



Statement before the National Commission on Hunger

Addressing Very Low Food Security among American Households

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Co-chair Chilton, Co-chair Doar, and Commission member Sykes, thank you for the opportunity to testify this afternoon to the National Commission on Hunger. I appreciate the opportunity to discuss very low food security among some of our nation's households and how to address it.

My name is Angela Rachidi and I am currently a research fellow in poverty studies at the American Enterprise Institute (AEI). At AEI, I study various issues related to poverty and low-income with a focus on how employment and employment-related supports can address these issues. I recently joined AEI after spending almost a decade working for the New York City Human Resources Administration or HRA, the past six of which I served as the Deputy Commissioner for Policy Research and Evaluation. As some of you know, HRA is New York City's main social service agency and administers the Supplemental Nutrition Assistance Program and emergency food program, along with other income support programs.

During my time at HRA, I conducted numerous studies of SNAP and how it affected New York City households. I experienced first-hand how SNAP is administered in a large city like New York. I have extensive knowledge of the eligibility process and requirements, as well as how families experience it. My comments today draw from that experience and focus on households with very low food security and how to address it.

The four main points I will make are: (1) that SNAP is largely adequate to meet the food needs of households if they participate in it, (2) we need better ways to target low-income households that experience an economic shock that may require immediate food assistance, whether temporary or ongoing, (3) we need broader anti-poverty efforts that reduce work/income disruptions that likely lead to very low food security, and (4) we need better data on the causes of very low food security, including the relationship between very low food security, work, work/income disruptions, and food assistance program participation.

Before I discuss these specific points, I want to review some key data points from the Household Food Security in the United States in 2013 report. As you know, very low food security refers to households that have a disruption in food intake or reduce their food consumption because of a lack of resources. Fortunately, the number and percentage of households with very low food security is low. In 2013, 5.6 percent of households experienced very low food security at some point during the year, and among children in these households very low food security was almost non-existent.

Even though this is good news, it should not diminish the concern for the 6.8 million households in the United States that experience very low food security. A reduction or disruption in food intake due to a lack of resources can be traumatic for families even if the

children are shielded from it. Therefore, let me review some key data points on these households that inform my recommendations for reducing it:

- Among poor households, the vast majority, 81.5 percent, do not have very low food security, suggesting that our food assistance programs adequately address very low food security among most poor households.
- Almost 90 percent of households with annual income under 130 percent of poverty who experienced very low food security received SNAP in the previous 12 months, which means only 10 percent did not receive SNAP in the previous 12 months. This suggests the reach of the program is large.
- Households with very low food security are not all in poverty. In fact, almost one-third have annual incomes above 130 percent of the federal poverty level and 20 percent have annual incomes above 185 percent of poverty. This highlights an important dynamic among very low food security households and suggests that many are not chronically poor or without resources for the entire year.
- Households with very low food security spend on average \$37.50 per person per month on food, the same as households with low food security but \$12.50 less than food secure households. This suggests there are resources in households with very low food security.

In addition, a good deal of research has been conducted on the causes of food insecurity, which I will briefly review for context. According to a review of this research by Craig Gunderson and James Ziliak (2014) food insecurity (and in most cases very low food security) is correlated with: poor relative maternal mental and physical health, drug use, and family composition, including single mother and nonresident father households (Gunderson and Ziliak, 2014). Much of this is not surprising given that these factors are also correlated with lower work levels. In terms of triggers into food insecurity, again not surprisingly, research finds that household composition, income changes, and deterioration of mothers' mental or physical health trigger episodes of food insecurity.

The data from the Food Security report and the research I briefly discussed suggests a few important considerations when thinking about policies designed to lower very low food security.

First, the data suggest that our main food assistance programs are appropriately targeting those with very low food security. With only 10 percent of households with very low food security not participating in SNAP, this suggests to me that SNAP is reaching those most in need. Some might argue that this means SNAP is inadequate to meet the needs of the 90

percent of households that receive it; however, I would caution against interpreting the data this way. It is very possible that these households entered SNAP after experiencing a disruption in food and SNAP prevented further disruption. There is no way to know from the survey the sequence of food disruptions and SNAP participation.

