

## **Cash vs. Food? How Does Food Stamp Eligibility Affect Food Stamp Enrollment and Food and Health Outcomes of SSI Recipients?**

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### **Key Findings and Policy Implications**

When the government began the SSI program in 1974, states had the option to make SSI recipients categorically eligible for Food Stamps (now known as Supplemental Nutrition Assistance) or to instead provide additional cash in the SSI grant. This paper examines the effect of the cash out option on recipient wellbeing. It uses data from several sources, including survey data on beneficiaries of SSI and its precursor programs, Food Stamp quality control administrative data, hospital-discharge data, and data on program use from the state of California. The paper finds that:

- The implementation of SSI in 1974 led to a more than 40 percentage point reduction in the percent of elderly and disabled welfare recipients receiving Food Stamps in the five cash-out states— California, Massachusetts, Nevada, New York, and Wisconsin.
- SSI recipients in cash-out states who lost Food Stamp eligibility experienced a significant increase in food insecurity, despite an offsetting increase in their SSI cash benefits.
- When Wisconsin discontinued the cash out option in 1992, and Food Stamp use increased, there is suggestive evidence that hospitalizations for food-related diagnoses went down among the low-income elderly population that was likely to be eligible for SSI.
- When California, the last state to use the cash out option, discontinued it in 2019, and made SSI recipients eligible for Supplementary Nutrition Assistance for the first time, preliminary findings suggest that county offices that used more types of outreach and more accommodations saw a greater increase in applications for Supplemental Nutrition Assistance.

There is an active policy debate about whether recipients view food benefits in the same way as cash, or differently, and how each form of assistance affects wellbeing. The findings of this study suggest that access to food benefits, rather than higher cash benefits, matters for SSI recipients. This study informs the evaluation of SSDI program design by demonstrating the mortality implications of SSDI income, and its context in extending benefits to an economically disadvantaged population of recipients.

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