

Limiting States' Ability to Waive Federal SNAP Work Requirements: A Closer Look at the Potential Implications

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Summary:

A proposed rule for food assistance would limit states' ability to request waivers from federal work requirements for "able-bodied adults without dependents" (ABAWDs) based on local employment conditions. The previous rules allowed a state to justify a waiver request by providing evidence of difficult labor market conditions. The new rule would, among other changes, restrict states' ability to request waivers by implementing a 7-percent unemployment rate floor when determining waiver eligibility. However, the local unemployment rate may be a poor indicator of the employment conditions for more disadvantaged individuals, notably, those who are currently receiving food assistance. In addition, the local employment prospects for those potentially affected by this new rule vary widely among subgroups at higher risk, including women, non-white individuals, and those with a high-school education or less.

In a proposed rule by the Food and Nutrition Service of the U.S. Department of Agriculture (USDA), new restrictions would be imposed on how states request waivers from work requirements for Supplemental Nutrition Assistance Program (SNAP) recipients who are categorized as "able-bodied adults without dependents" (ABAWDs) and are facing difficult local employment conditions.¹ A major component of this change would be imposing an unemployment rate floor of 7 percent instead of 1.2 times the national average (as is the current policy). But a 7 percent overall unemployment rate may not reflect the labor market conditions faced by those most likely to be subject to the new rule. For example, less educated individuals in a local area with a 6.9 percent unemployment rate may face more limited prospects than the average worker given the nature of jobs available. If many jobs require a college degree, for instance, the 6.9 percent local unemployment rate would likely over-represent the opportunities for work available to the less educated.

¹ The proposed rule and supporting documents are available via the Federal Register: "[Supplemental Nutrition Assistance Program: Requirements for able-bodied adults without dependents.](#)" Also, see the supporting documentation for the estimated rule change effects provided by the USDA: "[Regulatory Impact Analysis \[7 CFR Part 273\].](#)"



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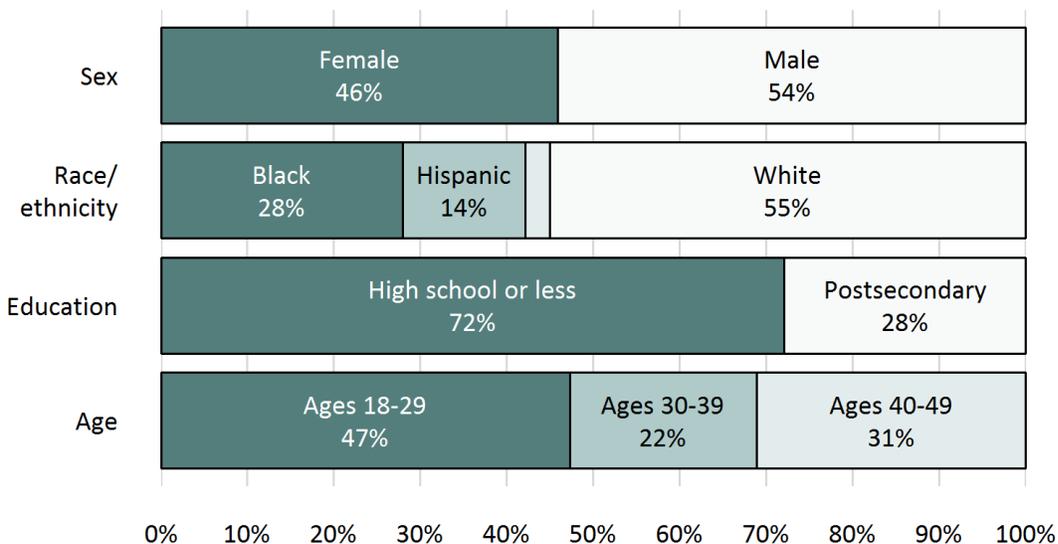
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The purpose of this brief is to examine this issue using the most recent available data from the Current Population Survey's Annual Social and Economic Supplement (ASEC), 2014-2018. These data are nationally representative and the pooled observations over 5 years allow us to construct multi-year averages by metropolitan area. Further, ASEC data contain Census variables for the Supplemental Poverty Measure in order to better characterize family well-being after taxes, transfers, and expenses related to work and medical care. In previous research, we have shown that individuals categorized as "able-bodied" may still have health limitations, live with others who need caregiving, or be constrained from working for other reasons.² It is not clear that ABAWD work restrictions are well motivated as they exist, yet restricting state autonomy in determining the need for work restriction waivers should be weighed carefully given the potential losses in benefits to those experiencing need.

