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Louisiana Budget Project

## Proposed SNAP Changes Would Harm Louisianans Facing Greatest Economic Barriers

By Danny Mintz

Regardless of where they live or what they look like, Louisianans work hard to take care of their families. But due to historic and continuing discrimination, people of color in Louisiana face greater barriers to economic opportunity than their White neighbors.<sup>1</sup> In fact, working-age Black people in the state face unemployment rates more than double those of their White counterparts (7.7 percent to 3.5 percent in 2018), while Hispanic and Latinx people<sup>2</sup> also see elevated levels of unemployment (4.8 percent in 2018).<sup>3</sup> And Black, Indigenous, and Hispanic or Latinx Louisianans are around two to over two-and-a-half times as likely to live in poverty as White, non-Hispanic residents of the state.<sup>4</sup>

Now, a proposed change to the rules for the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) is poised to make it even harder for low-income families of color in Louisiana to afford the basics by taking away food assistance from thousands of people contending with deep poverty, a move that would disproportionately affect populations already struggling against high rates of joblessness.

SNAP law imposes a harsh time limit of only three months of benefits every three years for working-age people without dependents who can't document 20 hours of work per week. But it also allows states to request waivers from that time limit in areas where unemployment is more than 20 percent higher than the national average. In December, by overwhelming margins, Congress passed a farm bill that makes no changes to how states can qualify for a waiver.

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<sup>1</sup> People of color in Louisiana start out with far smaller net worth than White people in the state, on average. As a result, people of color in the state generally face greater obstacles to economic advancement than White people: with fewer resources to invest, and less of a cushion when faced with financial need, it is harder for families of color to build more wealth, and easier for those families to find themselves in dire economic circumstances. Prosperity Now ranks Louisiana last in the nation for the prosperity of its residents, and 41st for racial equity. White households in Louisiana hold significantly more wealth than households of color: \$108,390 to \$22,830. And 74 percent of households of color in the state lack sufficient liquid assets to subsist at the poverty level for three months in the absence of income, as compared with 38.4 percent of White households. Prosperity Now State Scorecard. <http://scorecard.prosperitynow.org/data-by-location#state/la>. See also Darrity Jr., William A., et al. 2018. "What We Get Wrong About Closing the Racial Wealth Gap." Samuel DuBois Cook Center on Social Equity. [https://socialequity.duke.edu/sites/socialequity.duke.edu/files/site-images/FINAL%20COMPLETE%20REPORT\\_.pdf](https://socialequity.duke.edu/sites/socialequity.duke.edu/files/site-images/FINAL%20COMPLETE%20REPORT_.pdf)

<sup>2</sup> That is, individuals identified as "Hispanic" by the U.S. Census.

<sup>3</sup> "Local Area Unemployment Statistics." 2018. Bureau of Labor Statistics. <https://www.bls.gov/lau/ptable14full2018.htm>.

<sup>4</sup> 2017 US Census American Community Survey 5-year estimates of People in Louisiana Living Below the Poverty Line. [https://factfinder.census.gov/bkmk/table/1.0/en/ACS/17\\_5YR/S1701/0400000US22](https://factfinder.census.gov/bkmk/table/1.0/en/ACS/17_5YR/S1701/0400000US22).

But now the U.S. Department of Agriculture is proposing to change the waiver rules by limiting states' ability to group together geographic areas where jobs are scarce and imposing a minimum overall unemployment threshold of 7 percent for areas waived by the rule. This rate reflects the availability of work for the population as a whole, but not for the population affected by the time limit, who generally face substantial obstacles to finding stable employment that meets the law's requirements every month. Even though many Louisianans who would be affected by the SNAP time limit do work, many work in jobs with unsteady hours, have unstable living situations, deal with unreliable transportation, or face undiagnosed medical problems that affect their ability to get or keep a job.

The proposal, which would reduce the state's flexibility in determining areas of high unemployment, would expose struggling Louisianans to harsh time limits on food assistance, right when they need help the most—while they are unemployed—even if they are searching for work. Last year, more than 78,000 childless adults between 18 and 49 in Louisiana would have potentially faced severe restrictions on their access to food assistance if the proposed policy were in effect.<sup>5</sup>

Here are key facts about the proposed changes:

#### **Louisianans aren't currently subject to harsh time limits on food assistance**

Currently, federal law imposes a limit of three months of SNAP food assistance out of every three *years* for childless adults who aren't able to document 20 hours of work each week and who don't meet certain exceptions. The law also allows states to apply for a waiver from these time limits when their unemployment rate is substantially above the national average. Louisiana has received a waiver from these rules for most or all parishes in the state every year that the rules have been in effect.

