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COVID-19 Working Paper: Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer Redemptions during the Coronavirus Pandemic

Jordan W. Jones

Abstract

The coronavirus (COVID-19) pandemic led to an economic contraction in the United States in 2020, predictably leading to an increase in the dollar amount of food assistance benefits issued to households. Previous economic downturns provide limited precedent to understand the growth in food assistance benefits during this pandemic, especially considering the speed of the economic contraction and the policy responses to the COVID-19 pandemic. To quantify part of the growth in food assistance benefits, this analysis explores monthly patterns in combined Supplemental Nutrition Assistance Program (SNAP) and Pandemic Electronic Benefit Transfer (P-EBT) redemptions through September 2020, compares these patterns with recent years, and explores changes in the types of food retailers at which redemptions are made. This analysis uses 2017-20 data from the Food and Nutrition Service's (FNS) Store Tracking and Redemption System (STARS) on the monthly value and store type of SNAP and P-EBT benefit redemptions, as well as data from the Economic Research Service's (ERS) Food Expenditure Series on the value of food-at-home expenditures. Overall, an average of \$8.4 billion in combined SNAP and P-EBT benefits were redeemed per month during the 6-month period of April through September 2020—an increase of 86.4 percent compared to the same period in 2019. These benefits accounted for an average of 11.7 percent of expenditures on food at home during the April-September 2020 period—an increase of 72.1 percent compared to the same period in 2019. The share of benefits redeemed at super stores increased, while the share of benefits redeemed at other store types decreased relative to previous years. The value of benefits redeemed online also grew quickly, from \$2.9 million in February 2020 to \$196.3 million in September 2020. By September, online redemptions accounted for 2.4 percent of the total value.

About the Author

Jordan W. Jones is a research agricultural economist in the Food Assistance Branch, Food Economics Division, of the Economic Research Service, U.S. Department of Agriculture.

This paper has been published through ERS' COVID-19 Working Paper series. This temporary Working Paper series is designed to publicly release preliminary analyses relevant to the impacts of the COVID-19 pandemic on agriculture, food, the environment, and rural America in a timely manner. ERS' COVID-19 Working Papers have not undergone the review and editorial process generally accorded official ERS publications, but they have been reviewed by ERS economists and social scientists through an expedited review process. The findings and conclusions in this COVID-19 Working Paper are those of the author(s) and should not be construed to represent any official USDA or U.S. Government determination or policy.

Keywords: COVID-19, coronavirus, pandemic, Supplemental Nutrition Assistance Program, SNAP, Pandemic EBT, P-EBT, electronic benefit transfer, emergency allotments, food and nutrition assistance programs, redemptions, benefits, food retail, groceries, online grocery shopping, super stores, supermarkets, convenience stores, U.S. Department of Agriculture, USDA, Economic Research Service, ERS

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Summary

What Is the Issue?

The ongoing coronavirus (COVID-19) pandemic led to an economic contraction in the United States in 2020, resulting in loss of employment and income among many U.S. households, higher food prices, and other challenges to food access. As in previous economic downturns, this has resulted in an increase in the dollar amount of benefits issued by food assistance programs administered by the U.S. Department of Agriculture (USDA). Unlike previous downturns, USDA responded to the pandemic, as allowed by law, in several new ways. These include:

- Approving States to issue emergency Supplemental Nutrition Assistance Program (SNAP) allotments, which increase household benefits to the maximum amount allowed.
- Approving States to issue emergency nutrition benefits through Pandemic Electronic Benefit Transfer (P-EBT) to households with children that lost access to free or reduced-price school meals because of school closures.
- Expanding access to purchasing food online with SNAP benefits.
- Approving States to adjust SNAP administrative requirements.

Limited precedent is available to understand the growth in food assistance benefits redeemed during the pandemic. To quantify part of this growth, this analysis explores monthly patterns in combined SNAP and P-EBT redemptions through September 2020. The analysis compares these patterns with recent years and explores variations in the types of food retailers where redemptions were made. Data availability, as well as additional changes to SNAP and P-EBT benefits after September 2020, means that this study's findings are a partial snapshot of a still-evolving situation.

What Did the Study Find?

- An average of \$8.4 billion in combined SNAP and P-EBT benefits were redeemed per month during April through September 2020—an increase of 86.4 percent compared to the same 6 months in 2019.
- Redeemed benefits accounted for an average of 11.7 percent of expenditures on food at home (FAH) from April through September 2020—an increase of 72.1 percent compared to the same 6 months in 2019.
- Redemptions increased similarly at super stores, supermarkets and grocery stores, and convenience and combination grocery stores in 2020.
- The share of benefits redeemed at super stores increased, and redemption shares at other store types decreased during the pandemic, relative to 2019.
- The value of benefits redeemed online grew quickly as the SNAP Online Purchasing Pilot was expanded to more States—from \$2.9 million in February 2020 to \$196.3 million in September 2020. By September, online redemptions accounted for 2.4 percent of the total.

