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# Increasing Beneficiary Retention in Food Assistance Programs

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# POLICY BRIEF

## Increasing Beneficiary Retention in Food Assistance Programs

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**BRIEF HIGHLIGHTS**

- *Social assistance programs that periodically reverify eligibility, such as SNAP or Medicaid, may lose eligible beneficiaries who fail to submit the requisite documentation.*

- *Data from Michigan and six other states show that almost one-half of all new SNAP enrollees exit program participation within one year.*

- *Qualitative evidence and simulations suggest that about half of exiting cases remain eligible for the program but fail to meet the administrative requirements.*

- *Many states, including Michigan, have attempted to reduce administrative burdens by allowing beneficiaries to track and manage benefits online.*

**For additional details,** see the full paper, "Why Leave Benefits on the Table? Evidence from SNAP." This can be found at https://doi.org/10.17848/wp18-288.

Many social assistance programs require that beneficiaries periodically reverify eligibility. This allows program administrators to identify participants who are no longer eligible, but it also risks the loss of eligible participants who might be dissuaded by the required administrative hurdles. One such program is the Supplemental Nutrition Assistance Program (SNAP), which served almost 15 percent of the U.S. population in 2011 (Ganong and Liebman 2018). SNAP typically provides between $150 and $300 per month to low-income households to help them purchase groceries. The program requires beneficiaries to verify their income, household size, and eligible deductions periodically (usually every 6 or 12 months) by submitting a substantial amount of paperwork and documentation. SNAP officials know that some households—even though they remain eligible—lose benefits because they do not submit required documents. However, there exists scarce evidence on the extent of this phenomenon and the effectiveness of states' efforts to reduce it.

A recent research paper by Colin Gray (2018) finds that program exits by eligible participants are very common. Gray also provides evidence that states' efforts to mitigate the problem with online verification options reduce program exit by eligible participants. More specifically, the paper finds the following:

- Retention in SNAP is low. Across seven states in the late 2000s and early 2010s, almost one-half of entering SNAP cases left within one year. Most cases exit in periods where verification is required and leave the program for many months or indefinitely.
- Qualitative evidence and quantitative simulations suggest that about half of participant households that exit within one year of entry are actually eligible on their one-year anniversary.
- Michigan's introduction of online benefits management reduced the rate of exit at the most significant verification date (so-called recertification) by about 13 percent (2 percentage points), with larger effects for childless adults and working households.

Program exit by eligible participants appears to be a widespread phenomenon, and even modest simplifications in SNAP eligibility reporting requirements appear to have a meaningful impact.

### MEASURING RETENTION IN SNAP

Amid concerns about the reliability of survey data to study SNAP participation (Meyer and Goerge 2010; Meyer and Mittag 2015), we turn to two data sources to study retention. First, we use administrative data from the state of Michigan between March 2005 and November 2011, considering all cases that begin receiving benefits after two or more months of nonparticipation. Using anonymous unemployment insurance (UI)

**Online benefits management has reduced exits at recertification by 13 percent.**

wage record data merged to SNAP records by the Michigan UI Agency, we are able to observe each adult SNAP beneficiaries' quarterly earnings. Second, we use administrative data from six other states, including all cases beginning between February 2010 and December 2012 after two or more months of nonparticipation. These anonymized data were provided by the U.S. Department of Agriculture, which administers the SNAP program.