My previous research at HRA suggests that SNAP is adequate for most participating households. At HRA, we conducted an analysis of SNAP benefit redemptions among New York City participants. We analyzed the percent of the total monthly benefit that was redeemed by week and found that the majority of households spend their benefits throughout the month (rather than exhausting them within the first week) and many had some benefits left over at the end of the month. Specifically, we found that by the end of the 3rd week after the benefit issuance 44 percent of SNAP households had not yet exhausted their benefits (they had \$5 or more left on their EBT) and by week four, when most received another monthly benefit, 30 percent had more than \$5 left on their EBT card. Considering that many households shop for a week or two of food, we concluded that the SNAP benefit amounts appeared largely adequate for most New York City SNAP households based on these redemption patterns. Had we found that most families exhausted their benefits in the first week, we would have had much different conclusions.

Second, the data suggests to me and the research largely confirms that very low food security is a temporary situation for most households that experience it and likely results from a temporary economic shock. For example, a sizeable portion, 32 percent, of households with very low food security have annual incomes above 130 percent of poverty. A 2002 report from the USDA (Nord and Brent, 2002) suggests that these “higher-income” food insecure households typically experience an economic shock, have multiple families in the same households that do not share resources, or their household composition changed during the year prior to the survey; rather than attributing these data to measurement errors. The latter two reasons suggest at least some of the people in these higher income households are in fact poor, while the former suggests that some of these households are poor only at some point during the year. Higher-income households that experience an “economic shock” may not be aware of existing food assistance programs or may not want to access them.

Data on the frequency and duration of food insecure conditions further suggests that most households that experience very low food security do so in a limited way. Most households with food insecurity in the 30 days prior to the food security survey reported that they experienced these issues in only 1 to 7 days of the previous 30 days. This does not diminish the issue, rather it helps better understand that the level of very low food security is fortunately limited and helps inform what can be done about it.

Given data limitations, there is no way to know from a representative survey perspective, whether households that report very low food security experience it while receiving SNAP, prior to receiving SNAP, or whether they never received SNAP at all. Nevertheless, we can assume that all three scenarios occur and that an economic shock that triggers very low food security can happen while receiving SNAP, prior to receiving SNAP, or without ever receiving SNAP. Within this context, I make the following policy recommendations.

Developing mechanisms through SNAP that allow for immediate, and possibly temporary, food assistance that helps households get through an economic shock should be considered. Ways can be considered for those currently receiving and those not receiving SNAP. For those not receiving SNAP at the time of the economic shock, developing ways to administer SNAP benefits in a quick, and possibly temporary way, which streamlines the application process and requirements for qualifying households may be appropriate. It is also possible that those who experience a temporary economic shock need temporary benefits, but not recurring benefits. Making it easier for these families to get benefits quickly may minimize the experience of food disruptions, without requiring ongoing benefits for those who do not need them. For those who need ongoing benefits, they can continue to apply for ongoing benefits.

Currently, emergency or expedited SNAP benefits are already available in this manner when a household demonstrates that they have no income and no money on hand to purchase food. Using expedited SNAP benefits to help households with food disruptions can address the temporary nature of the economic shock when a full application for ongoing benefits is not needed or wanted, and can be the first step in addressing very low food security for those who do want ongoing benefits.

Clearly, an economic shock can also cause very low food security while a household is already receiving SNAP. Ways should also be considered to provide emergency benefits for households receiving SNAP when an economic shock occurs. For example, a SNAP receiving household that experiences a job loss should be able to get emergency benefits based on their revised income quickly and there should be expedited ways for them to access these benefits.

Other ways to increase the use of SNAP for families who need them quickly should also be considered. Efforts to share data across programs, such as Medicaid or unemployment insurance, can be explored so that when someone applies for SNAP or these other programs, their data can be shared in order to reduce the burden on applicants.

Similarly, efforts to accurately communicate what is available through SNAP are still needed. The fact that SNAP benefits (and other food assistance) is available when job loss or other income changes result in a temporary reduction of resources could be communicated better to qualifying households. There has been a great deal of information sharing about the ongoing

nature of the program, but less about the availability of benefits on an emergency or temporary basis.

Research we conducted at HRA suggested that some households are still unaware of the eligibility requirements for SNAP. In 2007, 2008 and 2010, we conducted a survey of low-income New Yorkers about SNAP participation, and if they were not participating, the reasons why. The three most common response from the 2010 survey were:

- The respondent did not think they were eligible for SNAP (28 percent).
- The respondent did not know how to apply or did not understand the eligibility requirements (17.7 percent), and
- The respondent did not want SNAP even if they were eligible (11.4 percent).