In our simulations, we identify ABAWD SNAP recipients as those who have no disability income, are aged 18 to 50, and who have no dependents (including any dependents of a spouse if present). The ABAWD individuals who would be affected by the rule proposal are those who live in areas with unemployment rates higher than 1.2 times the national average yet less than the proposed 7-percent unemployment rate floor.³ We focus on the 7-percent floor in this analysis, though the proposed rule change would also make it more difficult for states to decide what is the relevant geographic area.

Figure 1 shows the demographic distribution of individuals who are categorized as ABAWD SNAP recipients and who reside in a metropolitan area that would be affected by the proposed rule. Among potentially affected individuals 46 percent are women, 55 percent are white non-Hispanic, 28 percent are black non-Hispanic, 14 percent are Hispanic, 3 percent report some other race or ethnicity, and nearly 3 out of 4 have only a high school education or less. Nearly half of these individuals are aged 18 to 29, with about 3 in 10 who are aged 40 to 49.

Figure 1. Demographics of Affected ABAWD SNAP Recipients



² See: [“Recent trends in food stamp usage and implications for increased work requirements,”](#) Center on Poverty and Social Policy Brief, Vol. 2 No. 5, August 7, 2018. Also: [“Taking food off the table: Understanding who would be affected by potential SNAP cuts and how,”](#) Center on Poverty and Social Policy Brief, Vol. 2 No. 1, January 22, 2018.

³ In order to provide an illustrative example of the potential impact of this rule, we use data on metropolitan areas. In practice this does not align perfectly with the USDA’s usage of Labor Surplus Areas for waiver consideration. Also, we do not control for the current presence of waivers.

Table 1 provides some labor market characteristics of affected ABAWD SNAP recipients by poverty status.⁴ The average individual worked about 16.5 hours in a typical week, with about 18.4 weeks worked. Table 1 makes clear that the individuals who are working the least are also very poor even after accounting for transfers. In fact, the most disadvantaged group, who are in deep poverty, faced an average 28.3 weeks of unemployment. This is compared to the total average for affected individuals of just 6.7 weeks. Lastly, even though the affected SNAP recipients are classified as “able-bodied,” they may still have health difficulties or limitations. About 1 in 4 SNAP recipients who are classified as ABAWD report some health difficulty.⁵