#### **The new rule would expose many more jobless Louisiana residents to hunger**

The proposed change in SNAP rules would significantly curtail the state's ability to receive a waiver from this restrictive time limit, imperiling access to nutritious food for many of the state's poorest residents. Under current law, states can qualify for a full waiver if the state as a whole lacks sufficient jobs, or for a partial waiver for areas in the state struggling with high unemployment. The change proposed by the USDA would limit the waiver to areas within states with a minimum level of unemployment of 7 percent, averaged over a 24-month period.

By raising the bar for what counts as a "high-unemployment area," the proposed rule would dramatically increase the number of people who go without food assistance while they are out of work. Because Louisiana currently qualifies for a statewide waiver, the proposed change would immediately impact a substantial number of people in the state who use SNAP to help keep food on the table and would disproportionately harm those who already have unequal access to employment.

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<sup>5</sup> This figure includes Louisiana SNAP recipients classified as ABAWDs (Able-Bodied Adults Without Dependents) by the Louisiana Department of Children and Family Services (DCFS) between January and December 2018 who were not exempt from a work registration requirement and who worked less than an average of 80 hours a month. The number of ABAWDs receiving SNAP varies from month to month, as SNAP recipients come on and off of the program. In December, 2018, the most recent month for which data is available, 50,695 SNAP recipients in Louisiana were classified as ABAWDs. Data supplied by DCFS.

According to data from the Annie E. Casey foundation, Louisiana ranks third from the bottom of all surveyed states in the opportunities it affords Black children.<sup>6</sup> The disadvantages that many Black children face in Louisiana because they live in communities without good schools or access to healthy foods and with very limited financial resources to help their families weather hardships, lead to disparities in unemployment rates, access to wealth, and receipt of temporary food assistance.

Natchitoches Parish, for example, would not qualify for a waiver under the proposed rule. But data from the U.S. Census Bureau's American Community Survey, which reports employment by race, reveal substantial racial disparities in employment in the parish: while the jobless rate for White workers averaged 8.6 percent between 2013 and 2017, a staggering 22 percent of Black workers in the parish were jobless over that same period.<sup>7</sup> These statistics suggest that in Natchitoches Parish, it is roughly three times harder for Black workers to find a job as it is for their White counterparts.<sup>8</sup>

The proposed change to the waiver rule, however, fails to account for these disparities. Even though Black workers and other workers of color face many obstacles to securing employment, relative to their White neighbors, the SNAP time limit, which only takes an area's overall unemployment rate into account, treats workers of color as if they had greater access to work than they do, and penalizes them for their disadvantage. The state's current waiver from the time limit shields Black workers who would be affected from this rule's negative effects. Since twice as many Black SNAP recipients as White recipients would be affected by this rule, an end to the current statewide waiver would compound this inequity, making the loss of food assistance an additional consequence of employment discrimination.<sup>9</sup>

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<sup>6</sup> "Race for Results 2017 Policy Report." 2017. The Annie E. Casey Foundation. p. 35.

<https://www.aecf.org/m/resourcedoc/aecf-2017raceforresults-2017.pdf>.

<sup>7</sup> Average unemployment in the parish over the past 24-months was 5.9 percent, according to the U.S. Census Current Population Survey. The difference between the two-year and five-year unemployment estimates cited here result from differences in the number of years aggregated and in survey methodology between the Current Population Survey (CPS) and the American Community Survey (ACS). CPS, which USDA proposes to use to calculate waiver eligibility, does not report parish-level data disaggregated by race. The two-year CPS figure represents the employment rate that would be used to determine whether an area qualifies for a waiver from the ABAWD time-limit. ACS, which does disaggregate employment data by race, reports five-year averages. Due to differences in survey methodology, CPS generally reports lower unemployment rates than ACS. In Natchitoches Parish, between 2013 and 2017, CPS reports an average unemployment rate of 7.3 percent, while ACS reports average unemployment of 13.6 percent. You can find CPS data here:

<https://beta.bls.gov/dataViewer/view/timeseries/LAUCN220690000000003>, and ACS data here:

[https://factfinder.census.gov/bkmk/table/1.0/en/ACS/17\\_5YR/S2301/0500000US22069](https://factfinder.census.gov/bkmk/table/1.0/en/ACS/17_5YR/S2301/0500000US22069). For more information on the methodological differences between the two surveys, see Kromer, Braedyn K. and David J. Howard. 2011.

