.

[00:15:36] So we try to capture that information and then we also use a simultaneous equations model and basically what that does is it looks for a correlation between the two states. So it looks for a correlation between being hungry and being on snap in the error term. So this is sort of the things that are unaccounted for in the model and it stimulates them at the same time. And this gets around some of our limitations and a regular regression format that all said what we find is I think pretty interesting. We find that being on SNAP for low income households with kids so these are households below 150 percent of poverty reduces food insecurity. So that's fairly comparable to hunger. It's sort of a set of questions that a Census Bureau asks and reduces that by about 13 percentage points about actually a 41 percent drop in food insecurity from being on snap. So that's a pretty big effect. It actually appears to have a bigger effect on the risk. We have this catch all question that asks you know have you had trouble meeting your essential expenses. And we find that it has about twenty eight point eight percentage point decrease. That's about a 60 percent drop in the probability of falling behind on your central expenses and you break that open you've got you know did you fall behind on your rent. That's about a 7 percentage point drop that you fall behind on your utilities. That's about a 15 percent drop.

[00:17:07] So the results really suggest that SNAP is having a big impact on the material hardship of households that they're doing a lot better when they get on it and then further it really makes it look like people are pretty evenly spreading maybe even allocating more than half of their actual benefit. And remember this is on average so you have some families who don't have anything they're probably spending more on food maybe but on the whole you know it looks like people are allocating maybe more than half of their benefit to non-food essential expenses. I should have said that the data that we use for this is a survey of Income and Program Participation it's one of the surveys conducted regularly by the Census Bureau and that actually tracks the same families over three to four year periods and has a reputation for being particularly good at capturing income and also program participation among the poor. So had the opportunity to see people over time as opposed to point. Yeah. And in this paper we actually just do a little bit of longitudinal work. But it's mainly a cross-sectional but in some other papers that we're doing we're taking a look at what predicts a family going on snap what are the factors that drive people to snap and it looks like it really is a matter of experiencing economic shocks. So when people are going along and they lose their job they're really likely to go on snap. People are going along and there's a divorce from a family or a major family composition change. These are things that are really driving the likelihood that people go on snap that way. As I was saying it's acting as a safety net really. You might think of it as the last strand of this safety net.

[00:18:55] Now interestingly when they get back in that job or family to go from being a single mother household to getting married it's not as likely that they leave snap. So you know snap sort of responds to these negative shocks. But there is less of an association between having a positive shock and going off snap so sort of continuing on continuing to search people over a longer term. So hearing you correctly are thinking about this correctly that serves as a stabilizing function. Yeah exactly. So we have a set of analyses that sort of look at families in the 12 months before they go on to SNAP to 12 months after. And this is really a longitudinal design and we see that their food

consumption starts to fall right as they go on snap and then you can see sort of like the safety net kick in and it continues to drop but it stabilizes and it sort of slowly goes up usually after about a 12 month period it still hasn't gone back up to where it was. So it's not completely neutralizing the shock but just as you said I think it's act as a stabilizing force. I do have one more question. Policy is always a major issue particularly today but in social work in general. And I'm wondering if you're thinking about how your research might impact will be impactful on policy or policy development going forward. I think an important takeaway for me is I think I'm speaking about all the positive things that snap does. It's got to be put in the context of the rest of the safety net. There's just really not a lot else out there. So that way it's really the only game in town.

[00:20:38] And so obviously we've had these sort of unprecedented rise in SNAP rolls. We've had an unprecedented rise in SNAP spending. I think we can probably expect that to go down it will go down as a function of the economy improving if the economy ever improves. But there has started to be quite a bit more sort of discussion at the federal as well as the state level and sort of retrenching some of these elements. So in my own state in Michigan we've reinstated the test because we had this singular example where a family won the lottery for a big amount and then failed to get off snap like in the next month. And there's no doubt that that is not a good use of our resources to be serving families who have had a tremendous windfall. But in any program that's big. Those sorts of things are bound to happen. And it's unclear that we should really base policy on them. So I think there's a lot of things under discussion. There's talk a lot of states are thinking about reinstating the asset test reinstating biometrically acquirements shortening the recertification period and sort of more aggressively as you look at something like the Ryan budget that has been passed in the House that includes a very significant decrease in expenditures and snap really really lowering our commitment to that program in the long term. And if we do these things there are going to have significant effects and they're going to extend beyond food as well. And so I think we need to be cognizant of that let's go forward.

[00:22:20] I think that's an excellent point because I think sometimes people think about these programs is only an issue around food as important as that is but we don't necessarily if people don't necessarily think about other impacts in other areas or other parts of the lives of those families. Exactly. I think on the other side as people advocate who are snap I think it's also important to remember the context that we in the economic stimulus we did increase benefits and we have increased our commitment. If we judge sort of the strength of snap on what we spend on that and how many people are served relative to what we've done in the past this is not a program that's been decimated this is a program that's been increased many times over. So I think that that has to be taken into account as policymakers continue to think about the future of SNAP. Thank you. As we draw to a close. Is there any other points or anything else you'd like to add to our discussion today. Sure I would just say that the work I do I tend to work with these large data and they have the benefit of being national representatives. They have the benefit of being able to draw in a lot of information and try to assess associations and ideally causalities. But a lot of ways that are limited. And so I can't see certain things and I think social workers both those involved in the policy realm particularly those involved with clients have sources of information that they should never discount. So I try to spend a certain amount of my time I'm working with direct service providers and working with very vulnerable populations.

[00:24:04] But I look forward to our listeners who have experience with the program have insights into the program. I would love to hear from them and see what they think about the validity of these findings. Does this sort of match with their experience and I think that a very valuable things that they can offer those of us who tend to work in big data and sometimes lose track of what these things mean in the lives of real people. Yes I agree. I want to thank you for your time today Luke. It's been an interesting conversation and hopefully as you develop your research more we can talk again about some of the other things that you've discovered in your research. I'd be glad to. Thank

you. Thanks. You've been listening to Dr. Luke Shaefer discuss the SNAP program on Living Proof. Hi I'm Nancy Smith professor and dean at the University at Buffalo School of Social Work. Thanks for listening to our podcast. For more information about who we are our history our programs and what we do. We invite you to visit our website at [www.socialwork.buffalo.edu](http://www.socialwork.buffalo.edu). Here at UB we are living proof that social work makes a difference in people's lives.