

How Policymakers Can Promote Equitable SNAP Access by Modernizing Delivery

Stakeholder Perspectives on Updating Benefit Delivery Technologies

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Principles for Equitable and Inclusive Benefits Delivery

Any new delivery system **must minimize stigma for participants** by mirroring the commercial sector so payments resemble common transactions.

Maximizing participation across diverse retailers and payment methods allows SNAP participants to have the same experience and choices as other consumers.

For both retailers and consumers, **increasing costs or adding fees could diminish SNAP benefits use.**

Although staying current with the commercial sector is important, **innovations should balance updating methods with maintaining access** through existing technology.

The Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, is the largest federal food assistance program and helps millions of households with low or no incomes purchase food. Although SNAP has undergone recent modernization efforts, those changes have primarily improved application processes rather than how people use their benefits to buy food.

With new payment technologies available and with the growing need for online purchasing options amid the COVID-19 pandemic, it is vital that SNAP benefit delivery evolves to maintain beneficiaries' access to food. We interviewed national SNAP experts, state officials, grocery and food retailer representatives, consumer advocates, and representatives from three SNAP Electronic Benefits Transfer (EBT) processors and related technology companies to understand the current state of the EBT system and how future benefit delivery could be more equitable and inclusive.

OPTIONS FOR MODERNIZING BENEFIT DELIVERY

The current EBT system uses a card that works like a debit card. According to several people we interviewed, it was designed "to ride the commercial rail" so that SNAP transactions would mirror other purchases. The EBT card is generally reliable, secure, and delivers benefits with minimal stigma. As one SNAP EBT expert said, "The technology works. It's just ancient."

With new technologies rapidly emerging, SNAP benefit delivery methods are becoming outdated. We considered several potential technologies for SNAP benefit delivery and evaluated their potential to maintain an efficient, effective, equitable, and inclusive system.

Online purchases. The Food Marketing Institute estimated (before the pandemic had spread to the US) that in five to seven years, up to 70 percent of US consumers will regularly purchase packaged goods online. The COVID-19 pandemic has also highlighted the need for online purchasing options. SNAP users had generally not been able to use their EBT cards online until the pandemic accelerated an online purchasing pilot program, which is now implemented in more than half the states. But equity concerns have emerged: some SNAP recipients lack internet access or live in rural areas that some retailers deem "nondeliverable." Further, SNAP recipients cannot use their benefits to pay delivery fees or service charges.

Mobile payments. Our interviewees widely agreed that mobile payments, including mobile wallets, apps, and point-of-sale systems, are “the future” if SNAP is to keep up with commercial practices. But mobile payment methods’ effectiveness depends on SNAP users owning a smartphone, being comfortable using it, and living in an area with reliable network access, which are not all true for everyone. Mobile payments should be an option, not a requirement.

EMV chip cards. Though EMV chip cards, which are “dipped” rather than swiped, have spread across the US in recent years, they are not considered a meaningful improvement over the current EBT cards. EMV cards are more secure than traditional magnetic stripe cards in part because they require a PIN, but EBT cards already require a PIN, which has kept fraud low. EMV cards are also costlier than EBT cards—replacements typically cost dollars whereas EBT cards cost cents.

Several benefits on one card. For SNAP recipients who receive other types of benefits, such as Social Security, combining those services onto one card would ease checkout processes, but it would require complex coordination across government agencies. Doing so would also not address the stigma some recipients experience when using an EBT card rather than newer technologies.

“As technology advances, it is important for SNAP to advance, too, so we can ensure the same shopping options are available for both non-SNAP and SNAP recipients.”

—US Department of Agriculture Secretary Sonny Perdue

WHAT WILL IT TAKE TO MODERNIZE SNAP DELIVERY?

When SNAP modernized from paper food stamps to EBT cards in the 1990s, equity and inclusive access improved for participants. To ensure future updates maintain those qualities, stakeholders will need to work deliberately and seek input from SNAP recipients. We identified four solutions for policymakers to consider when modernizing SNAP benefits:

1. Lack of competition among EBT processors and dramatically decreased prices for their services have diminished incentives to innovate. If **states revise their procurement criteria for EBT processors to accommodate more competition and SNAP develops a nationwide format for requests for proposals**, states and processors could prioritize the best technology and improve delivery quality.
2. Stakeholders across the board advised that **a one-size-fits-all approach is no longer viable, and processors should offer several ways** for participants to use their benefits.
3. Policymakers should **create guidelines following principles for equity and inclusion** (listed on the first page of this fact sheet) to maximize access to SNAP benefits.
4. Federal and state policymakers should **consider and evaluate new benefit delivery methods and plan pilots with innovative retailers**, similar to the current online purchasing pilot.

Although this study focuses on modernizing SNAP delivery, that goal should be considered in the context of the larger SNAP program. One advocate urged stakeholders to consider the trade-offs in using limited funds to update delivery systems rather than increasing SNAP benefit amounts. Seeking input from SNAP participants could help stakeholders better understand how to best promote equitable and inclusive access to SNAP benefits through new technologies.

This fact sheet draws from the Urban Institute brief “Access for All: Innovation for Equitable SNAP Delivery,” <https://urbn.is/2Bh2FBW>.