How Was the Study Conducted?

This analysis is based on data from the Food and Nutrition Service’s Store Tracking and Redemption System (STARS) from January 2017 through September 2020 and examines changes in the dollar value of SNAP and P-EBT benefits redeemed. STARS data include monthly redemption totals as well as subtotals for different retail store types. Calculations of redemptions as a share of total food-at-home expenditures also use monthly sales estimates from the USDA, Economic Research Service (ERS) Food Expenditure Series, which measures the value of food acquired in the United States by product type, outlet, and purchaser.

Introduction

The ongoing coronavirus (COVID-19) pandemic led to an economic contraction in the United States, resulting in loss of employment and income among many U.S. households. In previous economic downturns, participation in safety net programs and expenditures tied to those programs typically increased. But unlike previous downturns, the unemployment rate increased very sharply due to COVID-19 and associated shutdowns. Unemployment rose from 3.5 percent in February 2020 to 14.7 percent in April 2020. The rate then fell each subsequent month but remained above pre-pandemic levels at 6.7 percent in November and December 2020 (BLS, 2021). Early estimates suggest large increases in food insecurity and food hardship during the pandemic, especially among low-income households (Ahn and Norwood, 2020; Gundersen et al., 2020; Ziliak, 2020). Accordingly, participation in safety net programs increased during the pandemic.

The food assistance programs administered by the U.S. Department of Agriculture (USDA) comprise an important part of the safety net. USDA's cornerstone program is the Supplemental Nutrition Assistance Program (SNAP), which provides benefits to low-income households to spend on "food at home"¹ (FAH) from authorized retailers. SNAP eligibility and benefit size are based on household income—indicating that SNAP participation, average household benefit size, and overall program expenditures are expected to increase during the pandemic. As of December 2020, the USDA, Food and Nutrition Service (FNS), which administers SNAP at the Federal level, reported that SNAP participation increased 16.6 percent from February to April 2020—from 36.9 million to 43.0 million people—and monthly benefits issued increased 74.8 percent from \$4.5 billion to \$7.8 billion (FNS, 2020a).²

¹ FAH includes most types of purchased foods intended for preparation and consumption at home. FAH excludes food from restaurants, hot foods, prepared foods intended for consumption on-site, alcohol, and nonfood items.

² As of December 2020, FNS data is only available through April 2020. The preliminary April participation and issuance reported here are likely high because FNS has indicated that some States combined P-EBT and SNAP in their monthly reporting. FNS is currently working with States to clarify reporting guidance for P-EBT to correct these issues and will require States to revise prior month reporting to correct errors.

SNAP and other food assistance programs were a major focus of the initial Federal pandemic response. The Families First Coronavirus Response Act (FFCRA) authorized USDA to implement several temporary changes, including:

- Granting waivers to States allowing issuance of emergency SNAP allotments, bringing all households up to the maximum allowed benefit for their household size. If demographic trends from FY 2019 hold, roughly 64 percent of SNAP households are expected to have received supplemental emergency allotments in 2020 (FNS, 2020b). USDA estimated in April 2020 that emergency allotments represented a 40-percent increase in the dollar value of monthly SNAP benefits (USDA, 2020b). Thirty-three States, the District of Columbia, and Guam supplemented March benefits by issuing emergency allotments, and almost all States supplemented benefits from April to December 2020.³ States typically issued allotments in the same month or the following month of the benefits they were designated to supplement.⁴
- Approving States to administer Pandemic Electronic Benefit Transfer (P-EBT). Through P-EBT, benefits were issued to SNAP and non-SNAP households with children that lost access to free or reduced-price (FRP) school meals because of school closures. To rapidly implement P-EBT, States issued benefits through existing SNAP electronic benefits transfer (EBT) systems. All States, the District of Columbia, and the Virgin Islands provided P-EBT benefits to households with children missing FRP school meals during the 2019-20 school year. Some States started issuing benefits as early as April 2020 and others as late as August. Eighteen States, the District of Columbia, and the Virgin Islands provided P-EBT benefits to households with children missing FRP school meals in August and September 2020. As of December, Massachusetts was the first State approved to provide P-EBT benefits to households with students missing FRP school meals for the rest of the 2020-21 school year.⁴

³ Wisconsin did not issue an emergency allotment supplementing June 2020 SNAP benefits, and Nebraska did not issue allotments supplementing benefits in August, September, or October 2020.

⁴ Details about State emergency allotment waivers, implementation of P-EBT, the ABAWD time limit suspension, and other State waivers can be found on the FNS website.

