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Participation in the Supplemental Nutrition Assistance Program (SNAP) and Unemployment Insurance: How Tight Are the Strands of the Recessionary Safety Net?

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The U.S. Department of Agriculture's Supplemental Nutrition Assistance Program (SNAP) provides nutrition assistance to low-income individuals and households that meet certain eligibility criteria. The Unemployment Insurance (UI) program of the U.S. Department of Labor (DOL) provides financial support to experienced workers who become unemployed through no fault of their own. SNAP and UI are two strands of the *recessionary safety net*—the subset of safety-net programs for which participation responds countercyclically. Economic downturns result in wider eligibility and participation in the two programs, increasing expenditures on program benefits. During the 2007-09 recession, some households received benefits from only one of these programs, while others received benefits from both SNAP and UI (joint participation).

What Is the Issue?

Households that participate jointly in both programs can improve their ability to sustain food expenditures, nutrition, and overall standard of living during times of economic challenge. To what extent do SNAP or UI households receive benefits from the other program? How is joint participation affected by changing macroeconomic conditions? What types of SNAP households tend to rely on SNAP alone, without UI, even in the midst of recession? This report answers these and related questions by examining participation patterns at the national level across 2004-09 and across households categorized by annual income relative to poverty, race/ethnicity, and education. Findings may inform efforts by local SNAP and UI offices to enhance cross-program access for eligible participants.

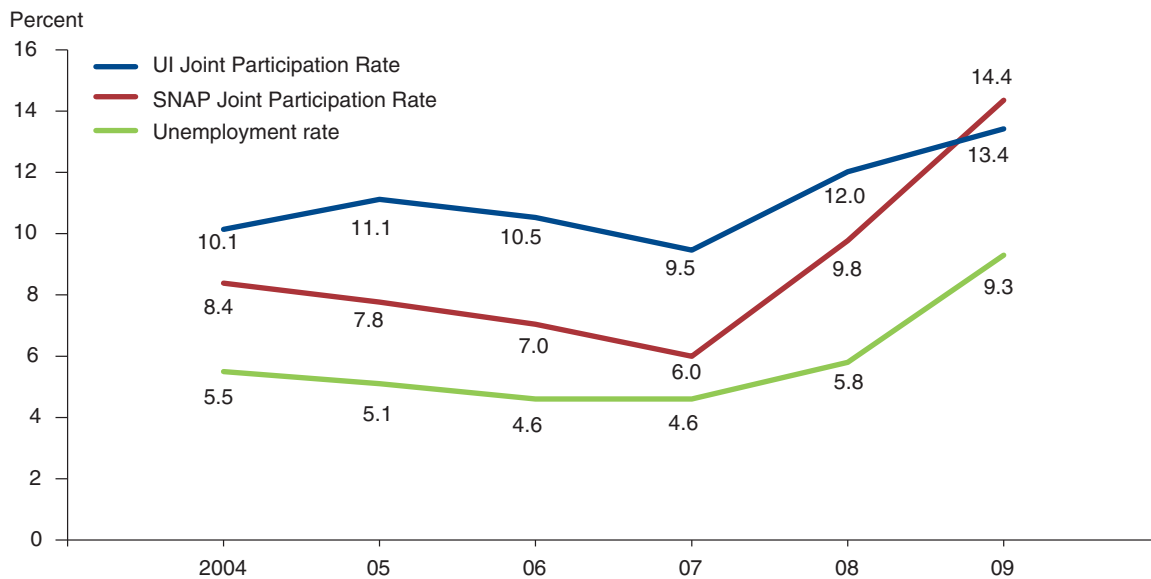
What Did the Study Find?

- The recession not only increased the number of SNAP households but also altered the mix of participating households. An estimated 14.4 percent of SNAP households also received UI at some point in 2009 (a recessionary year)—nearly double the estimate of 7.8 percent in 2005 (a full-employment year). During a recession, households with *tight labor market connections* (their members have work histories and earnings sufficient to meet UI-eligibility requirements upon unemployment) become a larger component of the SNAP caseload, increasing the overall share of SNAP households that also receive UI.

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- An estimated 13.4 percent of UI households also received SNAP at some point in 2009, an increase of about one-fifth over the estimate of 11.1 percent from 2005.
- The share of SNAP households that also receive UI initially increases with householder education until reaching a plateau for households with a high school diploma or greater. Conversely, SNAP-only participation—receipt of SNAP benefits without any support from the UI system—is greatest for households with less than 9th grade education: 92 percent of this subgroup of SNAP households participated in SNAP alone, with no support from the UI system at any time during the year. Thus, households that are most prone to rely on SNAP alone are the least well-off, most vulnerable households as measured by education.
- UI households’ participation in SNAP decreases as education levels increase—e.g., UI households with a bachelor’s degree or higher are less likely to also receive SNAP than those without a high school diploma.
- Below-poverty SNAP households tend to rely on SNAP alone, without UI, more than SNAP households with higher annual income relative to poverty.

JPRs for SNAP and UI programs are responsive to economic conditions, 2004-09



Note: The Supplemental Nutrition Assistance Program (SNAP) Joint Participation Rate (JPR) is the share of SNAP households that also receive Unemployment Insurance (UI) benefits. The UI JPR is the share of UI households that also receive SNAP benefits.

Sources: JPRs were calculated using data from the U.S. Census Bureau’s Annual Social and Economic Supplement to the Current Population Survey for reference years 2004-09. The unemployment rate is the annual average of the seasonally adjusted civilian unemployment rate among all civilian workers, as reported in table B-42 of the *Economic Report of the President, 2011*.

How Was the Study Conducted?

This study used household data on SNAP receipt and UI receipt, as well as household characteristics, from the Annual Social and Economic (ASEC) Supplement, which is administered by the U.S. Census Bureau each year in February, March, and April as a supplement to the monthly Current Population Survey (CPS). The study used an annual timeframe that treats a household as a SNAP, UI, or joint participant if the household was supported by benefits from SNAP, UI, or both programs at some time during a given year (not necessarily in the same month).