"Comparison of ACS and CPS Data on Employment Status" U.S. Census Bureau Working Paper Number SEHSD-WP2011-31. <https://www.census.gov/library/working-papers/2011/demo/SEHSD-WP2011-31.html>.

<sup>8</sup> Indeed, studies of racial biases in hiring practices find that hiring discrimination disadvantaging Black applicants, by no means limited to Louisiana, but certainly present here, is essentially unchanged over the last 25 years, with White applicants receiving 36 percent more callbacks for resume submissions than Black applicants. Quillian, L., et al. 2017. "Meta-analysis of field experiments shows no change in racial discrimination in hiring over time." Proceedings of the National Academy of Sciences of the United States of America, 41.

<https://www.pnas.org/content/114/41/10870.full>.

<sup>9</sup> In December, 2018, the most recent month for which data is available, White SNAP recipients classified by DCFS as ABAWDs numbered 31,408, while White recipients numbered 17,883. Data supplied by DCFS.

**People subject to the SNAP time limit are often very poor and face many barriers to work**

Nationally, 70 percent of people subject to the SNAP time limit earn less than \$6,500 a year. In fact, the *average* income for people subject to this rule is even lower: just \$3,900 per year while they participate in SNAP.<sup>10</sup> Even though many Louisianans who would be affected by the SNAP time limit do work, many work in jobs with unsteady hours, have unstable living situations, deal with unreliable transportation, or face undiagnosed medical problems that affect their ability to get or keep a job. Because these individuals often move in and out of the workforce, SNAP is an important resource for those times that they are out of work. People in this population are generally excluded from other forms of government assistance, making food assistance an essential buffer against severe hunger. Arbitrarily limiting access to SNAP benefits to three months out of every three years adds further strain to the experience of unemployment.

**People affected by this rule already face an employment test to claim benefits; the change to SNAP would subject them to harsher penalties for being out of work**

Even with the state’s waiver in place, childless adults seeking food assistance in Louisiana already face an employment test to receive benefits. An executive order by Gov. John Bel Edwards requires SNAP recipients aged 18 to 49 who are not otherwise exempt from work registration to attend in-person job skills assessment, training, and job search programs run by the Louisiana Workforce Commission. Childless adults who don’t meet the terms of this requirement are, on the first occurrence, locked out of SNAP benefits for three months, or until they comply, and for six months or until they comply on the second occurrence. In both cases, the longer sanction is applied.

While data for program participation at the Business and Career Solutions Centers that run this program aren’t available, job searches are by far the most popular option in the analogous LaJET program that serves other food stamp recipients required to register for work or training in some parts of the state.<sup>11</sup> Because federal rules don’t count job searches—even if supervised by the state—as an activity that exempts childless adults from time limits on access to food stamps, it is likely that a large part of this population who currently use state assistance to find work would also find themselves cut off from help buying food if the new rules were to go into effect.

**The bottom line**

The bottom line is that this rule change would expose thousands of people in Louisiana to hunger when they are looking for work and would add to the substantial barriers facing working people of color in our state. The new rule, removing a key tool that Louisiana uses to avoid penalizing people for being out of work when few jobs are available, would take food off the tables of people of color struggling against substantial barriers to employment.

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<sup>10</sup> “Unemployed adults without children who need help buying food only get SNAP for three months.” 2018. Center on Budget and Policy Priorities. <https://www.cbpp.org/unemployed-adults-without-children-who-need-help-buying-food-only-get-snap-for-three-months>.

<sup>11</sup> Between October 2017 and September 2018, 1,248 people in the LaJET program enrolled in independent job search activities, as compared to 470 enrolled in Job Search Training. Data provided by DCFS.

**You can comment on the proposed rule change.**

By law, USDA must read and respond to all unique comments on a proposed rule change like the one discussed in this brief. If you're interested in submitting a comment regarding this proposal, you can do so through the Food Research & Action Center's portal, at <http://www.frac.org/timelimitcomments>. Comments are open until April 2, 2019.

**If you have a story to share about how the rule change would affect you, people in your community, or people you work with,** or if you would like assistance posting a comment on the rule, please contact Danny Mintz, the Louisiana Budget Project's Anti-Hunger Policy Advocate, at [danny@labudget.org](mailto:danny@labudget.org).