

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

**Implementing the SNAP Pilot Projects to Reduce  
Dependency and Increase Work Levels**

**April 10, 2013**

Center on Budget and Policy Priorities



# What we looked at and our methodology

- Work rates while receiving SNAP:
  - Data source: SNAP Quality Control Household Characteristics (FY 2011)
  - Defining work: wages from employment, income from self-employment or other earned income
- Work rate in a typical month while receiving SNAP and in the year before and after
  - 2004 and 2008 SIPP panels
  - Definition of work: respondent's employment status and typical number of hours per week at work
- Link to the paper: <http://www.cbpp.org/cms/?fa=view&id=3894>



## Methodology

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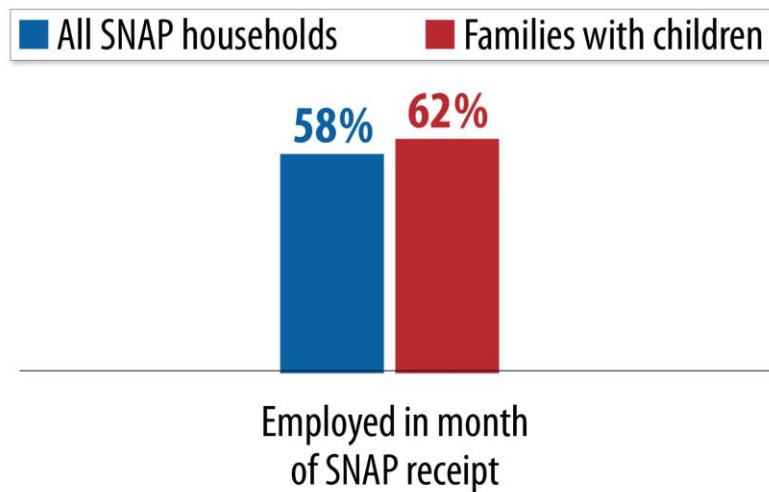
# Most SNAP participants are not expected to work

Characteristic	Percent of caseload
Children	45
Seniors (60 and over)	9
Disabled	9
Caring for a dependent	4
Not expected to work	66



