

Evaluation of Technology Modernization for USDA Supplemental Nutrition Assistance Program (SNAP) Benefit Redemption Through Online Transactions (Summary)

Background

The U.S. Department of Agriculture's (USDA) Food and Nutrition Service (FNS) administers 16 nutrition assistance programs with the mission to increase food security and reduce hunger—in partnership with cooperating organizations—by providing children and low-income people access to food, a healthy diet, and nutrition education in a manner that supports American agriculture and inspires public confidence.

Section 4011 of the Agricultural Act of 2014 authorized the USDA, Food and Nutrition Service to operate the online purchasing pilot (OPP) to allow selected retailers to redeem Supplemental Nutrition Assistance Program (SNAP) benefits online. Eight retailers across eight States were selected to participate. However, implementation challenges led to the delayed launch of the pilots and eventually five retailers across six States participated in the SNAP Online Pilot Evaluation (SOPE). The five participating retailers were Amazon, Walmart Stores, Inc., Shoprite, Wrights Market, Inc., and ALDI.

In April 2019, the pilot launched in New York and pilots in remaining States (Alabama, Iowa, Nebraska, Oregon, and Washington) launched between January and April 2020. Starting in April 2020, the COVID-19 pandemic led to the expansion of online purchasing to additional States and retailers, thereby removing the need for an implementation evaluation. The final evaluation included an integrity analysis to determine if the OPP revealed any novel challenges to the integrity of the program in the six pilot States. Additionally, SOPE sought to understand some basic information about the OPP such as the use of online purchasing by urban and rural populations, the frequency of the use of online purchasing, and the delivery options participants used.

Methods

The study period for SOPE was March 2020 to March 2021.

Data for SOPE was drawn from three sources: (1) Online Purchasing Pilot (OPP) data for the six pilot States that included EBT transactions, household addresses, and order fulfillment methods; (2) *Store Tracking and Redemption System* (STARS) data provided SNAP authorized store addresses and store owner home addresses; and (3) *Anti-Fraud Locator Using Electronic Benefit Transfer Retailer Transactions* (ALERT) data provided monthly counts of EBT transactions and households that redeemed SNAP benefits.

Key Findings

- Most SNAP households in pilot States made exclusively in-store rather than online purchases during the study period.
- The share of households using online purchasing grew over time.
- Most households that made SNAP online purchases lived in cities.
- The overall incidence of hotspot SNAP online delivery addresses was less than 1 percent of all delivery addresses.
- None of the hotspot delivery addresses matched the address of a SNAP authorized retailer.
- How online orders were fulfilled varied by geographic location.

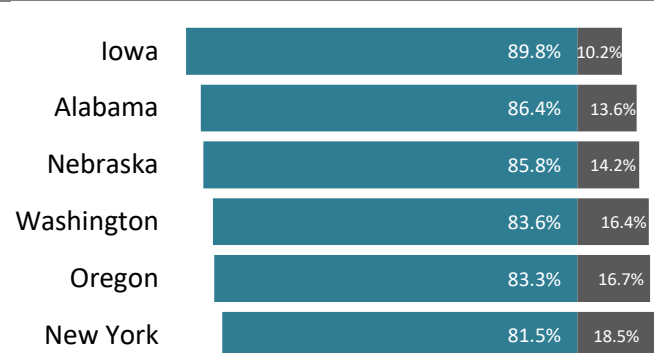
The analysis combined data from the three sources to address the research questions about SNAP online purchasing participation, fulfillment methods, and delivery address patterns. Geographic patterns were analyzed after household addresses were geocoded to determine if a participant lived in a city, suburban, rural, or town area. Oregon did not provide household addresses for the analysis.

The integrity analysis included comparing 'hotspots' (defined as delivery addresses that received orders placed from five or more SNAP accounts) to SNAP authorized retailer addresses and to retailer owners home addresses.

Findings

Most SNAP households in pilot States made exclusively in-store rather than online purchases during the study period. Sixteen percent of SNAP households across the six pilot States made at least one SNAP online purchase during the 13-month study period. The percentage ranged from 10.2 percent in Iowa to 18.5 percent in New York (Figure 1). In contrast, nearly 84 percent of SNAP households made

Figure 1: Most SNAP households made exclusively in-store rather than any online purchases.



