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How Accurate is Online Information about SNAP?

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Policy Brief

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Summary

Discussions of the American social welfare system often focus on the issue of false positives: welfare cheats receiving benefits to which they are not entitled. With this research, we highlight an issue of possible false negatives: potential applicants discouraged from applying for Supplemental Nutrition Assistance Program (SNAP) benefits because program descriptions or prescreening tools provide incorrect information regarding eligibility. Using information gathered from state websites over a two-month period, our research indicates that online program eligibility information provided to prospective SNAP applicants is inconsistent with declared policies on SNAP asset limits. The discrepancies are likely due to administrative inattention and the complex ways by which federal and state governments changed asset limit policies. Regardless of its source, such discrepancy discourages eligible individuals from applying for SNAP benefits, violates policy transparency, and blunts benefits policymakers intended with the decision to eliminate the asset test.

Key Findings

- Of 35 states where asset limits for SNAP eligibility were reportedly no longer in effect, prescreening tools for 28 states indicated limits or the state website provided an explicit statement indicating such a rule. For only seven states, both the screening tool and the state website provided consistent information as to the absence of an asset limit.

- Federal rules indicate that the earned income tax credit (EITC) does not count as an asset; however, SNAP websites did not explain this exception.

Background

Until 2000, all states followed federal rules specifying a restrictive asset test for SNAP recipients, limiting most households to less than $2,000 in liquid assets (e.g., cash in a checking account). By 2013, most states had suspended asset limits for SNAP applicants.[1]

While the federal government funds SNAP entirely, each state administers SNAP and applicants apply to a local agency for SNAP benefits. Each administering agency maintains a program website providing information for potential applicants. In most cases, applicants can submit formal applications through the website, or at least begin the application process.

[1] According to a 2013-2014 Congressional Research Service report, 40 states have adopted broad-based categorical eligibility, which has the effect of suspending federal asset limits for SNAP recipients. Of these, 35 states are identified as having no asset limits. Five states have state legislation imposing their own asset limits between $5,000 and $25,000. The remaining 10 states have not adopted broad-based categorical eligibility and so continue to impose the federal SNAP liquid asset limit of $2,000 (Falk & Aussenberg, 2013, 2014).

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As of 2014, potential applicants in 49 states could use an online prescreening tool designed to inform individuals of their likely household eligibility for SNAP benefits. The prescreening tools ask for individual and household characteristics, such as number of persons in the household, household members' ages, reported earnings, and monthly expenses including housing and child care. Additionally, some prescreening tools ask for amount of assets. Based on the information entered, the tool provides feedback regarding the potential applicant's likely household eligibility, with statements such as "likely to qualify" or "may not be eligible." A federal website also provides a prescreening tool for many states, asking for the potential applicant's information and making the determination as to likely household eligibility. Many of the states that do not have their own prescreening tools provided a link to the federal tool on the state website.

Methods

We visited state websites during the two-month period from December 13, 2013, through February 10, 2014, recording language on the websites as it related to assets and examining how each prescreening tool treated assets. For some states, in particular those with no mention of assets, we obtained screenshots as recently as September 2014.

In order to determine how the prescreening tools evaluated asset levels in determining likely eligibility, we entered into each tool a particular household's characteristics, altering only the asset level. We chose to enter characteristics that would imply eligibility, recording a three-person household consisting of two parents, each age 25, and one daughter, age one. We reported earnings of $500 per month for the male household member; we reported no other income for the household. We reported the household having monthly rent of $100 and no utility or other housing costs and no childcare expenses. Where the tool asked for asset levels (as most did), we entered information in four separate, otherwise-identical submissions, indicating a cash balance in a checking account of $0, $6,000, $30,000, and $100,000. We specified no other assets.

Results

Website Information

All states provided text summarizing SNAP eligibility rules. For 26 of the 35 states where assets limits for SNAP eligibility were reportedly no longer in effect, state program websites provided eligibility descriptions that were either unclear or inconsistent with declared policy rules. Several states made no mention of asset limits; however, for those states that mentioned assets, there was substantial variation in statements. Some sites explicitly indicated that asset limits did not apply or were unlikely to apply to most households. Others provided text that was less clear, and still others explicitly stated an asset limit (Figure 1). The federal website indicated that all 50 states applied an asset test.

