

RESEARCH BRIEF

Take-up and Targeting: Experimental Evidence from SNAP

Based on BFI Working Paper No. 2020-165, "[Take-up and Targeting: Experimental Evidence from SNAP](#)" by Amy Finkelstein, Professor, MIT; Matthew J. Notowidigdo, Professor, UChicago's Booth School of Business

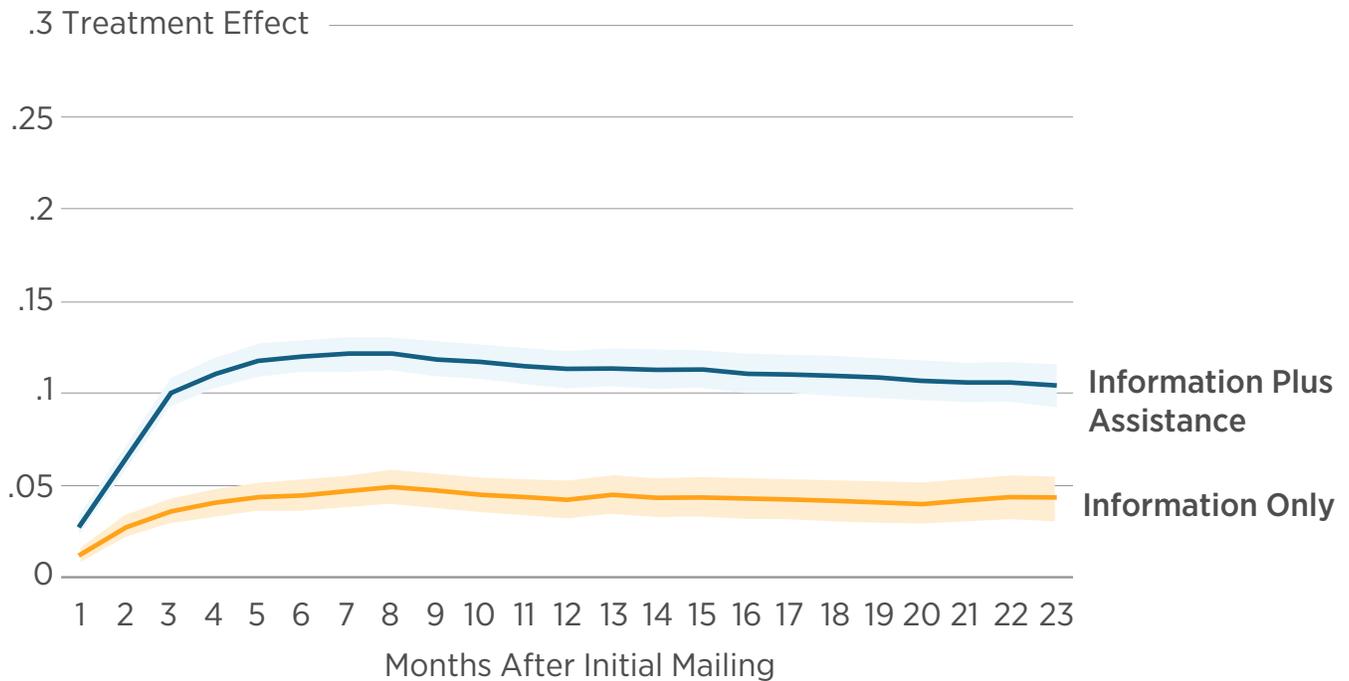
KEY TAKEAWAYS

- ✓ Many eligible recipients of government aid do not file applications to receive such benefits.
- ✓ This research reviews efforts to encourage Pennsylvania elderly to file for SNAP.
- ✓ The authors find that providing information to prospective recipients about their eligibility is effective in increasing take-up, and that information plus application assistance is even more successful, and that such interventions are cost-effective.
- ✓ For policymakers, these findings are suggestive of the potential benefits of information and assistance for other benefit programs.

There are programs in the United States that provide food and health care, for example, to individuals who otherwise cannot afford them. All they have to do is apply. And yet many eligible individuals choose to not apply for those benefits.

This phenomenon has long puzzled researchers and policymakers. On the one hand, it does not seem rational to leave benefits on the table; on the other hand, maybe this tells us something about the application process. Perhaps the sticking point is complicated eligibility rules, complex forms, and extensive documentation necessary to apply for such aid. Recognizing this, some government agencies have tried to simplify the application process for certain aid programs, including proactive contact with possible recipients and improved online services.

Figure 1 • Time Pattern of Enrollment Responses



Notes: The figure shows, by month, the (cumulative) estimated treatment effects on enrollment (relative to the control) for the Information Only arm and the Information Plus Assistance arm. Ninety-five percent confidence intervals on these estimates are shown in the shaded areas.

