



# **The Relationship Between SNAP and Work Among Low-Income Households**

By Dorothy Rosenbaum

January 2013

The Center on Budget and Policy Priorities, located in Washington, D.C., is a non-profit research and policy institute that conducts research and analysis of government policies and the programs and public policy issues that affect low- and middle-income households. The Center is supported by foundations, individual contributors, and publications sales.

---

### Board of Directors

---

**David de Ferranti, Chair**  
Results for Development Institute

**Henry J. Aaron**  
The Brookings Institution

**Antonia Hernández**  
California Community Foundation

**Marion Pines**  
Johns Hopkins University

**Kenneth Apfel**  
University of Maryland

**Wayne Jordan**  
Jordan Real Estate  
Investments, LLC

**Robert D. Reischauer**  
Urban Institute  
(President Emeritus)

**Jano Cabrera**  
Burson-Marsteller

**Frank Mankiewicz**  
Hill & Knowlton, Inc.

**Paul Rudd**  
Adaptive Analytics

**Henry A. Coleman**  
Rutgers University

**C. Lynn McNair**  
Internet Society

**Susan Sechler**  
TransFarm Africa

**James O. Gibson**  
Center for the  
Study of Social Policy

**William J. Wilson**  
Harvard University

---

### Emeritus Board Members

---

**Beatrix A. Hamburg**  
Cornell Medical College

**Marian Wright Edelman**  
Children's Defense Fund

---

### President

---

**Robert Greenstein**

---

### Author

---

Dorothy Rosenbaum  
January 2013

Center on Budget and Policy Priorities  
820 First Street, NE, Suite 510  
Washington, DC 20002  
(202) 408-1080

Email: [center@cbpp.org](mailto:center@cbpp.org)

Web: [www.cbpp.org](http://www.cbpp.org)

---

## ACKNOWLEDGEMENTS

---

The author wishes to express gratitude to the many people at the Center who assisted with this report. Robert Greenstein, Stacy Dean, Donna Pavetti, and Arloc Sherman provided important guidance with respect to its contents and analysis. Danilo Trisi and Brynne Keith-Jennings ably assisted with the analysis. Others, including Jared Bernstein, Ed Bolen, Indivar Dutta-Gupta, Art Foley, Sharon Parrott, Barbara Sard, Liz Schott, and Chad Stone offered valuable contributions and feedback. Thanks also to Michele Vaughn, who edited the report, Carolyn Jones, who prepared it for publication, and Edward Bremner, who created the figures and charts.

I would especially like to thank Erica Socker, who, while at the Center in 2012, conducted the detailed analysis of the Survey of Income and Program Participation (SIPP) that provides valuable new information on the labor force participation of SNAP participants over time.

The Center on Budget and Policy Priorities is grateful to Mazon: A Jewish Response to Hunger, the Ford Foundation, The W.K. Kellogg Foundation, The Kresge Foundation, The Charles Stewart Mott Foundation, The Open Society Foundations, and an anonymous donor for their generous support of the Center's SNAP work.

---

## TABLE OF CONTENTS

---

<b>EXECUTIVE SUMMARY</b> .....	5
<b>I. LABOR FORCE PARTICIPATION AMONG SNAP RECIPIENTS IS HIGH</b> .....	9
A. Work Among SNAP Recipients While They Receive SNAP .....	9
B. Work Among SNAP Households Over Time .....	14
<b>II. SNAP IS DESIGNED TO SUPPORT WORK</b> .....	19
A. The Relationship Between SNAP Rules and Work .....	19
B. SNAP Helps Out-of-Work Families During Recessions .....	22
C. SNAP Plays an Important Role in the Context of the Low-wage Labor Market .....	24
<b>III. SERVING WORKING HOUSEHOLDS HAS BEEN A SNAP PRIORITY IN RECENT YEARS</b> .....	27
<b>IV. WORK REQUIREMENTS FOR SNAP HOUSEHOLDS</b> .....	30
<b>CONCLUSION</b> .....	32
<b>APPENDIX: METHODOLOGY</b> .....	33