- Suspending the time limit on able-bodied adults without dependents (ABAWDs) who do not meet work requirements to receive SNAP for only 3 out of every 36 months. Prior to the pandemic, this limit remained in place in some States and was waived in others. The time limit suspension does not apply if a State offers an ABAWD a position in a work or workfare program.⁴
- Granting waivers to States to allow flexibility in SNAP administration to help their agencies meet increasing caseloads while supporting social distancing. Major adjustments included: reduced interview requirements, extended certification periods, waived periodic reports for some households, allowed signatures to be done by telephone, adjusted timeframes to manage claims against households and fair hearings, and adjusted quality control interview and reporting requirements.⁴

USDA responded to the pandemic by expanding the SNAP Online Purchasing Pilot, mandated by the Agricultural Act of 2014, to additional States. This program allows SNAP households to use benefits to purchase groceries online with selected retailers for curbside pickup or delivery. The pilot began in April 2019 in New York, with Washington following in January 2020, and three other States in March 2020. USDA expanded the pilot to additional States to support social distancing during the pandemic. By May 20, 2020, pilots operated in 18 States and the District of Columbia, with expansions underway in 18 more States (USDA, 2020a). As of December 2020, 46 States and the District of Columbia had pilots in place.⁵ Either Amazon or Walmart (or both) accept online SNAP payments in participating States. The number of other participating retailers is limited but growing.⁶

The sharp economic downturn, combined with expanded food assistance programs during the pandemic, has resulted in growth in the value of SNAP benefits received and redeemed. However, the amount of growth in SNAP and P-EBT benefits, and the projected speed of growth, is not well understood due to the unprecedented nature of the COVID-19 pandemic. For instance, the expansions to food assistance programs described earlier occurred at the same time the Coronavirus Aid, Relief, and Economic Security Act expanded unemployment benefits—which may have tempered increases in SNAP caseloads and benefits. Further, pandemic conditions may prompt changes in where benefits are redeemed. One potential change includes redeeming benefits online

⁵ Nonparticipating States include Alaska, Louisiana, Maine, and Montana.

⁶ Details about the Snap Online Purchasing Pilot can be found on the FNS website.

during the pandemic, which became possible in 2020 for the first time for most SNAP recipients. This analysis uses information available as of December 2020 about the dollar value of SNAP and P-EBT redemptions to examine patterns in total redemptions and redemptions by retail store type during the pandemic, to compare these patterns to those of prior years, and to quantify the growth in redemptions.

Data Examined in This Report

This analysis used data on total SNAP and P-EBT benefits redeemed in each month from January 2017 to September 2020. Monthly redemption values were collected from the Food and Nutrition Service's Store Tracking and Redemption System (STARS). Monthly data from the years 2017 to 2019 were summarized as averages of the benefits redeemed in the corresponding month in each year (e.g., January 2017-2019 average redemption value was calculated as the average of January 2017, January 2018, and January 2019). September 2020 was the latest month for which final data were available, as of January 2021.

Because States issued P-EBT benefits through the same EBT systems used to deliver SNAP benefits, SNAP redemptions cannot be distinguished from P-EBT redemptions after some States started issuing P-EBT in April 2020.⁷ This analysis refers to both SNAP and P-EBT redemptions as “redemptions” unless otherwise noted.

STARS tracks redemptions by date and the store at which they occur. The values of redemptions used in this analysis were aggregated to the monthly level and to 1 of 17 types of stores. Store types were combined into five categories (combining similar store types) to facilitate comparison of redemption patterns over time. Categories are as follows:

⁷ Separately tracking SNAP and P-EBT redemptions made by households receiving both benefits is impossible in “redemption-side” or “transaction-side” data, since these benefits are issued to and spent from the same accounts. These programs’ benefits can be separated in “issuance-side” data, which FNS frequently releases. As of December 2020, this data is publicly available through April 2020 on the FNS website.

- Super stores⁸
- Supermarkets and grocery stores⁹
- Convenience and combination grocery stores¹⁰
- Online¹¹

⁸ STARS designates the “Super Store/Chain Store” store type as including “very large supermarkets, ‘big box’ stores, super stores and food warehouses primarily engaged in the retail sale of a wide variety of grocery and other store merchandise,” “large food/drug combo stores and mass merchandisers under a single roof, and membership retail/wholesale hybrids offering a limited variety of products in a warehouse-type environment.”

⁹ This category combines the STARS-designated store types of “Supermarket,” “Large Grocery Store,” “Medium Grocery Store,” and “Small Grocery Store.” These include “establishments commonly known as supermarkets, food stores, grocery stores, and food warehouses primarily engaged in the retail sale of an extensive variety of grocery and other store merchandise;” stores that carry “a wide selection of all four staple food categories” (i.e., vegetables or fruits; meat, poultry, or fish; dairy products; and breads or cereals); stores that carry “a moderate selection of all four staple food categories;” and stores that carry “a small selection of all four staple food categories.” These stores “may sell ineligible items as well, but their primary stock is food items.”