This research offers a framework for analyzing these types of interventions and whether they encourage greater numbers of people to apply for safety net programs (known as “take-up”). In “Take-up and Targeting: Experimental Evidence from SNAP,” Amy Finkelstein and Matthew J. Notowidigdo apply their methodology to elderly nonparticipants in the US Supplemental Nutrition Assistance Program (SNAP), formerly Food Stamps, and find that increased assistance—and especially information plus assistance—are effective in getting more eligible individuals to participate in the program. For policymakers, this research offers insights into designing better programs meant to increase take-up of assistance programs.

To inform and assist

Two key questions motivate this research: How can potential recipients become better informed about programs such that more of them apply; and how can assistance interventions increase the number of applicants? To address these questions, the authors examined the impact of various interventions on the number and type of eligible

elderly Pennsylvania individuals who enroll in SNAP, the only social safety net program that is virtually universally available to low-income households.

How important is SNAP to US households? Roughly one in seven individuals received SNAP assistance during the Great Recession. By 2015, US expenditures on SNAP reached \$70 billion, exceeding that of Supplemental Security Income, and more than doubling expenditures on Temporary Assistance for Needy Families, or cash welfare. What makes the elderly a good target for study is their low take-up rates for SNAP: While they are just 10 percent of SNAP caseload, only 42 percent apply, compared with 83 percent overall. Further, they likely need the money. Average annual SNAP benefits are about \$1,500, or about 15 percent of household income among those eligible for the program.

The authors partnered with Benefits Data Trust (BDT), a national not-for-profit organization that helps people access public benefits, creating a dataset of about 30,000 elderly individuals (age 60 and over) in Pennsylvania who were not enrolled in

SNAP but were enrolled in Medicaid, meaning they were likely eligible for SNAP. They randomly placed those individuals into three equally sized groups:

- an information only treatment,
- an information plus assistance treatment,
- and a status quo control group.

In the first half of 2016, participants in the information only treatment received a mailing and follow-up reminder of their likely eligibility for SNAP. Those in the information plus assistance treatment received similar mailings that also included a phone number for assistance provided by BDT. This assistance included help in determining whether they were eligible for SNAP, and also aid in filling out the application, collecting documents, submitting the application, and any follow-up questions. Additionally, there was some variation in the types of mailings that were sent to individuals; these sub-treatment groups allowed the authors to review whether certain information was more effective than others. Finally, the status quo control group, of course, received neither form of assistance.

The authors revealed two key findings:

1. Information alone increases enrollment, while information plus assistance is even more successful, but at a higher per enrollee cost. The information only group applied at a rate of 11 percentage points (at \$20 per enrollee), with the information plus assistance treatment at 18 percentage points (\$60), while the status quo control group was at just 6 percentage points.

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2. Information decreases targeting. Marginal applicants and enrollees from either intervention are less needy than the average enrollees in the control group. The average monthly SNAP benefit (which declines with net income) is 20% to 30% lower among enrollees in either intervention arm relative to enrollees in the control group. Additionally, relative to the control group, applicants and enrollees in either intervention group are in better health, more likely white, and more likely have English as their primary language. Importantly, the 70 percent of individuals who did not respond to the interventions and remained largely unenrolled were likely more needy, suggesting the necessity for new and differently targeted interventions.

One final note on the cost of such interventions: The authors find that states benefit financially when they engage in take-up efforts. The full paper provides details, but the upshot is that the benefits paid by the federal government far exceed the costs to state governments of these take-up programs, and those federal benefits are largely spent at a local level and, thus, benefit a state's economy.

Conclusion

Researchers and policymakers have long wondered why potential recipients of government programs choose not to apply, offering ideas ranging from lack of information to the costs of applying. This research finds that interventions that provide more information and assistance are effective in increasing the take-up of SNAP benefits by elderly Pennsylvania residents. Further, these interventions are cost-effective for states because increased federal benefits to local recipients result in increased local spending.

The authors also find that reducing informational or transactional barriers decreases targeting: the marginal applicants and enrollees from either intervention were less needy than the average enrollees in the control group. Relative to the control group, applicants and enrollees in either intervention were healthier, more likely white, and more likely to have English as their primary language.

CLOSING TAKEAWAY

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For policymakers, the main lesson is simple yet profound: information matters. Individuals' willingness to apply for benefit programs depends in large part on whether they have accurate beliefs about expected benefits; also, different types of people may have varying sets of misperceptions. Getting information to possible recipients increases program take-up significantly, but information plus assistance with applications is even more effective. While these results are reflective of intervention programs for SNAP recipients among elderly Pennsylvania, they likely hold for other programs and among other possible recipients throughout the country.

READ THE WORKING PAPER

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