

UNDERSTANDING THE RATES, CAUSES, AND COSTS OF CHURNING IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)—SUMMARY

Background

“Churning” in the Supplemental Nutrition Assistance Program (SNAP) is defined as when a household exits SNAP and then re-enters the program within 4 months. Churning is a policy concern due to the financial and administrative burden incurred by both SNAP households and State agencies that administer SNAP. Forgone benefits among households who were eligible while not participating in the program, participant time and expense involved in re-applying for the program, and the added Federal and State administrative costs associated with case closings and re-openings are among the larger policy concerns.

This study explores the circumstances of churning in SNAP by determining the rates and patterns of churn, examining the causes of caseload churn, and calculating costs of churn to both participants and administering agencies in six States.

Methods

The study used both quantitative and qualitative data from six States—Florida, Idaho, Illinois, Maryland, Texas, and Virginia. (While these States were selected to reflect the varying geographic, technological, and policy environments in which SNAP operates, the combined findings may not be representative at the national level.)

Data collected for the study include State administrative data for fiscal year (FY) 2011 and qualitative data from focus groups and interviews of several stakeholder groups including State program staff and administrators, community-based organizations (CBOs), and SNAP participants.

Key Findings

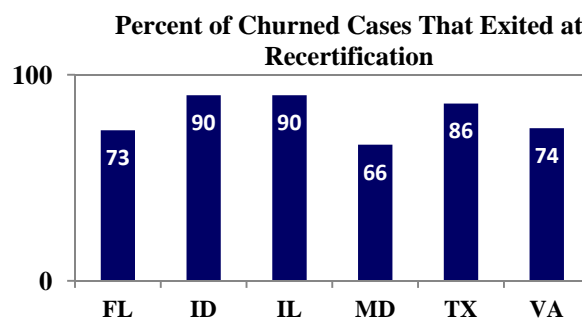
Rates and Patterns of Churn

The estimated rate of churn for FY 2011 ranged from 17 to 28 percent across the six study States. This was equivalent to churn among 23,000 to 664,000 SNAP households in a State.

State	Rate of Churn	Number of Cases
Florida	27	664,000
Idaho	17	23,000
Illinois	28	306,000
Maryland	21	92,000
Texas	23	548,000
Virginia	21	115,000

About a third of households that churned were off the program for less than 1 month. It is estimated that more than half of churners were likely to have been eligible for SNAP during that period.

The vast majority of cases that churned exited SNAP at the time of recertification or a required interim report.



Churners tended to be younger, non-White, more likely to have children, and employed compared to non-churners. Additionally, households with either gross income above 100 percent of poverty or no income were most likely to churn.

Causes of Churn

Changes in household circumstances, such as moving residences, employment status, and household composition, were leading factors in churn. An estimated one out of every five churners who failed to successfully recertify had a change of addresses during the certification period. Households with changes in employment status were also twice as likely to churn, with some participants reporting loss of recently gained employment due to childcare or medical issues as reasons for reentering SNAP.

Procedural issues in the recertification and notification process for SNAP may contribute to churn. While failure to respond to recertification notices was cited as the primary reason for churn, State program staff also pointed to understaffing of local offices, extenuating circumstances keeping some households from recertifying, and participants' issues with mobility and transportation as factors leading to churn. Both SNAP program staff as well as participants indicated that there are language barriers and general confusion over the recertification process that contribute to participants' failure to respond to notifications.

Costs of Churn

Churn imposes costs both to participants and to agencies administering the program. For agencies, churn increases costs by requiring agencies to process additional applications from households re-entering the program. For participants, costs include the loss of benefits that they otherwise would have received, the administrative burdens of the reapplication process, and other burdens related to coping during the period without benefits.

It is estimated that States spend approximately \$80 to certify each household that churns. This accounts for between 1 and 4 percent of certification costs for SNAP annually and is estimated to be significant in States with large SNAP caseloads, such as Illinois, which is estimated to have spent \$6 million to certify churning households in FY 2011.

The annual amount of SNAP benefits forgone due to churning is estimated to be between \$2.2 million in Idaho to \$108.2 million in Florida. Additionally, households that churn incur other costs related to reapplying for SNAP, with some participants reporting material hardship due to an inability to meet other basic expenses as well as a general increase in anxiety and stress.

Policy Implications

The study identified the following possible changes in policy and procedures that might reduce SNAP caseload churn:

- **Policy improvement actions**, such as longer certification periods and more time to report changes; higher thresholds for changes; and making a household's monthly benefit less sensitive to changes in household composition,

income, or other circumstances may reduce churning.

- **Process improvement actions**, such as allowing electronic signatures, could reduce the burden to clients of establishing their eligibility in order to remain on the program.
- **Communication improvement actions**, such as improved mailings and notification processes for recertification and improved customer service call centers, may help avoid delays and issues in the agency-client communication.

While results of this study provide extensive evidence suggesting churning in SNAP has adverse consequences to agencies and participants, actions to reduce churn may have unintended consequences. Tradeoffs should be carefully considered to determine impacts to overall program objectives.

For More Information

Mills, Gregory, Tracy Vericker, Heather Koball, Laura Wheaton, Key Lippold, and Sam Elkin (2014). *Understanding the Rates, Causes, and Costs of Churning in the Supplemental Nutrition Assistance Program (SNAP)*. Prepared by the Urban Institute for the U.S. Department of Agriculture, Food and Nutrition Service: Alexandria, VA. Available online at <http://www.fns.usda.gov/research-and-analysis>.