Table 1. ABAWD SNAP Recipients within Affected Metro Areas

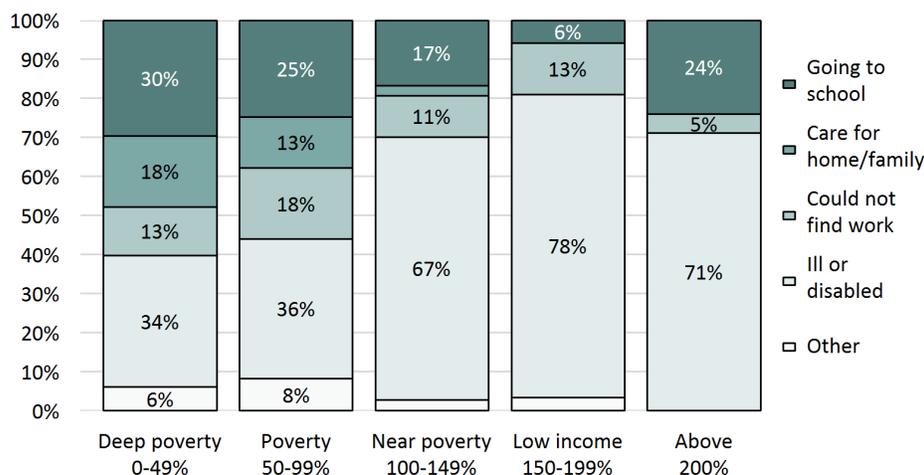
Income categories by percent of the SPM poverty threshold	Average weekly hours worked	Average weeks worked	Average unemployment duration (weeks)	Any health difficulties or limitations?
Deep poverty, 0-49%	5.1	3.5	28.3	26.7%
Poverty, 50-99%	12.0	12.9	5.7	21.8%
Near poverty, 100-149%	16.2	19.6	4.5	28.6%
Low income, 150-199%	18.7	21.0	7.5	25.2%
Above 200%	29.4	32.0	4.4	14.7%
Total	16.5	18.4	6.7	23.5%

Among those individuals who were not working in the labor market last year, Figure 2 compares reasons given for not working, again shown separately by SPM poverty status. A substantial proportion of these individuals may not be working because of some illness or disability despite their SNAP designation as “able-bodied,” which suggests they may have some limitations that do not result in disability income. Over half of those in poverty are not working because of illness, disability, or some health limitation. Those who are relatively more poor are more likely to be going to school, caring for home and family, or simply unable to find work, though still a third report being ill or disabled as their primary reason.

⁴ Note that poverty status is related to the SPM family unit, but these units may not correspond directly to SNAP-eligible family units, and individuals within these units may not share resources evenly.

⁵ For determining any health difficulty, we use a self-reported measure that includes any physical or cognitive difficulty that may be related to hearing, vision, memory, mobility, or taking care of one’s own basic needs.

Figure 2. Reason for Not Working Last Year among Affected ABAWDs



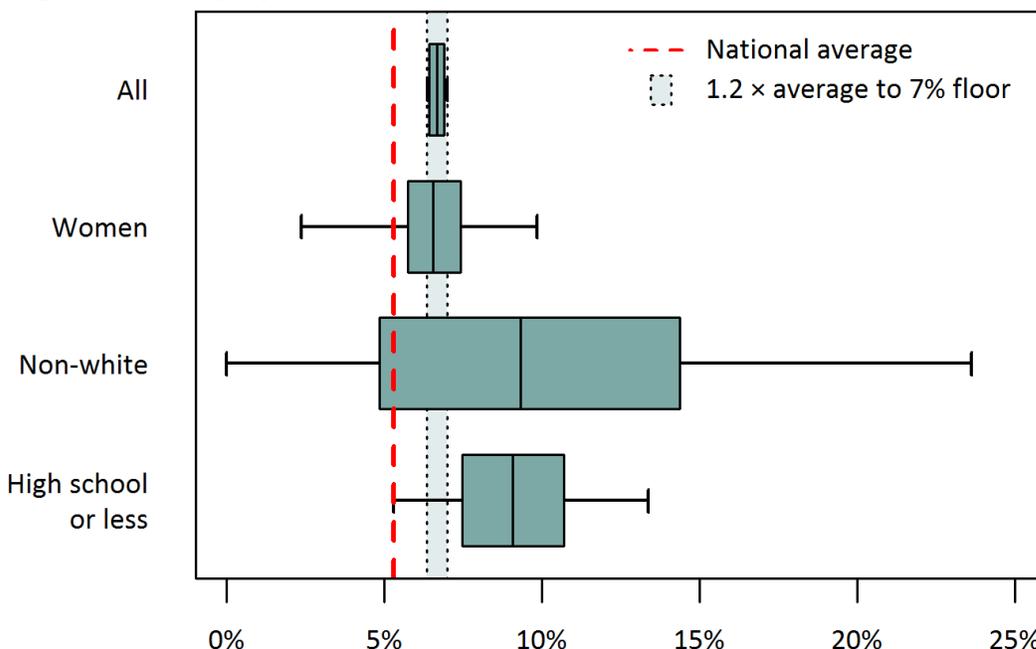
Next, we examine the labor markets in metropolitan areas potentially affected by the rule change.⁶ An assumption of using the 7-percent floor as an adequate marker of job opportunities is that it represents the relevant unemployment rate for those who would be subject to SNAP’s work requirements. That is, the rule assumes that a fixed unemployment rate standard of 7 percent represents “a sufficient number of jobs to provide employment” of individuals potentially subjected to time limits of food assistance, even though these same individuals are more likely to be disadvantaged in the labor market. For example, if the local unemployment rate was 6 percent on average, but the unemployment rate for those with no postsecondary education was twice the average at 12 percent, then states may have an interest in requesting waivers in order to support those facing serious economic hardship.