¹⁰ This category combines the STARS-designated store types of “Convenience Store” and “Combination Grocery/Other.” These types include “self-service stores that offer a limited line of convenience items,” “are typically open long hours,” and are “primarily engaged in retail sale of a variety of canned goods, dairy products, pre-packaged meats and other grocery items in limited amounts” as well as “a large variety of ineligible products;” and stores whose “primary business is sales of general merchandise but also sell a variety of food products,” including “independent drug stores, dollar stores, and general stores.”

¹¹ STARS designates the “Internet Retailer” category as including all redemptions made through online retail stores, regardless of brick-and-mortar store type or method of grocery delivery (i.e., picked up by the customer at a brick-and-mortar store or delivered to a customer’s home). Benefits redeemed at retail businesses with both online and brick-and-mortar store(s) are associated solely with this category if they are redeemed online or solely with the other corresponding category if they are redeemed at a brick-and-mortar store. Redemptions do not include additional delivery or pickup fees, which cannot be paid with SNAP benefits. Some retailers offer online ordering of groceries and allow payment with SNAP benefits at the time of pickup; these redemptions are not included in this category. Data for online redemptions is only available for February 2020 and later months.

- Other (non-online)¹²

In conjunction with STARS data, this analysis used monthly estimates of the value of FAH expenditures from the Food Expenditure Series estimates produced by the ERS. Estimates represent the value of nominal FAH sales (including taxes and tips) in the United States for each month through October 2020.¹³ An estimate of the percentage of FAH expenditures that were attributable to redemptions was calculated as the value of total monthly redemptions divided by monthly FAH expenditures.¹⁴

This information was used to construct the figures in the following section and is available in the appendices.

¹² These retailers include the STARS-designated store types of “Direct Marketing Farmer,” “Delivery Route,” “Farmers’ Market,” “Military Commissary,” “Non-Profit Food Buying Cooperative,” “Specialty Food Store – Bakery/Bread,” “Specialty Food Store – Fruits/Vegetables,” “Specialty Food Store – Meat/Poultry Products,” and “Specialty Food Store – Seafood Products.”

¹³ Previous monthly estimates are revised as needed. The estimates used for this analysis are current as of December 2020.

¹⁴ Though almost all benefits were redeemed on FAH in 2020, not all were. Some states received waivers to temporarily allow SNAP and Disaster SNAP benefits to be redeemed on hot or prepared foods in some areas. These waivers were typically issued in response to disasters like hurricanes or wildfires. This percentage can therefore be interpreted as an upper bound.

The growth of nationwide redemptions during the pandemic through September 2020 is presented in several ways:

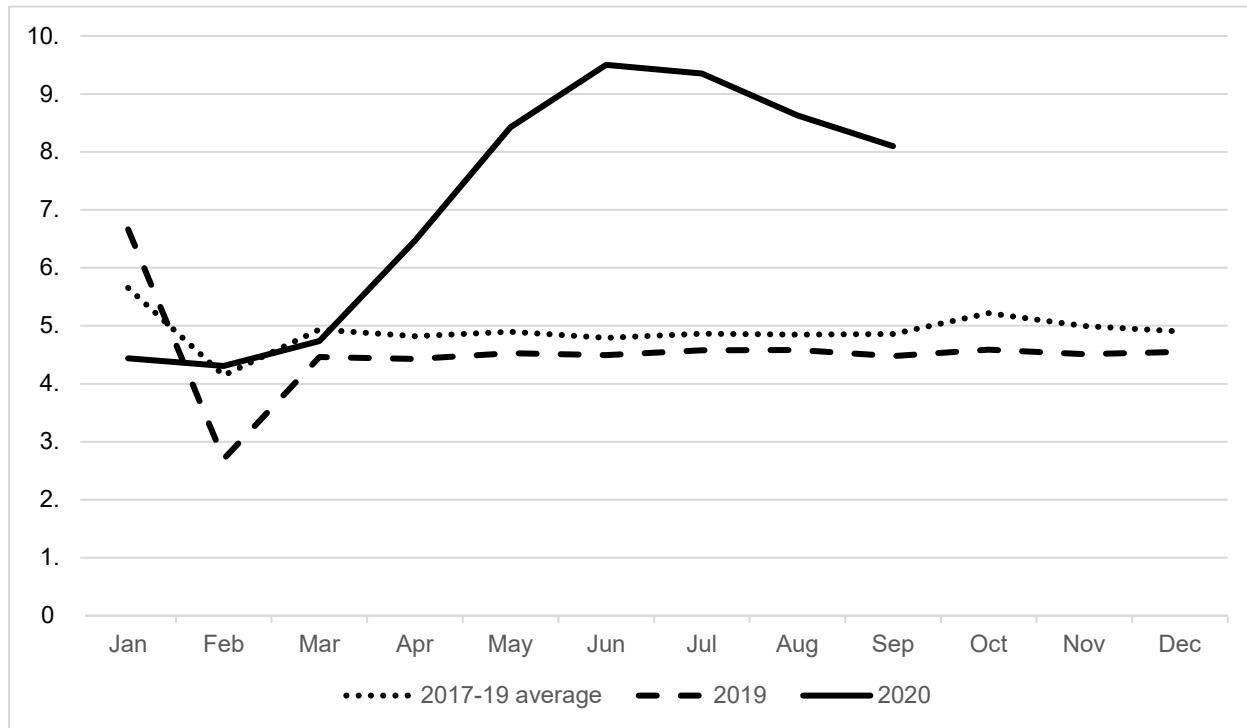
- Total monthly redemptions in 2020 are plotted and compared to patterns in recent years.
- Monthly redemptions as a percentage of total FAH expenditures in 2020 are plotted to illustrate how a growing proportion of these expenditures are due to SNAP and P-EBT.
- Redemptions at major food retail store types are plotted, and these store types' redemption shares are compared to those in previous years.
- Online redemptions are plotted beginning in February 2020.

