

# How Administrative Burdens Are Preventing Access to Critical Income Supports for Older Adults: The Case of the Supplemental Nutrition Assistance Program

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While Social Security provides an income floor, economic insecurity is still a common experience for many older Americans. Approximately 10% of older adults fall below the poverty line, though poverty rates that take into better account the costs of medical care actually place it closer to 15% (U.S. Census Bureau, 2014). Moreover, subgroups face even higher poverty rates. The poverty rate for single older adults is three times as high as for married older adults (U.S. Census Bureau, 2014). Given that many older adults remain so economically vulnerable, it is striking that economic resources to which they could tap are being left on the table. One excellent example of this phenomenon is food stamps, officially titled the Supplemental Nutritional Assistance Program (SNAP), which provides benefits worth ~10% of total income. Only about one third of older adults eligible for the program actually receive benefits as compared to upwards of 80–90% for other eligible groups (Ganong & Liebman, 2013; Haider, Jacknowitz, & Schoeni, 2003; Wolkwitz & Leftin, 2008; Wu, 2009). One of the explanations for this differential is the administrative burdens involved—from difficulties learning of the program to the complex paperwork and documentation needed to apply—in both gaining access to and maintaining eligibility for the program. These burdens fall disproportionately on older adults given their much higher levels

of health and cognitive impairment issues. Thus, a relatively simple way to improve income resources among the poorest older adults is to reduce the administrative burdens in the Supplemental Nutritional Food Assistance Program that may prove particularly problematic for older adults. The magnitude of the gap in take-up for SNAP for older adults as compared to other groups, the relatively straightforward ways it can be addressed, and the resulting potential for improvements in income security, makes access to food stamps a potentially important topic to include as a part of the White House Conference on Aging.

## What is Administrative Burden?

All social welfare programs for which only certain citizens are eligible have administrative burden. Every public program with categorical eligibility (i.e., eligibility is restricted to those with low income, to workers, to children, etc.) requires administrative procedures to ensure only those eligible actually receive benefits. But there is considerable variation across programs in terms of the level of this burden. Table 1 presents the three key components to administrative burden faced by those navigating social welfare policies (Herd, DeLeire, Harvey, & Moynihan, 2013; Moynihan, Herd, & Harvey, 2014). The key challenges

**Table 1.** The Components of Administrative Burden

Type of cost	Application to social policy
Learning costs	Citizens must learn about the program, whether they are eligible, the nature of benefits, and how to access services
Psychological costs	Citizens face stigma of participating in an unpopular program, as well as the loss of autonomy and increase in stress arising from program processes
Compliance costs	Citizens must complete applications and reenrollments, provide documentation of their standing, and avoid or respond to discretionary demands

faced by citizens include things like the need learn about the program, invest time and effort to satisfy procedural requirements, such as documenting income for a program like food stamps, and the potential to experience psychological self-esteem costs in participating, such as the stigma associated with a means test program like food stamps.

In general, administrative burden has been shown to dramatically impact participation in social welfare programs. Compared to the near 100% take-up for a universal programs like Social Security, which has a very low level of administrative burden, estimates of take-up rates by eligible beneficiaries of means-tested programs, which have higher levels of administrative burden, are much lower: 40–60% for Supplemental Social Insurance (Elder & Powers, 2006); two thirds for the SNAP (frequently referred to as food stamps) (Food and Nutrition Service, 2007); and 50–70% for Medicaid (Sommers, Tomasi, Swartz, & Epstein, 2012). Numerous studies have been able to point specifically to specific aspects of burden, such as complicated applications and documentation requirements, to explain these lower take-up rates (Hanratty, 2006; Kabbani & Wilde, 2003; Leininger, Friedsam, Voskuil, & DeLeire, 2011; Ratcliffe, McKernan, & Finegold, 2007; Schanzenbach, 2009; Schwabish, 2012).

### Why is Administrative Burden Especially Problematic for Older Adults?

Administrative burdens are especially problematic for older adults because of their increased risk for disability and cognitive decline—and the degree to which these limitations influence one's ability to navigate these burdens. This may, in part, explain why the take-up rate for SNAP is so much lower for older adults. Approximately one in five older adults have a physical disability that would make it difficult for them to be mobile (Seeman, Merkin, Crimmins, & Karlamangla, 2010). Over 30% of older adults have heart disease and 8% have had a stroke—rates that are 15 and 8 times greater respectively as compared to those aged 18–44 (National Center for Health Statistics, 2014). Moreover, older adults are also at greater risk for cognitive declines. Estimates of mild cognitive impairment

among older adults range from 10 to 20%, but increase as individuals age (Langa et al., 2008; Ritchie, Artero, & Touchon, 2001). Cognitive declines are especially problematic for those needing to navigate complicated administrative procedures and choices when attempting to access, or keep, a social welfare benefit. In general, these kinds of significant health problems make it significantly more difficult to tackle the administrative procedures involved in accessing benefits.

### What Are the Implications of Administrative Burden in the SNAP?

SNAP provides an excellent case to focus on as a potential means to improve access to economic resources for the poorest older adults. Indeed, older adults (those over aged 60) have the lowest take-up rates of any age group. Less than 40% of older adults eligible for SNAP are enrolled in the program compared to upwards of 90% of other age groups (Ganong & Liebman, 2013; Haider, Jacknowitz, & Schoeni, 2003; Wolkwitz & Leftin, 2008; Wu, 2009).