Figure 3 shows group-specific unemployment statistics for metro areas with unemployment rates greater than 1.2 times the national average rate and below the 7-percent floor proposed by the USDA. For reference, the national average is shown with a red dashed line, and the shaded area indicates the relevant unemployment rate range for areas that would lose the ability to request work requirement waivers. Local area unemployment rates are shown by subgroup such that the total population affected (labeled “All”) can be compared to individuals who are women, non-white, or have a high school education or less.

The main point is that each employment statistic has a distribution across all metropolitan areas, such that some subgroups may face very different group-specific unemployment rates in their area. The box plot shows the interquartile range from the 25th percentile to the 75th percentile across all metro areas, with the median shown by the line inside the box. The box plot’s “whiskers” show the more extreme ranges across metro areas by indicating the 5th percentile at the far left and the 95th percentile at the far right. A convenient interpretation of the box plot is that a quarter of metropolitan areas have, for example, an unemployment rate lower than the left edge of the box, the middle 50 percent of all metropolitan areas have an unemployment rate within the span of the box, and the remaining quarter of areas have higher unemployment rates. As an example, 95 percent of metropolitan areas have unemployment rates for individuals with high school education or less that are above the overall national average.

⁶ In our five-year sample, there are a total of 401 metropolitan areas, though only 224 of these are stable across each year because some smaller areas may be redefined over time. Among all metropolitan areas in our sample, about 18 percent are located in the Northeast region of the United States, 21 percent in the Midwest, 38 percent in the South, and 24 percent in the West (based on Census region definitions). Populations for these metropolitan areas range from around 20,000 to 20,000,000, where the average area has about 800,000 residents.