# Most SNAP Participants Able to Work Do So

## SNAP Households with Working-Age Non-Disabled Adults Have High Work Rates

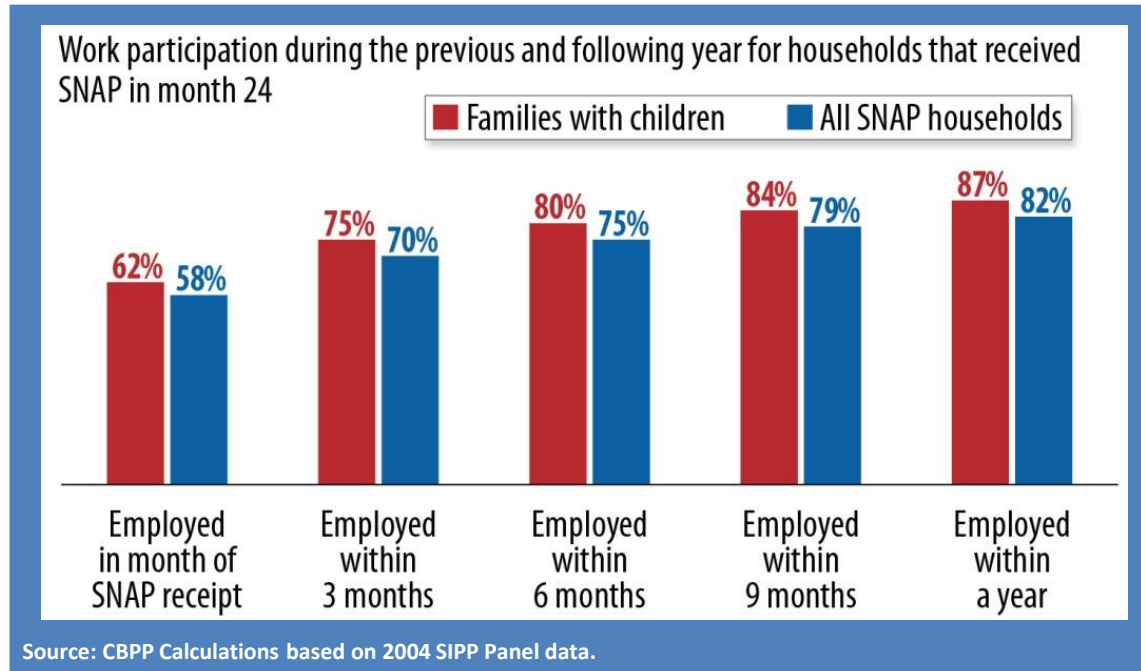


Source: CBPP Calculations based on 2004 SIPP Panel data.

- 58 % of households with at least one working-age non-disabled adult work while on SNAP
- 62% of households with children work while on SNAP



# Households with a Working-Age Non-Disabled Adult Had High Work Effort in Late 2005

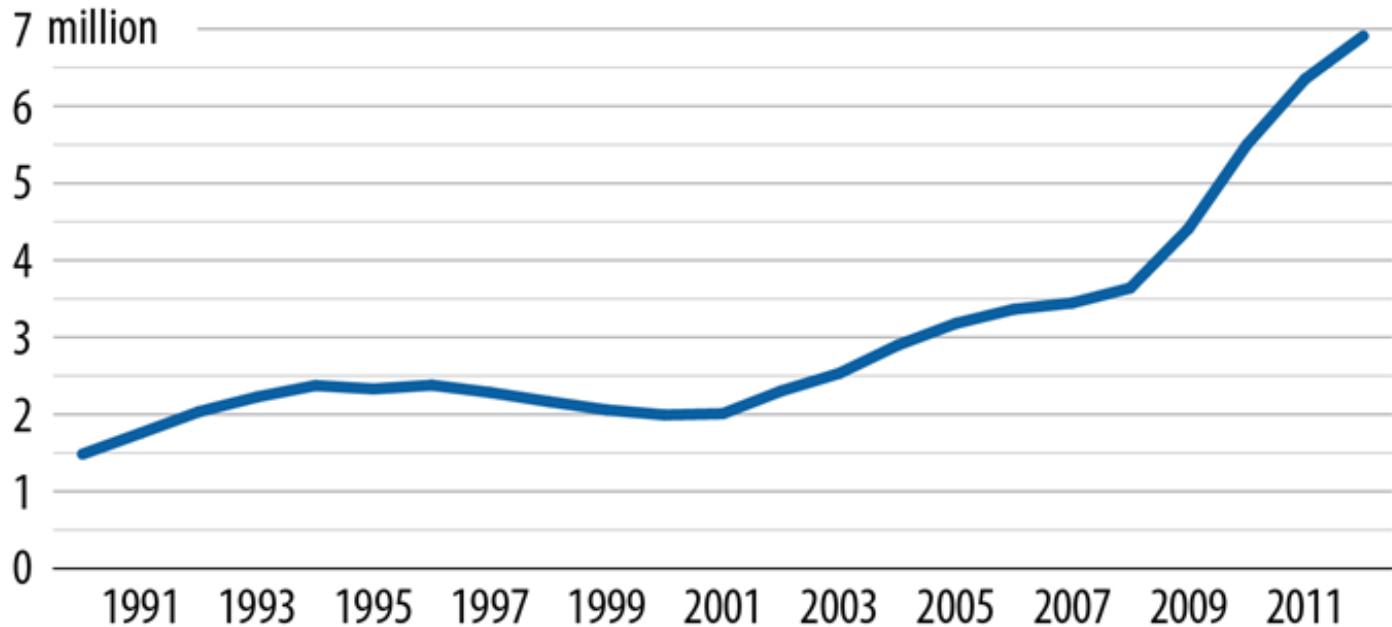


- 82 % of households with at least one working-age non-disabled adult worked in the year prior or year after SNAP
- 87% of households with children worked in the year prior or year after SNAP



# Working households increasingly rely on SNAP

## Number of SNAP Households with Earnings Has Risen



Source: CBPP Tabulations of SNAP Quality Control Household Characteristics data.