Traditionally called food stamps, this program provides subsidies to beneficiaries to buy food. The average benefit in 2013 was \$148 a month for single individuals. For a married couple, the average benefit was \$265 a month. Given that poverty level income for a married older adults was \$1174 a month, the benefits can constitute a substantial share of one's income. Beneficiaries can qualify as an older adult at age 60 and above. Eligibility rules and rules regarding recertification, that reestablishing eligibility for existing beneficiaries, are different for older adults. In particular, older adults must have an adjusted income below 100% of the poverty line—out of pocket medical costs are one mechanism by which income for eligibility thresholds is adjusted. They also must have assets below \$3250.

The ability to deduct out-of-pocket medical care costs from one's income to qualify for SNAP is especially critical for older adults. Out-of-pocket health care costs have increased by nearly 50% for older adults over the past 10–15 years alone. Moreover, older adults spend around 12% of their income on medical care costs—nearly double that of younger adults. Health costs incurred on average by

older adults are comprised of insurance (64%) for insurance, medical services (16%), drugs (15%), and medical supplies (4%) (Administration on Aging (AoA), 2012).

The evidence regarding the impact administrative burden, or the impact when it's reduced, has had on access to SNAP benefits is significant. In terms of learning costs, about half of eligible nonparticipants for SNAP (Bartlett, Burnstein, & Hamilton, 2004) believe they are not eligible. Surveys of nonparticipants suggest that they would apply for programs if they knew for certain they were eligible (Bartlett et al., 2004). Indeed, a field experiment found that informing individuals about their eligibility for SNAP raised participation rates (Daponte, Sanders, & Taylor, 1999).

Stigma may also play a role in relationship to food stamps. In a survey of likely eligible individuals not receiving food stamp benefits 27% said they would not apply (Bartlett et al., 2004). Why not? Many preferred to not be dependent upon what were seen as government handouts. Many also reported a desire for others not to observe them shopping with food stamps, know they had financial needs, or a desire to avoid going to the welfare office. The expanded use of electronic benefit cards to replace actual food stamps should reduce stigma costs, but there is mixed evidence on whether such cards have increased take-up (Ratcliffe et al., 2007; Schanzenbach, 2009).

What is likely the largest issue with food stamps, however, involves compliance costs. Surveys of nonparticipants in SNAP (Bartlett et al., 2004) found that 40% emphasized the paperwork involved in applying, while another 37% pointed to the difficulty in taking the time to apply given work or familial responsibilities. Among those who actually applied but then dropped out, one quarter indicated that this was because of the burdens in the application process. There is also evidence that efforts to reduce compliance costs increase take-up. States that simplified reporting procedures and required less frequent recertification in SNAP saw an increase in successful claimants (Hanratty, 2006; Kabbani & Wilde, 2003; Ratcliffe et al., 2007).

Similarly, having easy access to application material increases take-up. The availability of electronic applications increased SNAP take-up (Kopczuk & Pop-Eleches, 2007; Schwabish, 2012). Critically, providing application help has been shown to lead to an almost 80% increase in SNAP applications relative to those who were informed they were eligible but given no special assistance (Schanzenbach, 2009).

## What Can Be Done to Reduce Administrative Burden?

The challenges of administrative burden in food stamps influence both one's ability to enroll and one's ability to stay enrolled. In terms of getting individuals enrolled, there could be more systematic efforts to inform older adults who might eligible for these benefits. For example, Social Security has ready access to benefit information for individuals and married couples. If a total family benefit was below the food stamp eligibility criteria, the Social Security Administration (SSA) could mail information on the SNAP program to potentially eligible older adults. Medicare could also play a more active role. Because older adults have such high out-of-pocket medical care costs, and Medicare has information on these costs, they could selectively mail out information on food stamps to individuals with significant health care expenditures. More broadly, public-private partnerships could be enlisted to raise awareness of the program among older adults. For example, SSA could partner with the AARP to help raise awareness. This approach was successful in increasing take-up of the Earned Income Tax Credit (EITC).

Because many older adults lack access to computers or the internet, hands on assistance is most likely to benefit them in the actual application process (Mills et al., 2014). Currently, SSA offices can accept SNAP applications and provide assistance to those eligible for the Supplemental Security Income (SSI) program, but cannot help those ineligible for SSI. SSA offices could expand assistance to those with incomes above the SSI eligibility level. This could be important because these individuals may face the highest levels of administrative burden because of the need to document things like high out-of-pocket medical costs to ensure benefit receipt. All older adults should be able to apply at their local SSA offices where they could receive assistance with the application and documentation.

In terms of keeping older adults enrolled, one key barrier is the need to recertify to continue receiving benefits. Though recertification for benefits only happens every 12–24 months for older adults, as compared to 6–12 months for other age groups, it causes significantly more problems for older adults. Indeed the fraction of older adults who are temporarily removed from food stamps during the process of recertification is 30% higher than any other group of eligible beneficiaries (Mills et al., 2014). Given that income and family situations for older adults tend to be relatively stable, one could further lengthen the period between recertification beyond 24 months. In addition, the state could simply auto reenroll individuals with very low incomes—who for example, are receiving SSI income.

## Conclusion

Improving social welfare policy supports need not always involve new programs or changes in benefits or eligibility guidelines. Given the numbers of eligible individuals who fail to receive social welfare policy benefits, a viable and straightforward path is to simply improve enrollment in existing programs. Reducing the administrative burden associated with applying for—and maintaining—benefits is an empirically validated approach to doing this. Given that addressing issues of economic insecurity among older adults is a goal of the White House Conference on Aging, it makes sense to have a thorough discussion of SNAP, including the administrative burdens which, given older adults' greater propensity to have health problems and cognitive impairments, makes them disproportionately less likely, compared to other eligible groups, to take up these benefits.

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