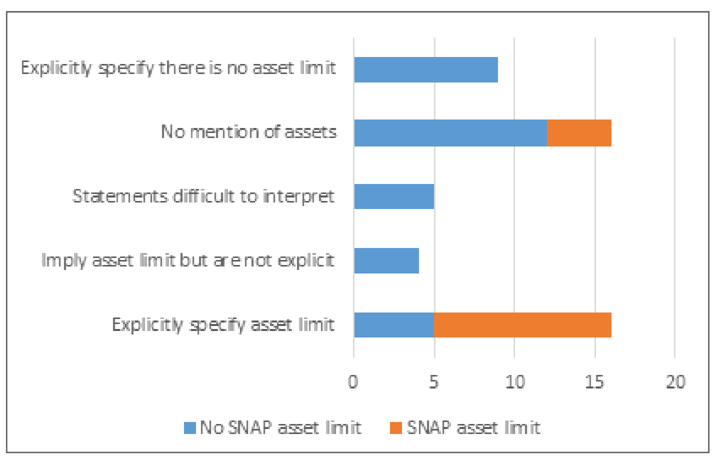

Figure 1. State website information concerning asset requirements as a basis for SNAP eligibility.

Prescreening Tools

For 22 of the 35 states where asset limits for SNAP eligibility were reportedly no longer in effect, official web-based prescreening tools—state, federal, or both—continued to apply an asset limit (Figure 2). In particular, prescreening tools designed to provide information regarding SNAP eligibility to potential applicants were very likely to reject those who indicate substantial liquid asset ownership, which was inconsistent with declared policy rules.

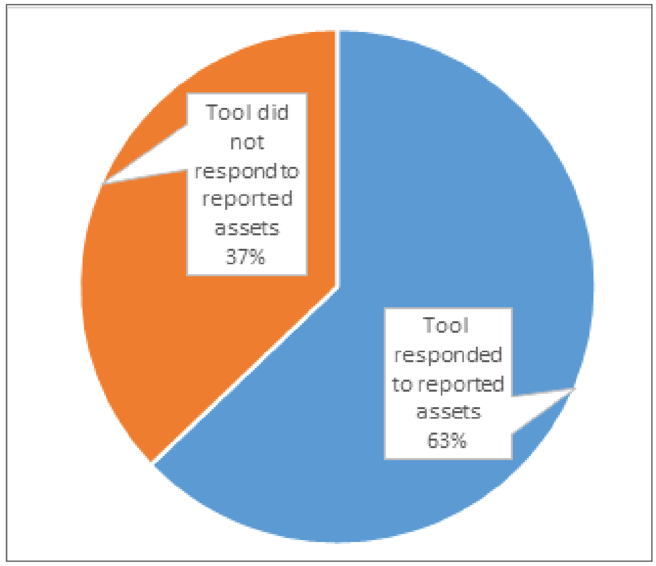

Figure 2. State and federal SNAP eligibility tool response for states where asset limits were reportedly no longer in effect.

Implications

- A large share of applicants are likely to self-screen based on the information they can obtain on the state or federal SNAP websites; those who infer that they are not eligible may be unlikely to submit formal applications.
- Incentive effects due to asset tests are likely of greater importance than existing asset tabulations imply. If prospective SNAP applicants in states with asset tests are discouraged to apply for the program, we would expect that those households are also being discouraged from savings behavior.
- While official federal rules indicate that the earned income tax credit (EITC) is not counted as an asset (Aussenburg, 2014), there was no information on any of the state websites indicating this differential treatment of the EITC. Since working households that qualify for SNAP are likely to qualify for the EITC, it is reasonable to assume that many households that receive a large cash amount in the spring months either spend it to avoid having to report it as an asset or mistakenly believe that they are not eligible for SNAP—both undesirable outcomes from a policy perspective.
- According to Castner et al. (2012), only 20 states collect measures on the general accuracy of the applicant information used in eligibility determinations. States have been awarded many performance bonuses for having low fraud rates. However, these calculations are made based on determinations of a low level of false positives; the issue of false negatives is not investigated.

Policy Recommendations

- The federal prescreening tool should be updated regularly to reflect the actual eligibility conditions used by the states.
- The Food and Nutrition Service (FNS) at the U.S. Department of Agriculture should take responsibility for monitoring state websites for accuracy.
- The U.S. Government Accountability Office or the Congressional Budget Office should monitor changes and report findings to FNS for follow-up with state agencies.

References

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