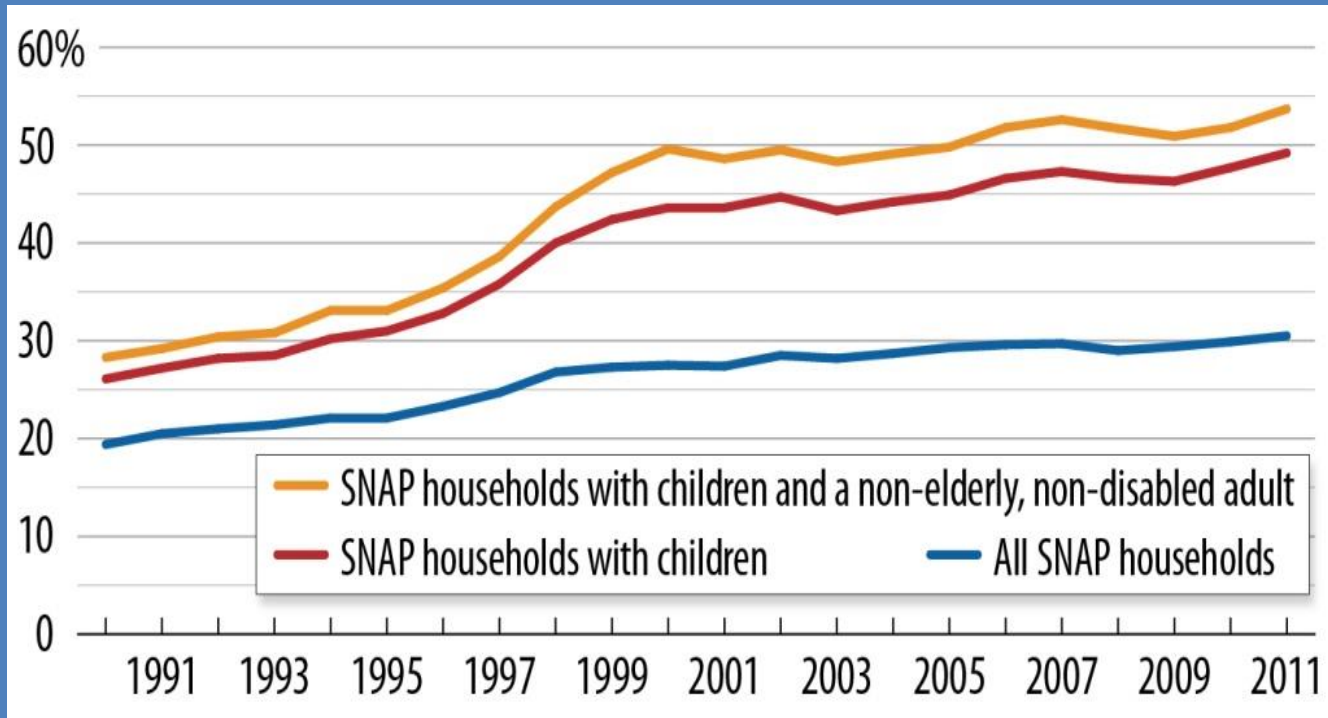
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# Share of SNAP households working

Work Rates Are High Among Households with Children and with Adults Who Could Be Expected to Work