Growth in Total Redemptions

Figure 1 shows the dollar value of total monthly redemptions in 2020, alongside redemptions in 2019 and average monthly redemptions from 2017 to 2019. Overall, the value of redeemed benefits decreased in each of the 3 years preceding 2020. On average, \$4.9 billion in benefits were redeemed per month in 2017-19, and \$4.5 billion were redeemed per month in 2019. Monthly redemptions in the 3 years prior to 2020 are relatively evenly distributed month-to-month, with two exceptions. Average redemptions were higher in January 2017-19 and lower in February due to a partial Federal Government shutdown in 2019 shifting February's issuance to January in that year.

Figure 1
Monthly redemptions, January 2017-September 2020

Billions of dollars



Note: Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions. The 2017-19 average refers to the average of the value in the corresponding 33 months across the years 2017-19; e.g., the January 2017-19 average is the average of values in January 2017, 2018, and 2019.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service Store Tracking and Redemption System.

Prior to the pandemic's start in January and February 2020, the value of total redemptions followed 2019's relatively flat pattern, decreasing slightly to about \$4.3 billion in February. Redemptions increased in March, April, May, and June with particularly large increases from March to April of about \$1.7 billion; April to May of \$2.0 billion; and May to June of \$1.1 billion. In June, the value of benefits redeemed reached a high of \$9.5 billion—just over twice the value of redemptions in March. Redemptions then fell in each of the next 3 months, totaling \$8.1 billion in September. This \$1.4 billion decline from June to September was also large but represented only 29.4 percent of the increase from March to June. Overall, the value of benefit redemptions was much higher during the 2020 pandemic period than in corresponding periods in recent years. Monthly redemptions in April through September 2020 averaged \$8.4 billion—73.6 percent higher than the monthly average of \$4.8 billion during the same period in 2017-19 and 86.4 percent higher than the monthly average of \$4.5 billion during the same period in 2019.

Likely Reasons for Growth in Total Redemptions

The increase and subsequent decline in benefits redeemed during the pandemic through September 2020 were large relative to recent levels and historical changes. This is likely due to three major changes in the food assistance landscape in 2020.¹⁵

The first major change was that SNAP participation increased during the pandemic. Preliminary data from FNS indicates that SNAP participation increased 16.6 percent from February to April 2020, though this data may combine SNAP and P-EBT participation in some States in April (2020a).² SNAP participation likely increased for several reasons. More households likely became eligible through the loss of income (especially early in the pandemic as unemployment spiked) or the suspension of able-bodied adult without dependents (ABAWD) recipient time limits in some areas. Emergency allotments raised the monthly SNAP benefits for many households, potentially incentivizing eligible households to apply for benefits. Temporarily reduced administrative requirements also reduced the time required to apply, which may have similarly incentivized eligible households to apply.

Second, SNAP allotments also increased. This increase would typically occur during economic downturns for households whose net income falls, qualifying them for an increased SNAP benefit. However, the implementation of emergency allotments—disbursed monthly in almost all States beginning in March and April—raised allotments to the maximum allowed, regardless of net income. More households receiving larger allotments equates to higher issuance and redemption of SNAP benefits.