This suggests that for those experiencing very low food security, information about SNAP eligibility rules and how to apply may be useful.

Some might argue that emergency food programs are already available to address an economic shock, but the data show that only 35.3 percent of those with very low food security used food pantries and 5.7 percent used soup kitchens. Unfortunately, it is not clear whether the low usage is due to lack of access, lack of information, or other reasons such as stigma. More research is needed to determine the reason for such low usage of emergency food programs among households with very low food security. My guess is that there is a great deal of stigma involved. Expedited SNAP benefits to help these households may be preferred because it allows the household to control their food purchases, and avoids the potential of stigma.

An appropriate benchmark to measure whether these efforts are effective would be further reducing the duration of very low food security experiences. As I already mentioned, the data suggests that these experiences are already relatively infrequent, but further reducing the frequency would be a goal of these recommendations to increase access to emergency or expedited benefits.

My third point is related to broader efforts that focus on the financial security of households as it relates to their food security. Food insecurity and very low food security are important concepts that deserve attention, but for most families these constructs are the result of the broader experience of poverty. Not having enough resources for food is the same as not having enough resources for basic living expenses. This does not mean that focusing on food insecurity is not important, instead it means we need to emphasize the food security implications of our nation's anti-poverty policies at the same time that we consider our food assistance programs as part of these broader efforts.

Within this context, policies that increase the availability of jobs, as well as anti-poverty policies that encourage work and work supports are critical to reducing very low food security. Ensuring that those who can work are able to find full-time, full-year jobs will go a long way in reducing very low food security. I am concerned that recent proposals to increase the minimum wage may actually increase very low food security if it means job loss for those at the bottom. Better strategies are increases to the earned income tax credit or child care assistance that increases the resources going to low-income families without discouraging work and creating job loss. An appropriate benchmark for measuring the success of these efforts would be an overall reduction in families that experience very low food security, and/or the duration of these experiences.

Finally, in terms of gaps in knowledge, we need to have a better understanding of the causes of very low food security. Understanding the role of work and work disruptions, in addition to other income or expenditure changes, will better inform the appropriate policies to reduce very low food security. Existing survey data fails to tell us definitively whether job loss, changes in household composition, increases in other expenses, or similar events create the very low food security experience. Without knowing the cause, it is difficult to develop appropriate policy solutions. In addition, we need more data on the role of major food assistance programs in creating or alleviating very low food security and the interaction with food insecurity triggers. For example, we do not know very much about household participation in SNAP or other food assistance programs at the time of a household's very low food security experience. In addition, we do not know very much about how expenditure changes, such as medical expenses or housing expenditures, contribute to very low food security. Better understanding the sequence of very low food security, federal program assistance participation, and the specific causes of economic shocks will go a long way in developing appropriate policies aimed at lowering very low food security.

In conclusion, my interpretation of the research is that our nation's food assistance programs are largely adequate to address very low food security and do so for the vast majority of households. However, fluctuations in income that result from work disruptions or other causes increase the likelihood of very low food security. Ensuring that households experiencing very low food security have access to existing food programs that meet their needs, whether temporary or long term, is critical. At the same time, broader anti-poverty efforts that focus on employment and work supports are needed to ensure that households have adequate and consistent income and do not have unforeseen economic shocks that create the very low food security experience. And finally, we need more and better data on the specific causes of very low food security and how it is related to federal food assistance program participation.

Thank you and I can respond to any questions that you may have.

Added post-testimony:

In response to Co-chair Chilton's request to include the research on EITC advance payments and family preferences, below is a list of studies that explore this issue. The research concludes that low-income families who receive the EITC (similar to all tax payers) prefer a refund at tax time. The research also shows they use their refunds for durable goods, such as vehicle purchases or repairs.

Romich, J. and Weisner, T. (2000). How families view and use the EITC: Advance payment versus lump sum delivery. *National Tax Journal*, 53: 4, page 1245.

Jones, D. (2010). Information, Preferences, and Public Benefit Participation: Experimental Evidence from the Advance EITC and 401(k) Savings. *American Economic Journal: Applied Economics*, pages 147–163.

Holt, S. (2008). Beyond Lump Sum: Periodic Payment of the Earned Income Tax Credit, http://www.frbsf.org/community-development/files/Holt_Steve.pdf.