---

## EXECUTIVE SUMMARY

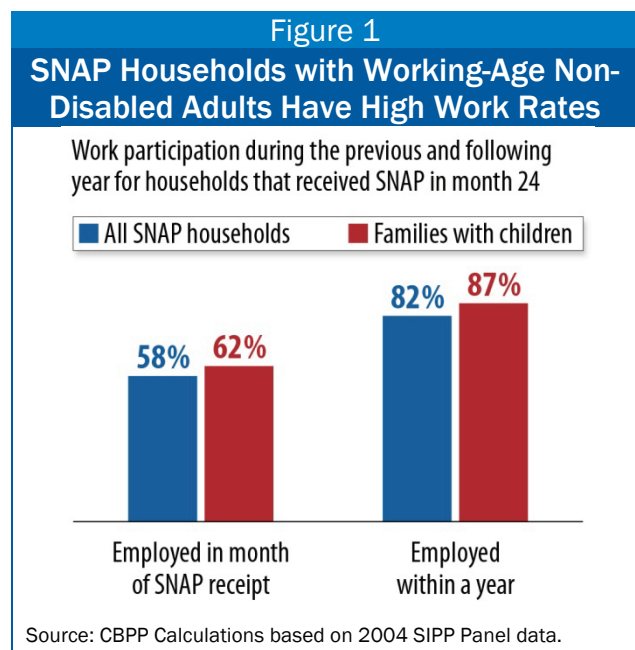
---

The Supplemental Nutrition Assistance Program’s (SNAP) primary purpose is to increase the food purchasing power of eligible low-income households in order to improve their nutrition and alleviate hunger and malnutrition.<sup>1</sup> The program’s success in meeting this core goal has been well documented.<sup>2</sup> Less well understood is the fact that the program has become quite effective in supporting work and that its performance in this area has improved substantially in recent years.

### Labor Force Participation Among SNAP Recipients Is High

The overwhelming majority of SNAP recipients who can work do so. Among SNAP households with at least one working-age, non-disabled adult, more than half work while receiving SNAP — and more than 80 percent work in the year prior to or the year after receiving SNAP. The rates are even higher for families with children — more than 60 percent work while receiving SNAP, and almost 90 percent work in the prior or subsequent year. (See Figure 1.)<sup>3</sup>

The *number* of SNAP households that have earnings while participating in SNAP has been rising for more than a decade, and has more than tripled — from about 2 million in 2000 to about 6.4 million in 2011. (See Figure 2.) The increase was especially pronounced during the recent deep recession, suggesting that many people have turned to SNAP because of under-employment — for example, when one wage-earner in a two-parent family lost a job, when a worker’s hours were cut, or when a worker turned to a lower-paying job after being laid off.

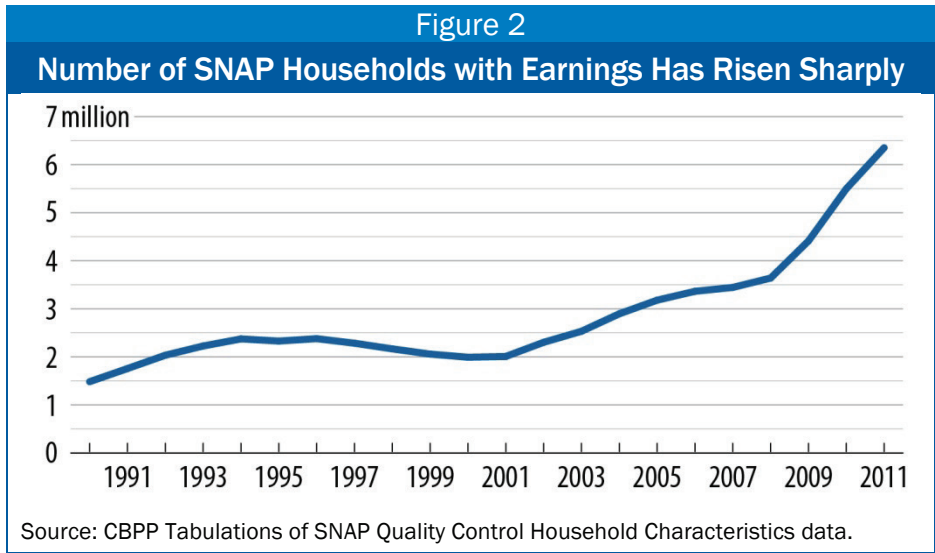


---

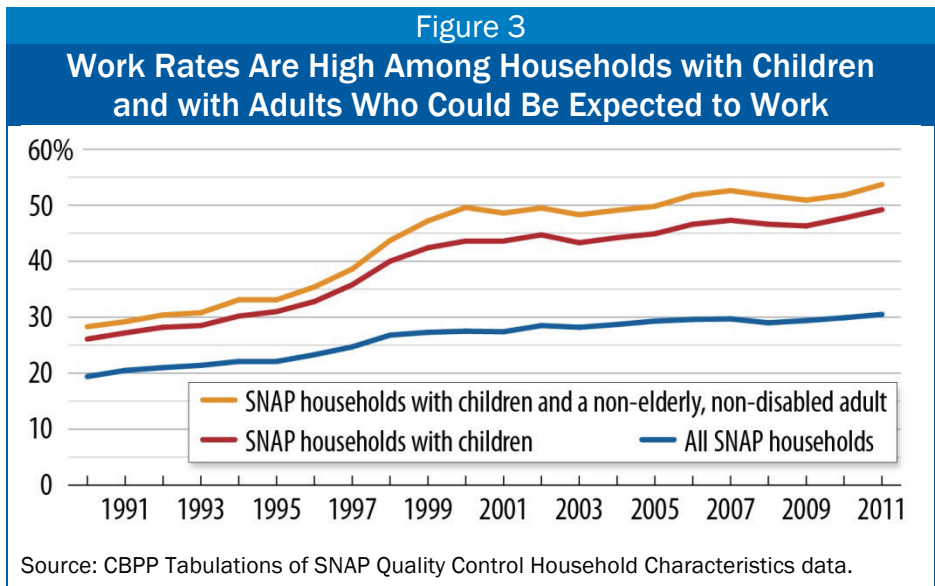
<sup>1</sup> See section 2 of the Food and Nutrition Act of 2008 (7 U.S.C. 2011). SNAP was known as the Food Stamp Program until 2008.