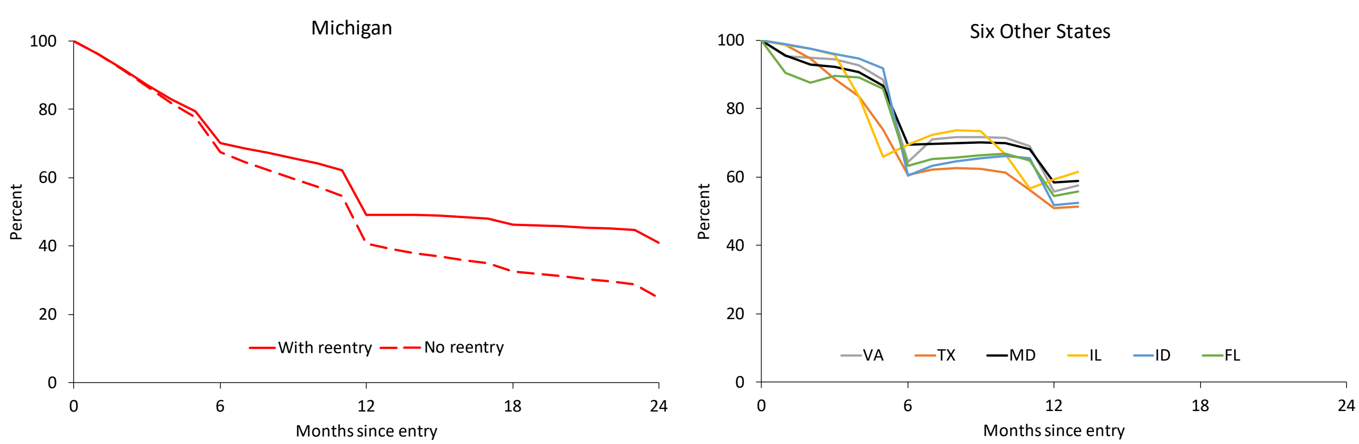
Figure 1 shows survival rates over 24 months for new SNAP cases starting in Michigan (left panel) and in six other states (right panel) during our study period. The left panel shows the fraction of new Michigan cases that remain on the program in each month since their first entry to SNAP—either allowing for temporary interruption and reentry within two months (solid line), or requiring continuous enrollment in the program (dashed line). The right panel shows, for each of the other six states, the fraction of new SNAP cases that remain on the program each month since entry, allowing for temporary interruptions and reentry. (These cases are followed only for one year due to the shorter time horizon in these data.) In both panels, roughly half of entering cases are not on SNAP one year after entry, implying that 50–60 percent remain on the program after the first year, depending on the state. Exits are concentrated at the intervals of 6 and 12 months, when verifications are typically done by state SNAP agencies.

## ARE EXITING CASES STILL ELIGIBLE?

The fact that many new cases exit the program within the first year could either be an indicator that reverification procedures are screening out households that are no longer eligible (as intended), or that complex reverification procedures are dissuading eligible applicants from remaining on the program. We provide three pieces of evidence to suggest that many of the exiting cases are indeed still eligible.

Eligibility for SNAP is a complex calculation: households of a given size may receive up to a "maximum monthly benefit" every fiscal year, but any income received beyond relatively low limits (and allowing for certain deductions, such as rent or medical expenses) reduces their benefits according to a specific formula. Beneficiaries are deemed ineligible if they earn enough to receive zero benefits through this formula,

**Figure 1 How Long Do People Stay on SNAP? Percentage of SNAP Beneficiaries Remaining after Months since Beginning Benefit Receipt**




NOTE: The right panel allows for reentry, comparable to the red line in the left panel.
SOURCE: Authors' computations on state program administrative data.

**Between 40 and 50 percent of entering cases are not on SNAP after one year.**

if they receive over 130 percent of the federal poverty line in gross income (ignoring deductions), or if they receive over 100 percent of the federal poverty line in net income (after subtracting deductions). Given this complexity, it is nearly impossible with current data sources to plausibly determine eligibility for households that lose contact with SNAP administrators.

However, three distinct pieces of evidence suggest that a high fraction of cases remain eligible even after they have stopped receiving benefits:

1) Two states' administrative data report the reason for program exit, which is overwhelmingly failure to submit paperwork rather than income changes or other specific reasons.
2) Combining SNAP enrollment data with UI earnings records for Michigan, we find that households have similar rates of program exit on the required recertification date—the most significant verification date—whether they have earned income or not.
3) We use a government survey (the Survey of Income and Program Participation) to simulate changes in total income and household size for cases in Michigan, after matching them on demographics (household size, age of household head, and existence of children) and earned income over several quarters. This simulation suggests that only 25 percent of cases lose eligibility through the income rules at their one-year anniversary. However, almost 50 percent of cases are absent from the program at that point, suggesting that approximately half of exiting cases are still eligible.