Third, a significant portion of the growth in redemptions was likely due to the introduction of P-EBT although no data available as of the writing of this report in January 2021 allows for measurement of the value of P-EBT

¹⁵ The individual importance of each factor in the growth of the dollar amount of benefits redeemed cannot yet be fully determined due to data availability.

benefits or redemptions distinct from SNAP.¹⁶ Most growth attributable to P-EBT likely reflects a substitution from one kind of food assistance benefit (the value of FRP school meals missed due to school closures) to another. It is also possible the number of households qualifying for FRP meals—and therefore P-EBT—increased during the pandemic. The timing of States’ P-EBT disbursements corresponds with the increase in benefits from April through June 2020. Michigan was the first State to begin P-EBT disbursements for the 2019-20 school year in mid-April, and most States began disbursements by the end of May. P-EBT benefits were paid in a lump sum over several weeks in most States (Bauer et al., 2020). This timing may explain some portion of the increase in redemptions beginning in April 2020, as the value of redemptions in previous months only included SNAP.

It is unclear whether redemptions will continue to decline in October 2020 and subsequent months. SNAP participation may have fallen as the economy recovered. The unemployment rate fell to 6.7 percent in November 2020, but unemployment remained at 6.7 percent in December 2020, suggesting slowed economic recovery (BLS, 2021). Increases in the maximum SNAP allotment in October (a 5.3 percent cost of living increase) and December 2020 (a temporary 15 percent increase over June 2020 benefit levels, mandated by the Consolidated Appropriations Act, 2021) increased the average household benefit and likely increased the total dollar value of redemptions. P-EBT benefits issued for households missing school meals in August and September also likely increased total redemptions after September. The net effect may be an increase, decrease, or stabilization in the value of benefits redeemed.

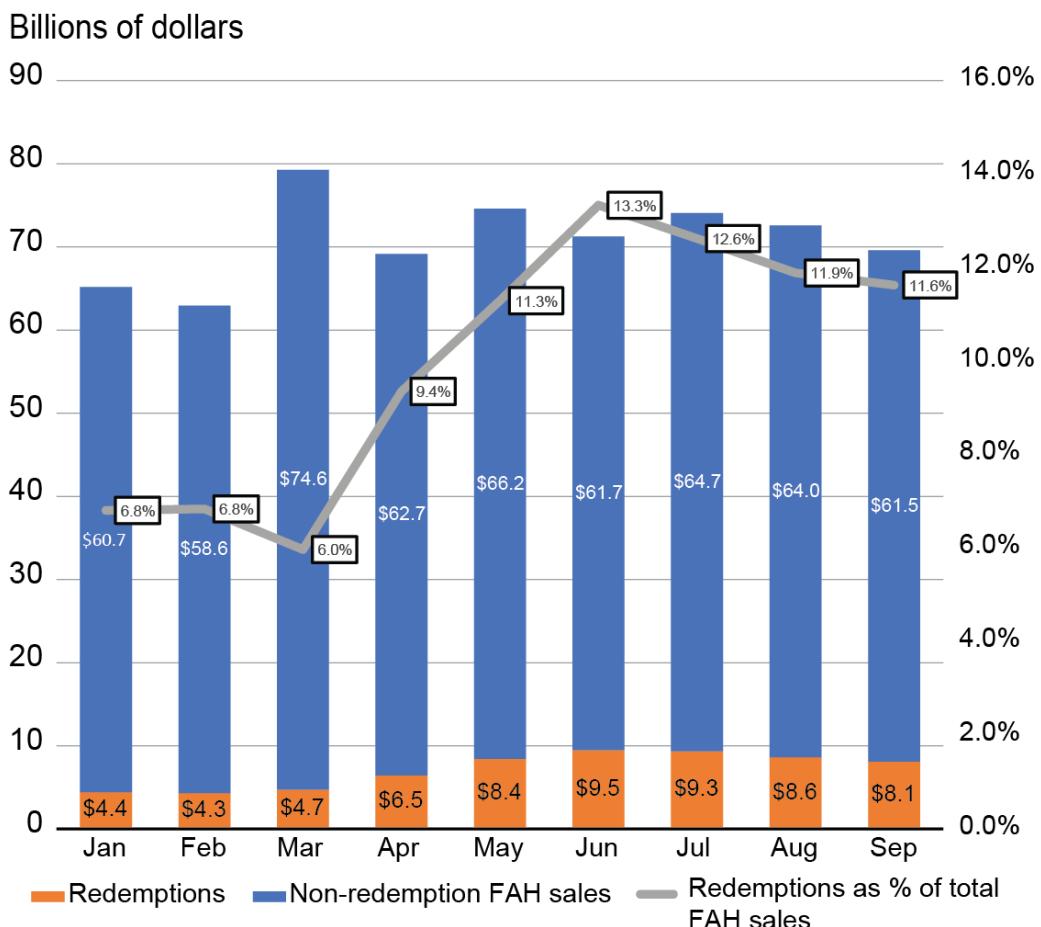
¹⁶ This analysis refrains from estimating the value of P-EBT benefits issued due to the presence of several complicating factors. These factors include the extended timeline over which different States began issuance, the requirement for non-SNAP households to apply for benefits as opposed to SNAP households which received benefits automatically, the different times at which state and school closures occurred, and other decisions made in P-EBT’s administration at the State level.

