The Effect of Pandemic EBT on Measures of Food Hardship

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The Effect of Pandemic EBT on Measures of Food Hardship

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Introduction

In 2020 the United States experienced the fastest economic downturn in its history (Edelberg and Shambaugh 2020). COVID-19, the disease caused by the novel coronavirus, has infected 4.3 million Americans as of July 29, 2020, with a death toll exceeding 148,000 people (Centers for Disease Control and Prevention 2020). Businesses have shuttered and schools have closed. GDP dropped by 9.5 percent from April through June (Siegel and Van Dam 2020) while more than 16 million workers were receiving unemployment benefits in July (Federal Reserve Bank of Atlanta 2020). By the end of the 2019–20 school year, 55 million school-age children were not in school or were in online school and navigating remote learning (Education Week 2020).

School closures are particularly worrisome for families’ economic security and children’s well-being because a keystone of the safety net for children—free or subsidized meals—is provided through the education system.

In response to school closures, every state received waivers for schools and districts to continue to offer prepared meals, but emerging evidence is that these efforts have not provided nearly as many meals to eligible students as they would have if schools had been open. At the same time, food prices have increased, placing even greater financial pressures on families’ food budgets (Bitler, Hoynes, and Schanzenbach 2020).

Families responded to these challenges by relying on community resources and safety net programs. Supplemental Nutrition Assistance Program (SNAP; formerly known as the Food Stamp Program) caseloads increased 17 percent between February and May 2020 in the 42 states with data available as of July 22 (Rosenbaum 2020). In addition, more people are using food pantries or receiving other forms of direct food assistance from a community or religious organization than at any point since at least 2014 (Bitler, Hoynes, and Schanzenbach 2020).

To alleviate the effects of lost daily school meals and to help households with children meet their nutritional needs, Congress authorized a new program: Pandemic EBT (P-EBT). This program provides families with a voucher to purchase groceries for an amount equal in value to the school meals missed from the start of school closures to the end of the 2019–20 school year. Congress is currently considering proposals to reenact the program for the upcoming school year so that if schools are closed for any period of time or students are not in school every day, P-EBT benefits can again be disbursed to make up for missed school meals.

In this paper we offer a preliminary analysis of the effect of the P-EBT program on food hardship. We leverage variation in the rollout of the P-EBT program across states from April through July to identify the effect of P-EBT on three food hardship measures: (1) food insecurity, (2) whether it was sometimes or often the case that there was not enough food, and (3) very low food security among children. (For more information on the research method, please see the technical appendix.) We find that P-EBT had two key impacts among low-income households with school-age children: it substantially reduced the share of adults reporting that children in their households did not have enough to eat, especially during the first week after benefits were paid; and it reduced household food insecurity and the likelihood that household members sometimes or often did not have enough to eat.

Trends in Food Insecurity

Since the pandemic and subsequent recession began, there has been an increase in food insecurity—a measure that indicates a household is unable to access an adequate supply of food for all members due to limited financial resources. Food insecurity continues to increase, particularly among families with children in the household. These patterns are in line with prior evidence that food insecurity tends to rise during economic downturns.

According to the Census Bureau’s Household Pulse Survey, a weekly data collection that measures food access, unemployment status, and other outcomes, nearly one in three households with children reported that at least some household members (either adults or children) sometimes or often had not had enough to eat over the preceding week (Schanzenbach and Tomeh 2020). This rate is substantially higher than estimates measured prior to the COVID-19 pandemic and are also higher than those observed in 2008 at the trough of the last recession (figure 1).

The share of respondents reporting that some members of their household were sometimes or often not getting enough to eat, a somewhat more severe measure than food security, has also risen during the pandemic. More than twice as many households with children reported sometimes or often not having enough to eat in 2020 as in either 2018 or 2008.

Paralleling the trends in overall food hardship, 19 percent of adults with school-age children reported that their children were not eating enough because they could not afford enough food in 2020 (very low food security among children); even more low-income parents (37 percent) made the same report (U.S. Census Bureau 2020).
These patterns are concerning for several reasons. In the short term, food insecurity is associated with worse contemporaneous health and academic outcomes and indicates that a household is facing more general economic challenges (Alaimo, Olson, and Frongillo 2001; Case, Fertig, and Paxson 2005; Currie 2009; Howard 2011; Jyoti, Frongillo, and Jones 2005). In the long term, children’s exposure to adverse economic shocks has long-term negative health and economic consequences (Hoynes and Schanzenbach 2018). Therefore, the food insecurity patterns we observe today will affect well-being and economic performance not only in the short term, but also for decades to come. Encouragingly, however, past experience suggests that providing additional nutrition assistance can counteract some of the rise in food insecurity (Ratcliffe, McKernan, and Zhang 2011; Shaefer and Gutierrez 2013; Collins et al. 2014); for example, the number of children experiencing very low food security fell when Congress acted to increase SNAP benefits during the Great Recession (Schanzenbach, Bauer, and Nantz 2016).