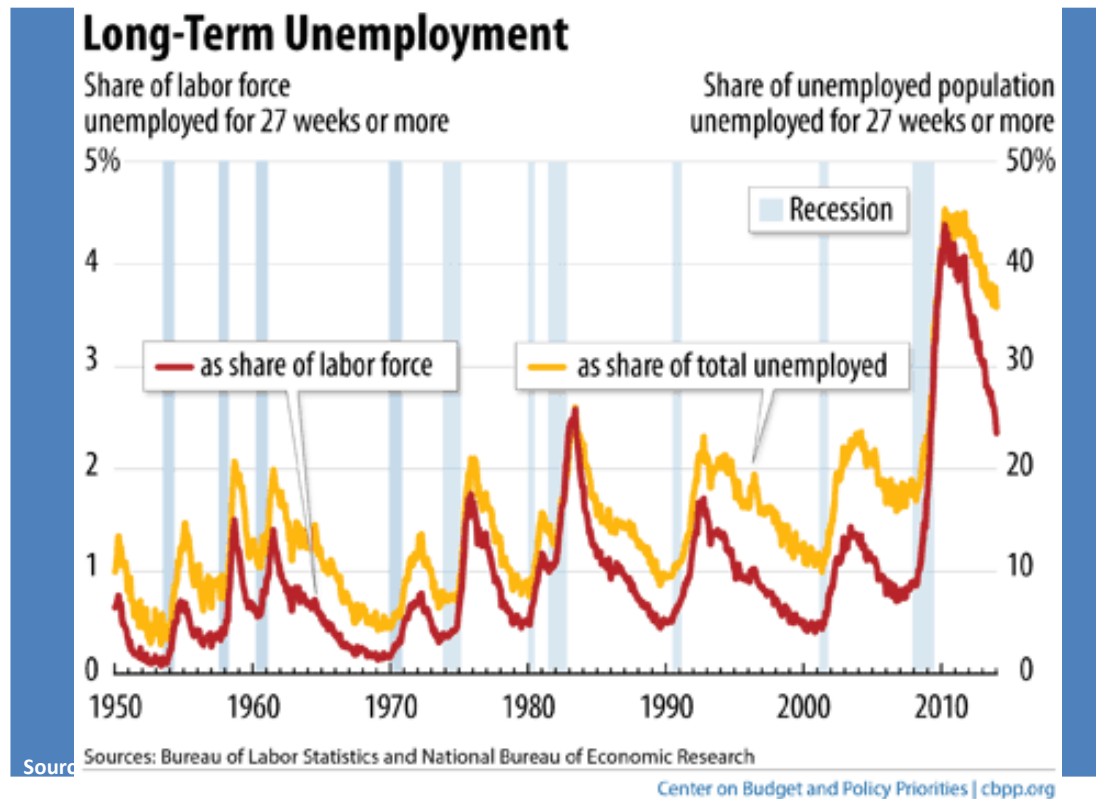


Source: CBPP Tabulations of SNAP Quality Control Household Characteristics data.