<sup>2</sup> See, for example, U.S. Department of Agriculture, “Building a Healthy America: A Profile of the Supplemental Nutrition Assistance Program,” April 2012; Fox, Mary Kay, William Hamilton, and Biing-Hwan Lin, “Effects of Food Assistance and Nutrition Programs on Nutrition and Health, Volume 4, Executive Summary of the Literature Review,” U.S. Department of Agriculture, Economic Research Service, November, 2004; and additional research available at [http://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-\(snap\)/background.aspx](http://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-(snap)/background.aspx).

<sup>3</sup> The figures are based on data from the Survey of Income and Program Participation (SIPP) for the mid-2000s, before the recent recession, but preliminary analysis finds that they declined only modestly during the recession. For this analysis SNAP household members are considered to be working-age if they are age 18 through 59 and are disabled if they receive a disability-based benefit, such as Social Security or Supplemental Security Income (SSI).

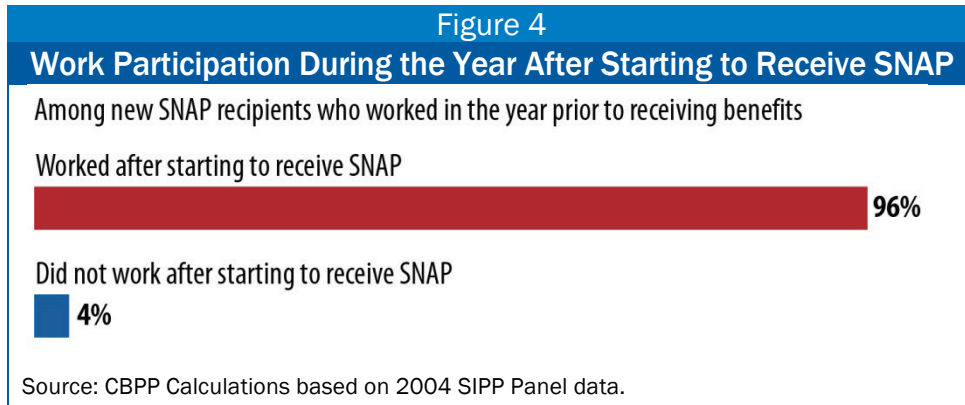


The large increase in the number of working SNAP households in recent years has resulted in the *share* of SNAP households that are working rising, even as the overall number of Americans who are employed declined and the number of long-term unemployed swelled. (See Figure 3.)



The data also indicate that SNAP receipt does not create work disincentives. The overwhelming majority of non-disabled, working-age households that start receiving SNAP do not stop working. In the mid-2000s, only 4 percent of SNAP households that worked in the year before starting to receive SNAP did not work in the following year.<sup>4</sup> (See Figure 4.)

<sup>4</sup> The sample sizes for this analysis are small so the results should be viewed with caution, but they strongly indicate that SNAP does not cause people to leave the labor force.



## SNAP Is Designed to Support Work

The high labor force participation rate among SNAP recipients is not accidental — SNAP is designed to act both as a safety net for people who are elderly, disabled, or temporarily unemployed *and* to supplement the wages of low-income workers.

- **SNAP’s basic structure supports work.** Households that meet the program’s eligibility rules and requirements can qualify for benefits and be served if they apply. As a result, SNAP is able both to respond quickly and effectively in recessions and to act as a longer-term support for low-wage workers. SNAP typically boosts low-wage workers’ income by 10 percent or more.
- **The SNAP benefit formula includes work incentives.** SNAP targets benefits based on a household’s income and expenses, including a deduction for earned income to reflect the cost of work-related expenses and to function as a work incentive. As a result of the SNAP benefit calculation rules, SNAP households are financially better off if they are able to secure employment or increase their earnings.
- **SNAP cushions the effects of weaknesses in the labor market.** SNAP plays important roles in helping workers who lose their jobs during recessions as well as in supporting low-income workers who are impacted by broader adverse trends in the low-wage labor market. SNAP was the most responsive of all means-tested benefit programs during the recent deep recession and ensuing weak recovery. It also helps workers who struggle to make ends meet when they cannot find higher paying jobs or jobs with sufficient hours.

## SNAP’s Effectiveness in Serving Workers a Focus in Recent Years

SNAP’s performance in reaching eligible working households has improved over the past decade as a result of bipartisan efforts at the federal, state, and local levels to respond to previous weaknesses in this area. The efforts have paid off, with estimated participation rates (i.e., the portion of eligible households that actually receives benefits) hitting highs in recent years; the SNAP participation rate among eligible low-income working families, which fell after enactment of the

1996 welfare law (although that was not what the authors of the law intended), rose from 43 percent in 2002 to about 65 percent in 2010. (See Figure 5.)