Evaluating Pandemic EBT

The P-EBT program was passed in March 2020 as part of the Families First Coronavirus Response Act to provide nutrition assistance to families who had lost access to school breakfasts and lunches as a result of school closures. P-EBT is a grocery store voucher that functions similarly to SNAP: families receive a lump-sum amount on an EBT card, which they can then use to purchase food at most grocery stores. In total, approximately two-thirds of school-age children are likely eligible for a P-EBT payment, more than half of whom are in households that are also enrolled in SNAP (Federal Register 2016). Households already participating in SNAP received P-EBT benefits loaded onto their EBT cards while other eligible households were issued new EBT cards loaded with the value of missed school meals.

As a new state-led program, states have taken different amounts of time to develop a plan on how to implement P-EBT, gain approval from USDA, and begin disbursing benefits. As of July 26, 2020, every state except one has received approval from USDA to implement P-EBT. Each eligible child receives the value of free school breakfasts and lunches ($5.70 per day except for Alaska and Hawaii, both of which receive a higher rate) multiplied by the number of days that schools were closed in their state of residence. Benefit amounts varied by the duration of school closure and ranged from $250 in North Carolina, Oklahoma, and Tennessee to more than $400 per eligible child in New York and New Jersey.

Most states issued benefits over the course of several weeks. Families that were already enrolled in SNAP typically received P-EBT benefits in the first disbursement (since these families already had active EBT cards), while other eligible families that were not on SNAP typically received benefits between a week and a month after the first payment date, depending on the state.
While Congress authorized many income support and nutrition assistance programs in response to the COVID-19 pandemic (including SNAP Emergency Allotments, more generous Unemployment Insurance, and Economic Impact Payments), there is substantial and idiosyncratic cross-state variation when states issued their first P-EBT payments.\(^4\) From mid-April to the end of July, at least one new state began implementing P-EBT each week; an additional five states have plans approved but have not yet disbursed funds, and one state (Idaho) has not submitted a plan (figure 2).

In order to examine how P-EBT has affected families’ food security, we conduct a differences-in-differences analysis leveraging variation in the timing of P-EBT disbursements across states by week from April 20 to July 7. This method allows us to compare outcomes for households that are nearly identical except for whether their states have paid out P-EBT. For this analysis, we created a database that captures the first date that payments went to families, as well as the dates for disbursements to SNAP households who received benefits at multiple times.\(^5\) We combine this information with the Census Bureau’s Household Pulse Survey (U.S. Census Bureau 2020), a survey of U.S. households that has been conducted weekly since late April 2020. This survey asks respondents about their household’s economic, health, education, and food security, and allows us to capture changes over time weekly—a quite high frequency.\(^6\) Throughout our analysis we focus on families with incomes below 130 percent of the federal poverty line because most SNAP households have incomes at or below this level. But because we are unable to observe whether households actually received SNAP, some portion of the group that we identify as receiving P-EBT when states loaded benefits onto existing cards received P-EBT at a later date (with non-SNAP households). This data limitation means any effect we find is likely a lower-bound of the program effect for low-income households.

**FIGURE 2.**
Variation in the Timing of Pandemic EBT First Disbursements by Week

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Source: Authors’ correspondence and calculations.

Note: States in gray have approved P-EBT plans but have not begun disbursing benefits. States in black have not submitted a plan to USDA. Weeks start on Sunday; a state is assigned to a first disbursement week based on the first day that P-EBT benefits were loaded onto at least some existing EBT cards.
We estimate the impact of P-EBT on three outcomes: (1) food insecurity, (2) whether the household reports that members sometimes or often do not have enough to eat, and (3) whether children in the household do not have enough to eat (very low food security among children). We estimate the effects of having received P-EBT in the two weeks preceding the survey week and additionally for children one week preceding the survey week.7

Effects of Pandemic EBT on Food Insecurity

Figure 3 shows the effect of P-EBT on food insecurity, the share of households reporting sometimes or often not having enough to eat, and the share reporting very low food security among children in their households. We break the analysis into two periods. A new question in Week 6 (starting June 4) asks specifically whether children in the household are getting enough to eat.8 The focal period investigates this question, which is necessarily limited to data collected between June 4 and July 7, as well as the 24 states that implemented P-EBT benefits to SNAP families during the study window. For comparability, we also analyze household-level food hardship data from the same period. We also show results for the entire duration to date of the data collected by the Census Bureau’s Household Pulse Survey, April 23 through July 7. 29 states implemented the first P-EBT payments in the two weeks preceding the survey in this sample. The data collected throughout the period are limited to overall household measures of food hardship and do not specifically address hardships experienced by children.

As shown in figure 3, for the period for which children's food hardship data are collected directly, P-EBT paid out over the preceding two weeks reduces household food insecurity by 6 percentage points and the share of households reporting that members sometimes or often do not have enough food to eat by 7 percentage points. It also reduces the rate of children’s food hardship by 8 percentage points. There is a small, not statistically significant impact of having made P-EBT payments over the preceding two weeks on household-level food hardship measures across the entire sample period.