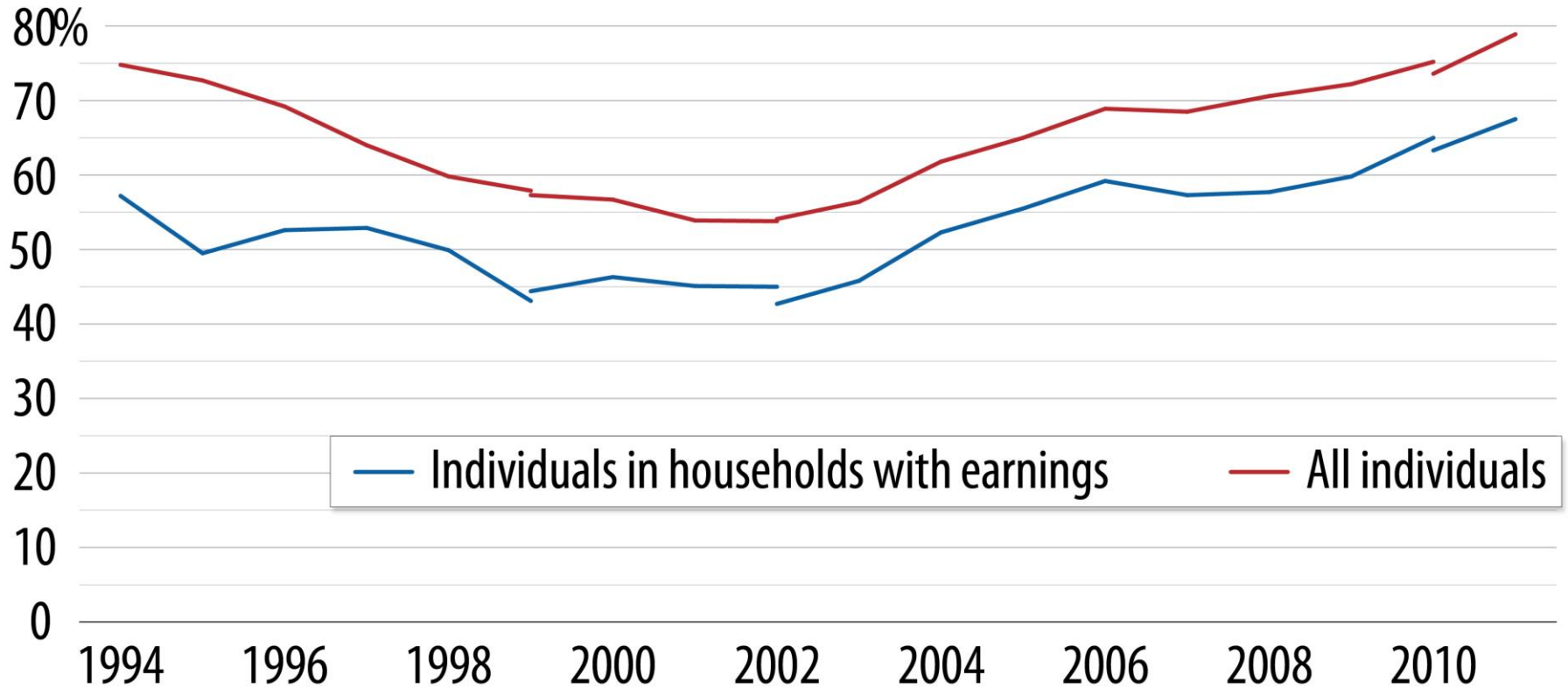
# Long-term unemployment rate is unprecedented



- Nearly 25% of households in which a worker's unemployment benefits ran out before he or she found a job were enrolled in SNAP.