Growth in Redemptions as a Share of Expenditures on FAH

Figure 2 shows monthly FAH expenditure estimates for January through September 2020 subdivided into estimates of the amounts attributable to SNAP and P-EBT redemptions or non-redemption sources. Figure 2 also shows the percentage of total FAH expenditures attributable to redemptions.

Figure 2

Monthly redemptions as a percentage of food-at-home expenditures, January- September 2020



Note: Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions. FAH = food-at-home. FAH and food expenditures include nominal FAH sales (including taxes and tips) and exclude FAH acquisition from home production and donations.

Source: USDA, Economic Research Service using data from USDA Food and Nutrition Service Store Tracking and Redemption System and Economic Research Service Food Expenditure Series.

Average redemptions and total FAH expenditures in January and February were close to 2019 levels. FAH expenditures in these months totaled \$65.2 billion and \$62.9 billion, respectively, with redemptions accounting for about 6.8 percent of expenditures. In March, as various State and local shutdowns and stay-at-home orders began, FAH expenditures spiked to \$79.3 billion. The percentage of FAH expenditures attributable to redemptions in March fell to 6.0 percent, which reflects the fact that FAH expenditures initially grew more quickly than redemptions. Redemptions began increasing more rapidly in April when many households began receiving emergency SNAP allotments and P-EBT issuance began in some States. Monthly FAH expenditures remained relatively high from April through September, averaging \$71.9 billion. The percentage of expenditures attributable to redemptions grew quickly, from 6 percent in March to 13.3 percent in June—nearly double the percentage in February. As redemptions fell from June through September, so did the share of FAH expenditures attributable to redemptions. By September, this percentage was 11.6 percent, and the rate of decline was slowing.

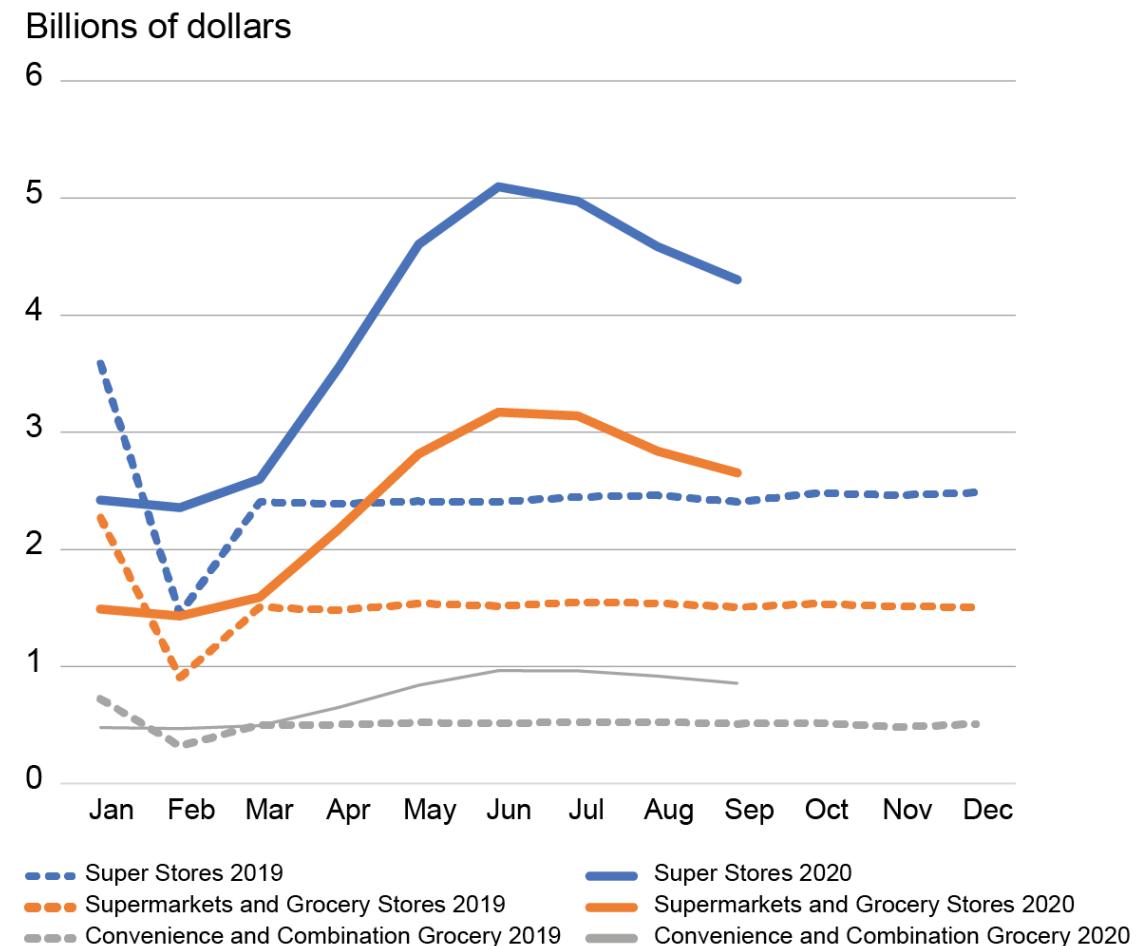
Overall, SNAP and P-EBT appear to have played a larger role in providing qualifying households with resources to purchase food during the pandemic. From April through September 2020, the share of FAH expenditures attributable to redemptions was 11.7 percent. This share was 6.8 percent for the same months in 2019—a 72.1 percent increase (or a 4.9 percentage point increase). As with the value of redemptions, it is unclear how the share of FAH expenditures attributable to redemptions changed beyond September 2020. Its direction depends on changes in FAH expenditures (e.g., due to changing pandemic conditions or economic recovery) and in total redemptions.

