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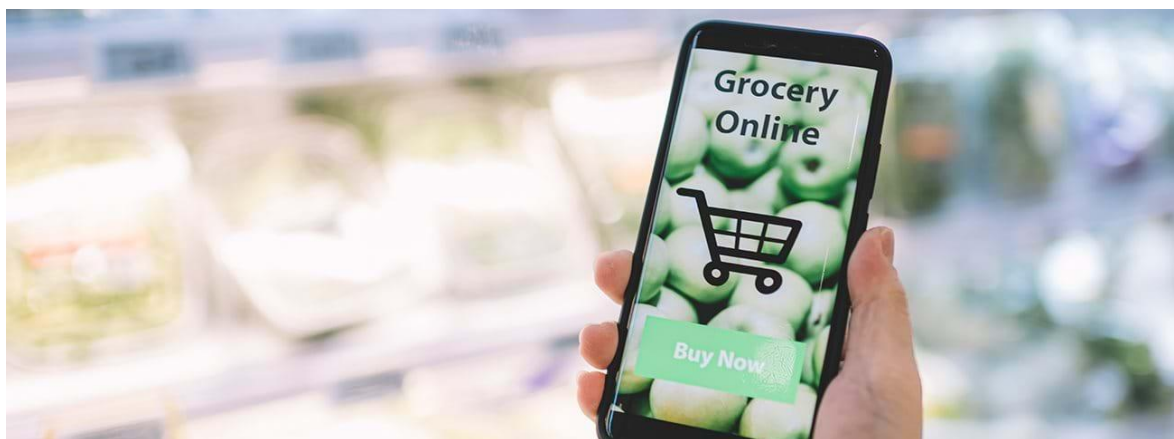
Amber Waves

Finding: Supplemental Nutrition Assistance Program (SNAP)

July 06, 2021

Online Supplemental Nutrition Assistance Program (SNAP) Purchasing Grew Substantially in 2020

by Jordan W. Jones (/authors/ers-staff-directory/jordan-jones/)

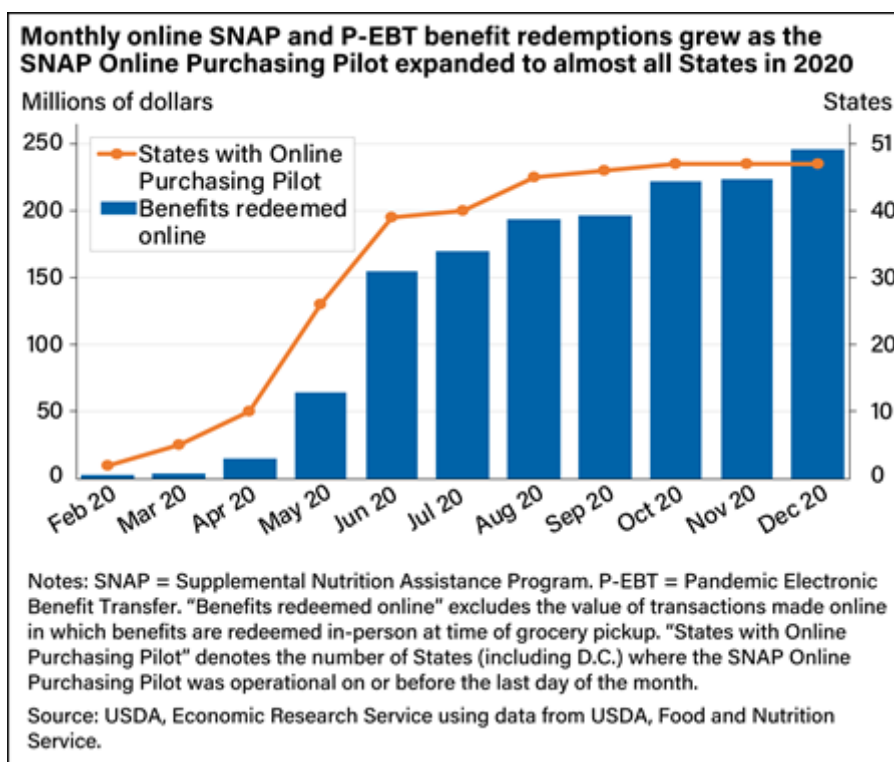


The Supplemental Nutrition Assistance Program (SNAP) Online Purchasing Pilot allows households in participating States to use their SNAP benefits to purchase groceries online from authorized, participating retailers. The pilot was mandated by the 2014 Farm Bill and was intended to test the feasibility of safe and secure online SNAP benefit redemptions. Online transactions are subject to the same requirements as in-person benefit transactions. Benefits can only be spent on food at home and cannot be used for additional expenses tied to online grocery shopping, such as tips or fees. Online SNAP grocery purchases can be delivered or picked up onsite like other online grocery purchases.

The USDA, Food and Nutrition Service (FNS) originally selected eight States to participate in the SNAP Online Purchasing Pilot in coordination with selected retailers and State agencies. The pilot initially launched in New York State in April 2019. It expanded next to Washington in January 2020, followed by Alabama, Oregon, and Iowa in early March 2020 and Nebraska on April 1, 2020. In response to the onset of the Coronavirus (COVID-19) pandemic and the need for social distancing, FNS worked with States and retailers to rapidly expand the pilot to additional States, providing access to more recipients of SNAP and Pandemic Electronic Benefit Transfer (P-EBT) — a program providing benefits spent much like SNAP to households with children missing in-person free or reduced-price school meals. From March to June 2020, the pilot grew quickly from five States to 39 (including Washington, DC). More than 90 percent of SNAP participants were estimated to live in States that had implemented the pilot by June. By the end of 2020, the pilot was live in 47 States (including Washington, DC). Online SNAP purchasing later became available in Maine in March 2021. Three remaining States (Alaska, Louisiana, and Montana) have yet to implement the pilot as of June 2021.

As access to the pilot expanded over 2020, so did use of online SNAP purchasing. In February 2020, the earliest month for which data are available, households redeemed less than \$3 million in SNAP benefits online, accounting for less than 0.1 percent of all benefits redeemed that month. This value grew especially rapidly through June 2020, when online SNAP and P-EBT redemptions totaled \$154 million, or 1.6 percent of total redemptions. Online redemptions grew each subsequent month through December 2020 to \$246 million — 86 times the value in February. In addition to expanding access to the pilot, this growth reflects other factors, such as changing demand for online grocery purchasing caused by the pandemic. Despite this rapid growth, online redemptions still made up a small share compared to in-store redemptions —

only 3.0 percent of the total \$8.1 billion in benefits redeemed in December 2020. Overall, households redeemed \$1.5 billion in benefits online from February to December 2020.



This article is drawn from...

COVID-19 Working Paper: Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer Redemptions during the Coronavirus Pandemic (/publications/pub-details/?pubid=100819), by Jordan W. Jones, ERS, March 2021

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