While no single exercise can precisely determine the fraction of exiting cases that remain eligible, these estimates suggest that about half of exiting households leave SNAP benefits on the table.

## DO ONLINE OPTIONS REDUCE EXITS?

The evidence suggests that state SNAP agencies face a trade-off in setting recertification policies: more frequent recertifications allow the program to screen out ineligible beneficiaries, but as many as half of the cases that voluntarily exit are actually still eligible. While state agencies had limited evidence on the magnitude of this phenomenon, they have taken steps to reduce verification paperwork and provide easier contact with SNAP administrators. In at least 30 states, SNAP agencies have added online capabilities to let beneficiaries track their SNAP benefits and submit verification electronically (Ganong and Leibman 2018).

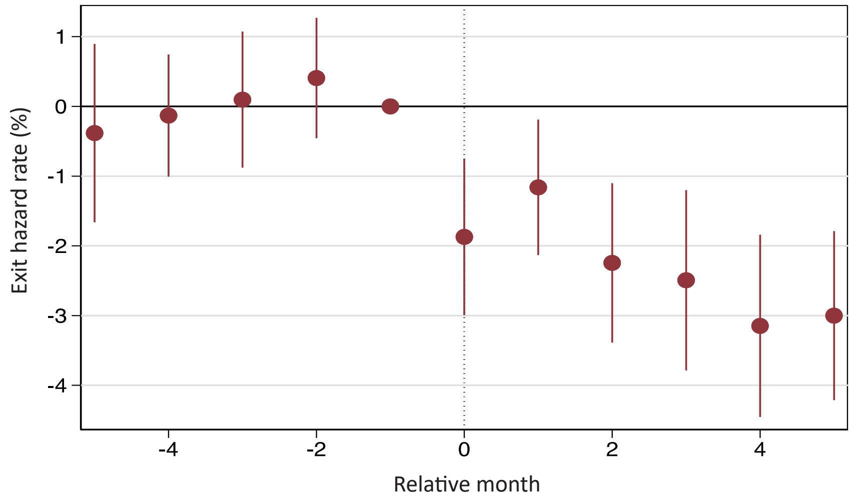
Michigan instituted online benefits management during 2008 and 2009 by rolling out access to the Michigan "Bridges" website to different sets of counties at different times. The staggered nature of this introduction, as well as the detailed information available about beneficiary demographics and earnings, allow us to credibly estimate the causal impact of the policy change. In particular, regression analysis allows us to separately identify the unique effect of Bridges from trends in overall SNAP participation over time.

Figure 2 shows the estimated effects of the Bridges website on SNAP exit rates at recertification, along with confidence intervals that capture the size of the effect with 95 percent probability. Each point represents the fraction of cases that exit in each month *relative to the month immediately before Bridges was introduced in the case's county of service*.

The introduction of online capabilities appears to have reduced exits at recertification by more than 2 percentage points (13 percent), which represents a significant impact for a reasonably modest intervention. The effects are largest for childless adults and are mostly driven by reduced exits among those with earnings. It is possible that the online option is especially helpful for childless adults (who often have unstable mailing addresses) and workers (who must submit additional documentation), although it is also possible that these groups would be more sensitive to any simplification.

**More frequent recertifications allow SNAP to screen out ineligible beneficiaries, but up to half of the cases that voluntarily exit are still eligible.**

**Figure 2 Monthly Regression-Adjusted Differences in Michigan SNAP Exit Rates from the Base Rate in the Month before Introduction of Online Case Management**




NOTE: Base value 15.2%.
SOURCE: Authors' computations on Michigan program administrative data.

## LESSONS GOING FORWARD

The increasing availability of detailed administrative data allows researchers to distinguish between competing hypotheses with a level of flexibility and precision previously unavailable. In this case, we use administrative data from SNAP to provide evidence that many exiting households remain eligible but are dissuaded from the program by periodic eligibility verification requirements. Moreover, efforts to keep more eligible cases on the program by simplifying verification procedures appear to be effective: we estimate that Michigan's introduction of online benefits management reduced the rate of exit at recertification by about 13 percent (2 percentage points). Further simplifications are likely to help SNAP officials retain eligible beneficiaries while enforcing SNAP's eligibility standards.

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