# National SNAP Participation at All-Time Highs

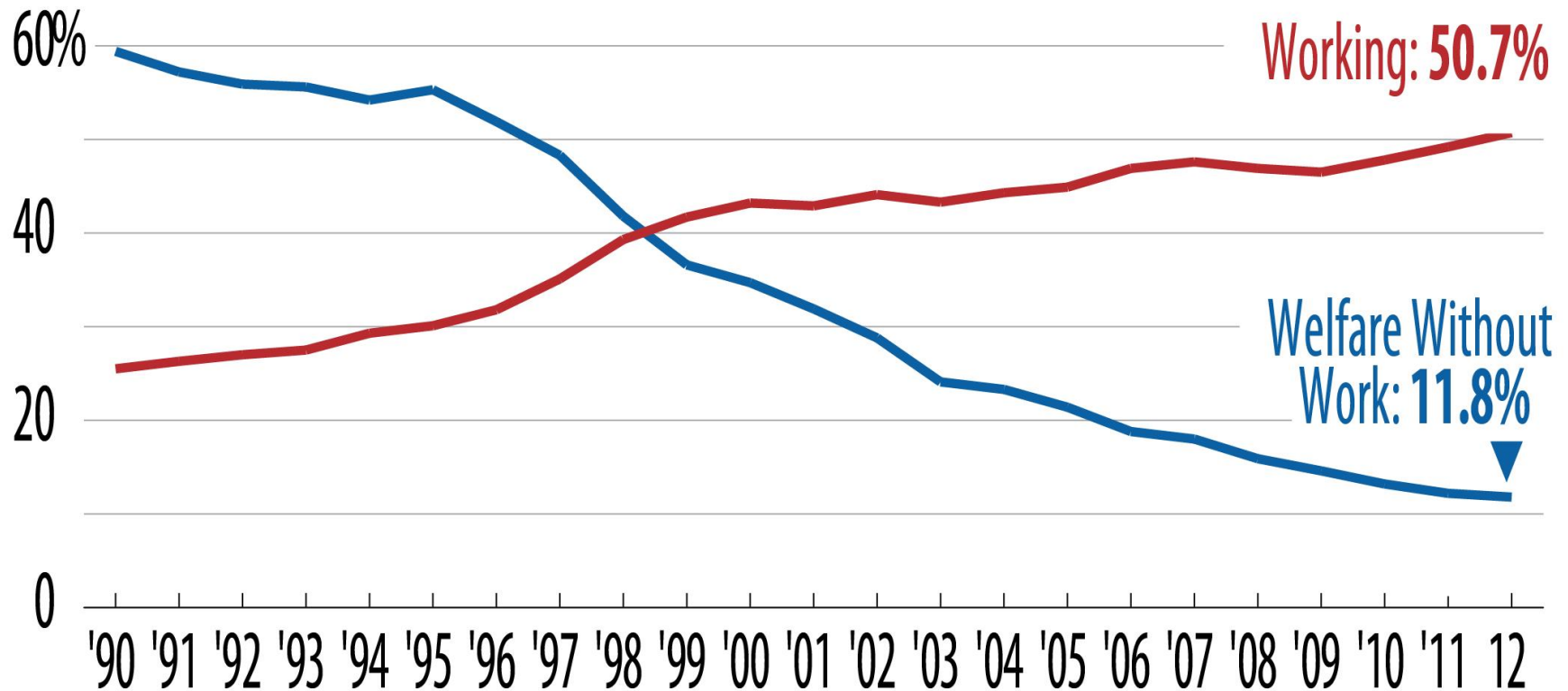


- Bipartisan policy changes since 1996 welfare reform have helped restore the participation rate among eligible households.
- The rate for working families rose from 43% in 2002 to about 67% in 2011, the highest on record.



# Working Households on the Rise

Share of SNAP households with children by type of income



# SNAP is not replacing work

If receiving SNAP caused people to stop working, we would see a significant number of working households who start receiving SNAP to stop working.

Among new SNAP recipients who worked in the year prior to receiving benefits

Worked after starting to receive SNAP



Did not work after starting to receive SNAP



Source: CBPP Calculations based on 2004 SIPP Panel data.

Note: the 4% includes those who started receiving SNAP *because* they lost their job or were otherwise unable to work.



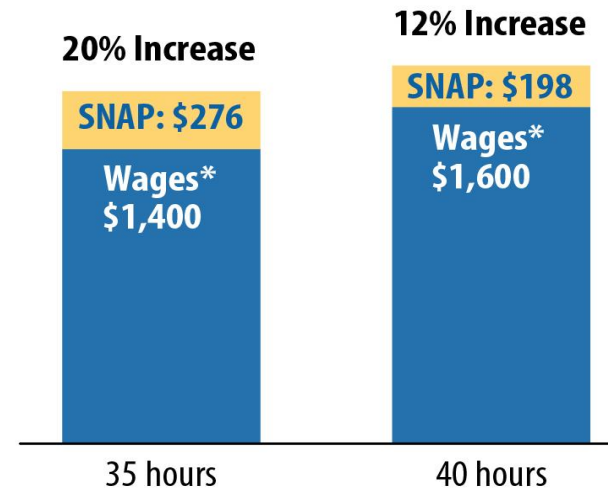
# This finding should not be surprising

After all:

- SNAP supports work – boosts low-wage worker income by 10 percent or more
- SNAP has a work incentive – SNAP households are financially better off if they increase earnings
- SNAP responds quickly to household financial

## chart: SNAP Boosts Income

Monthly income for a family of 3, based on weekly earnings at \$10/hour



\*Monthly wages after payroll taxes (FICA)  
Source: CBPP Calculations using SNAP Benefit Levels for FY 2014, based on the median shelter expense in the SNAP Quality Control Household Characteristics data for FY 2011 inflated to FY 2014

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## In conclusion

Four out of five participants in SNAP are working or are not expected to work

### 4 Out of 5 SNAP Recipients are Not Expected to Work or Are Working