Investigating timing more closely among children's food hardship, we find that, during the first week after P-EBT benefits are paid, the rate of children not getting enough to eat declines by 11 percentage points—which is more than a 30 percent reduction in the usual rate in this population. By the second week, when perhaps the additional resources have run out, the impact of P-EBT benefits declines. These estimates imply that P-EBT lifted at least 2.7–3.9 million children out of hunger (authors’ calculations).9

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**FIGURE 3.** Effect of Pandemic EBT on Measures of Food Hardship

<table>
<thead>
<tr>
<th>Percentage point decrease in measure of food hardship</th>
<th>Week of June 4 – week of July 7</th>
<th>Week of April 23 – week of July 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food insecurity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sometimes or often not enough to eat</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very low food insecurity among children</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Note: Hollow bars indicate results that are not statistically significant at the 10 percent level. The striped bar indicates results are significant at the 10 percent level. Solid bars indicate results are significant results are significant at the 1 or 5 percent level. Please refer to the technical appendix for additional details.
Conclusion

We find that targeted food assistance payments through the Pandemic EBT program, designed to provide funds to replace missed school meals, reduce food hardship experienced by the lowest-income households during the COVID-19 crisis. This program is hitting its target: we find that Pandemic EBT reduces food hardship faced by children by thirty percent in the week following its disbursement.

Despite this evidence, households continue to experience very high levels of food hardship as measured by food insecurity, the share of households overall reporting not having enough to eat, and the share of households with children without enough to eat. Since Pandemic EBT is still being rolled out in some states, and data collection is ongoing, we will continue to monitor the impacts of the program on food hardship as more data become available and more states come online.

This array of benefits for households and the broader economy should be central to the policy debate as Congress considers proposals to extend Pandemic EBT for the upcoming school year and increase SNAP benefits.

This new evidence from the COVID-19 period for Pandemic EBT aligns with prior evidence that the temporary increase in maximum SNAP benefits during the Great Recession reduced very low food security among children even at the depths of the recession. It also comports with new research showing that Unemployment Insurance receipt also reduced food insecurity during the COVID-19 recession (Raifman, Bor, and Venkataramani 2020). This evidence supports our conclusion that additional targeted, temporary payments through nutrition assistance programs reduce hardship. Evidence from SNAP suggests these payments will also stimulate the economy.

Specifically, we renew our support for increasing the SNAP maximum benefit by 15 percent and to extend and expand Pandemic EBT through at least the 2020-2021 school year.
We limit this preliminary analysis to those with household incomes below 130 percent of the federal poverty level, which is the population most likely to have received P-EBT benefits on existing EBT cards.

This question can be compared to the share of households experiencing very low food security among children during earlier periods.

Since the income eligibility requirements extend to 185 percent of the federal poverty line for free and reduced price school meals (compared to 130 percent for SNAP) and nearly a quarter of students attend a school with schoolwide free meals regardless of a household’s individual eligibility, states and districts had to design a new program to fully administer P-EBT and to reach students who were not receiving SNAP or other forms of means-tested assistance.

Figure 2 illustrates variation within geographic regions on implementation timing, in addition to national variation. Our analysis finds that prior food insecurity and child food insecurity rates at the state level do not predict timing of implementation.

We created a harmonized database of the timing of P-EBT disbursements to SNAP households based on correspondence with state and federal officials as well as on publicly available sources, including state P-EBT websites and news sources. We compared and reconciled our database with four additional and independent efforts from other researchers to identify P-EBT disbursement dates in states. Additional details are available in the technical appendix. Five states (Delaware, Michigan, New York, North Dakota, and Wisconsin) made multiple P-EBT disbursements to households receiving SNAP. We consider each disbursement date in these states as a separate payment.

The food sufficiency and child food insecurity questions closely follow those asked in the Current Population Survey Food Security Supplement, allowing us to transform responses to food sufficiency into food insecurity and to compare recent experiences to previous downturns (Schanzenbach and Pitts 2020).

We also control for respondent age, race/ethnicity, education level, marital and employment status, the number of children, state and week fixed effects, a linear trend by state, and the disbursement of SNAP emergency allotments (which vary by week and state). For additional details and robustness checks, please refer to the technical appendix.

The very low food security among children on the Household Pulse Survey asks: “Please indicate whether the next statement was often true, sometimes true, or never true in the last 7 days for the children living in your household who are under 18 years old. ‘The children were not eating enough because we just couldn’t afford enough food.’ Often true; Sometimes true; Never true.”

The number of children lifted out of hunger is estimated as the number of children in households with school-aged children below 130 percent of poverty, multiplied by the reduction in very low food security among children (VLFS-C). This estimate is a lower bound as it does not incorporate differential treatment effects by family size, and VLFS-C tends to increase with the number of children in a household.
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Abstract

In the spring of 2020, 55 million school-age children were not in school and tens of millions lost access to school-based nutrition assistance programs. To alleviate the effects of lost daily school meals and to help households with children meet their nutritional needs, Congress authorized a new program, Pandemic EBT, which provides families with a voucher to purchase groceries for an amount equal in value to the school meals missed from the start of school closures to the end of the 2019–20 school year. We find that Pandemic EBT reduced food hardship experienced by low-income families with children and lifted at least 2.7-3.9 million children out of hunger.