Figure 3. Unemployment Rates within Affected Metro Areas



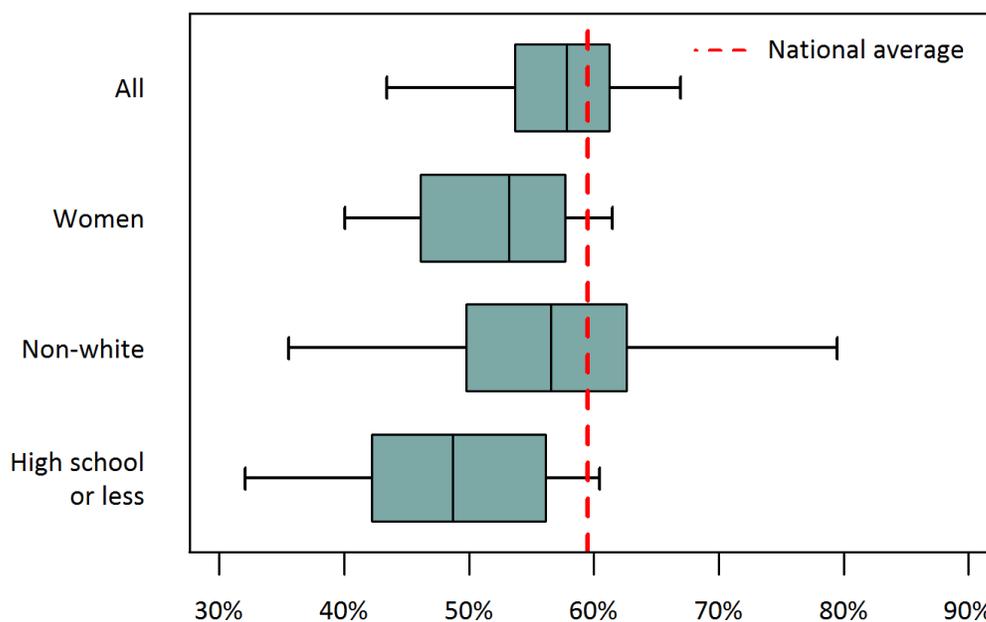
The unemployment rate shown in Figure 3 is a typical measure of labor market health; it shows the number of people looking for work divided by the number of people in the labor force who are working or looking for work, which we estimate for the total population and by subgroup. In the figure, the “All” category is completely contained within the shaded region, which is by definition for areas with unemployment rates within the range from 1.2 times the national average to 7 percent. The unemployment rate for women is similar at the median across metropolitan areas, yet it has a larger variance as indicated by the much larger 5-to-95 percentile range. The median unemployment rate for non-white individuals is closer to 10 percent, and in some metro areas the unemployment rate is greater than 20 percent for non-white individuals. For those with a high school education or less, over three quarters of all metropolitan areas have a higher unemployment rate than the 7-percent floor, which is a particularly dire statistic for the relevant population of “lower-skilled” workers. Given that close to three-quarters of “ABAWDs” have a high school education or less and close to half are non-white, this evidence suggests that the proposed rule would disqualify many areas where the individuals subject to the time limit face substantially higher unemployment rates than 7 percent.

The individuals potentially affected by the proposed rule change are a particularly vulnerable population. Evidence from Figure 3 confirms that local conditions may vary much more broadly by at-risk subgroups than indicated by an average local unemployment rate, providing support for the need for states’ discretion in presenting the relevant evidence to request waivers that may best serve their populations. These data show that some sub-groups experience significantly worse labor market outcomes than others when an area’s overall unemployment rate is 7 percent.

Appendix

This appendix provides complementary evidence on labor conditions for the same affected local areas that would potentially become ineligible for SNAP work-requirement waivers. Whereas Figure 3 shows the unemployment rates by subgroup, Figure A1 shows employment-population rates and Figure A2 shows labor force participation rates. Since the proposed rule would institute an unemployment rate floor instead of a relative measure of 1.2 times the national unemployment rate, we continue showing how subgroups face varying labor conditions relative to the national average as a reference point. For example, Figure A1 shows the employment-population ratio (the number of workers divided by the total number of working-age, non-institutionalized civilian population). The median employment-population ratio across metropolitan areas is below the national average, and for those with lower educational attainment, almost all local areas have rates below the national average. Moreover, over half of the lower-educated individuals potentially affected live in areas with employment-population rates lower than 50 percent, and nearly a quarter in areas with rates less than about 42 percent. Even across the total population, there is still great variation in the employment-population rate even though these are the same metropolitan areas restricted to the affected region illustrated in Figure 3. The majority of women have an employment-population rate well below the national average, and the non-white median is below the national average.

Figure A1. Employment-Population Rates within Affected Metro Areas



Lastly, Figure A2 shows the labor force participation rate (the number of people working or looking for work divided by the total number of working-age, non-institutionalized civilian population). This group includes individuals described as “discouraged workers” who are not looking for employment even though they would want to work, as well as those who want to work but are somehow constrained such that they would not be able to take a job at the moment or are not able to search for a job. The trends for Figure A2 are generally similar to those of Figure A1. Again, note that the lower end of the distribution of metropolitan areas include quite low rates of labor force participation for the less educated and for individuals who are non-white.

Figure A2. Labor Force Participation Rates within Affected Metro Areas