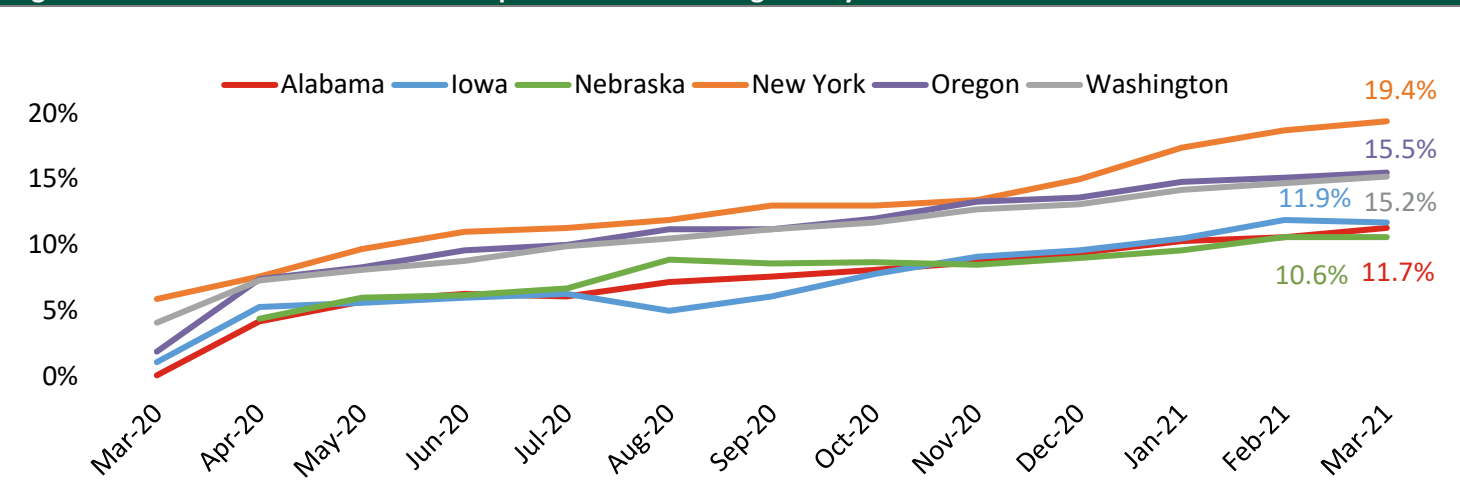
Note: Blue represents the percent of households that made exclusively in-store purchases. Grey represents households that made at least one online purchase during the study period.

SNAP = Supplemental Nutrition Assistance Program

exclusively in-store EBT purchases.

The share of households using online purchasing grew over time. Generally, the highest participation rates occurred in the final month of the study period, though

Figure 2: Household SNAP Online Participation Growth through Study Period



For More Information:

Mendelson, M., Enver, A., Hitchcock, S., Koralek, R., Elmudesi, E., Klerman, J., and Olsho, L. (2023). *Evaluation of Technology Modernization for USDA SNAP Benefit Redemption Through Online Transactions. Final Evaluation Report.* Prepared by Abt Associates. Contract No. GS-00F-252CA. Alexandria, VA: U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, Project Officer: Eric Sean Williams. Available online at: www.fns.usda.gov/research-and-analysis.

the rate for Iowa peaked in the month prior (Figure 2). Most households made one or two online purchases in the months in which they made an online purchase.

A majority of households that made SNAP Online purchases lived in cities. Across five of the pilot States that provided household addresses, the mean number of households in cities making any SNAP Online purchase per month over the study period was 64,586, followed by suburban households (n=25,478), rural households (n=18,355), and households located in towns (n=13,572). Proportions of households making online purchases in geographic areas were not compared to households with no online purchases in those areas due to a lack of data.

The overall incidence of hotspot SNAP online delivery addresses was less than 1 percent of all delivery addresses. Washington State had the highest incidence, with 0.8 percent of unique delivery addresses identified as hotspots. Nebraska had the lowest, with 0.3 percent.

None of the hotspot delivery addresses matched the address of a SNAP authorized retailer. Determining if the addresses were non-authorized retailers was not in the scope of the study. Further, less than 0.02 percent of 357,413 unique delivery addresses were hotspots associated with a SNAP authorized storeowner's home address.

More orders were fulfilled through pick-up (38.5 percent) than by direct delivery from the store (18.6). All other orders were Amazon orders (42.9 percent of all SNAP Online orders) reported as commercial delivery (i.e.,

delivery by a third party) regardless of whether the order was delivered to the household address or picked up from an Amazon pick-up location.

How online orders were fulfilled varied by geographic location. Most orders in rural areas were fulfilled by pick-up (68.1 percent); most orders in city areas were fulfilled by Amazon and reported as commercial delivery (58.2 percent).

For More Information:

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