Supported from Both Sides?
Changes in the Dynamics of Joint Participation in SNAP and UI following the Great Recession

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BACKGROUND AND METHODOLOGY

The macroeconomic context of the Great Recession resulted in particularly trying spells of unemployment for job losers. Following the onset of the Great Recession, individuals experiencing unemployment were more likely to simultaneously experience one or more of the following additional hardships:

1) Depreciation of assets such as savings or homes;
2) Decreased levels of income from other earners in the household due to job loss, furlough, or hours reduction; and
3) Difficulty obtaining re-employment resulting in longer spells than in normal economic times.

Further, the individuals affected by job loss following the onset of the Great Recession were disproportionately clustered in low-wage jobs prior to the start of their unemployment spell.

This paper seeks to explore whether and how the social safety net responded to these changes in the nature of unemployment. Caseload trends show at the population level that both Unemployment Insurance (UI) receipt and Supplemental Nutrition Assistance Program (SNAP) receipt increased following the onset of the Great Recession. The changes in the characteristics of the unemployed noted above further suggest that individuals who would have accessed UI only (or neither benefit) in a different macroeconomic context may instead have the need for both, for the consumption-smoothing associated with unemployment benefits, and the help affording food associated with SNAP benefits. These changes also suggest that individuals who would have accessed SNAP only (or neither benefit) in a different macroeconomic context may be faced with job loss and thus need to augment their income support from SNAP—which can be used only to purchase food—with additional income replacement to cover the cost of other expenses.

Thus, if the safety net was responsive to the changing circumstances of unemployment, one would expect to see an increase in joint UI-SNAP participation following the Great Recession. Further, if this ability to bundle programs became more available to some groups than others following the Great Recession’s onset, one would expect to see a change in the demographic composition of joint participants and a change in the ordering of program access.

This paper uses panel data from the nationally representative Survey of Income and Program Participation (SIPP) from years 2000 to 2011, to examine changes in the prevalence and character of joint participation in SNAP and UI among job losers during the Great Recession.
FINDINGS

Descriptive statistics examining changes following the onset of the Great Recession indicate the following: (1) heightened use of UI and Food Stamps or SNAP; (2) a change in the sequencing of program entrance with joint participants becoming less likely to access SNAP first (also notable is the high incidence of joint participants who began accessing SNAP while still employed both pre-and post-recession); and (3) the composition of the group joint participants becoming more advantaged across a range of demographic characteristics.

Multivariate results suggest that the extended length of unemployment spells following the onset of the Great Recession drives much of the increase in joint participation. The extension of UI benefits; the modernization of UI eligibility criteria; and the liberalization of SNAP eligibility requirements account for much of the remaining increase in joint participation. These results suggest that—through countercyclical design and legislative action—our safety net programs have been responsive to a changed macroeconomic context and changing needs of the target populations of UI and SNAP. Further research, however, is called for to examine the sizable group of unemployed Americans who access help from neither program.

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