Growth in Redemptions at Different Retail Store Types

Figure 3 shows monthly redemptions in 2019 and 2020 separately for super stores, supermarkets and grocery stores, and convenience and combination grocery stores—the top three subcategories accounting for more than 98 percent of benefit redemptions in 2019.

Figure 3

Monthly redemptions by store type, January 2019-September 2020



Note: Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions. See Data section for definitions of the different store types.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service Store Tracking and Redemption System.

The value of benefits redeemed at each category of retailers displayed patterns of change similar to total redemptions in 2019 and through September 2020: Redemptions remained relatively consistent in 2019, trended upward in the first 2 months of 2020, and greatly increased from March through June 2020 before decreasing through September 2020. Specifically:

- Super store redemptions averaged about \$2.4 billion per month in April through September 2019 and increased to about \$4.5 billion per month for the same period in 2020—an increase of 86.7 percent. Monthly super store 2020 redemptions peaked at \$5.1 billion in June.
- Supermarket and grocery store redemptions averaged about \$1.5 billion per month in April through September 2019 and increased to about \$2.8 billion per month for the same period in 2020—an increase of 83.99 percent. Monthly supermarkets and grocery stores 2020 redemptions peaked at \$3.2 billion in June.
- Convenience and combination grocery store redemptions averaged about \$520 million per month in April through September 2019 and increased to about \$870 million per month for the same period in 2020—an increase of 67.4 percent. Monthly convenience and combination grocery store 2020 redemptions peaked at \$970 million in June.

Other (non-online) redemptions are excluded from figure 3, but these followed similar patterns of change. Store redemptions averaged about \$53 million per month in April through September 2019 and increased to about \$95 million per month for the same period in 2020—an increase of 78.3 percent. Monthly redemptions in this category peaked at \$111 million in June 2020.

Pandemic conditions likely affected where households shopped—and subsequently redeemed benefits—in several ways. Many stores were temporarily out of stock of common goods, and households were encouraged to make fewer shopping trips in order to socially distance. During the pandemic, slight changes occurred in the distribution of stores at which benefits were redeemed. Specifically, from April to September, these changes occurred in the average share of benefits redeemed:

- Super stores' redemption share increased by 0.2 percentage points from 53.6 percent in 2019 to 53.8 percent in 2020.
- Supermarkets and grocery stores' redemption share decreased by 0.4 percentage points from 33.7 percent in 2019 to 33.3 percent in 2020.

- Convenience and combination grocery stores decreased by 1.2 percentage points from 11.5 percent in 2019 to 10.3 percent in 2020.
- Other (non-online) stores decreased by 0.1 percentage points from 1.2 percent in 2019 to 1.1 percent in 2020.

As in other recent years, more benefits were redeemed at super stores during the pandemic than at all other store types combined. However, super stores' share of benefits increased further during the pandemic. This change could be due to several factors related to shopping conditions. Food prices rose during the pandemic, so households may have shopped more at super stores if prices at those stores were perceived as more affordable than at other retailers (BLS, 2020). Households may have shopped more at super stores if they perceived the environment as safer (e.g., wider aisles or stricter adherence to masking requirements) or more accessible (e.g., aisles were well-stocked relative to other stores). Lastly, in order to socially distance, households may have reduced their number of shopping trips. This behavior may have led households to shop more at super stores (where many foods and other goods can be purchased in bulk) and less at convenience and combination grocery stores, as they have limited offerings. Further research is needed to fully understand how changes in shopping behaviors may have affected where benefits were redeemed.

Aside from pandemic conditions, the increasing share of redemptions at super stores could also reflect a continuation of long-term trends. For historical context, the percentage of SNAP redemptions at these stores increased from 48.9 percent in fiscal year 2010 to 52.9 percent in fiscal year 2018 (FNS, 2020c).

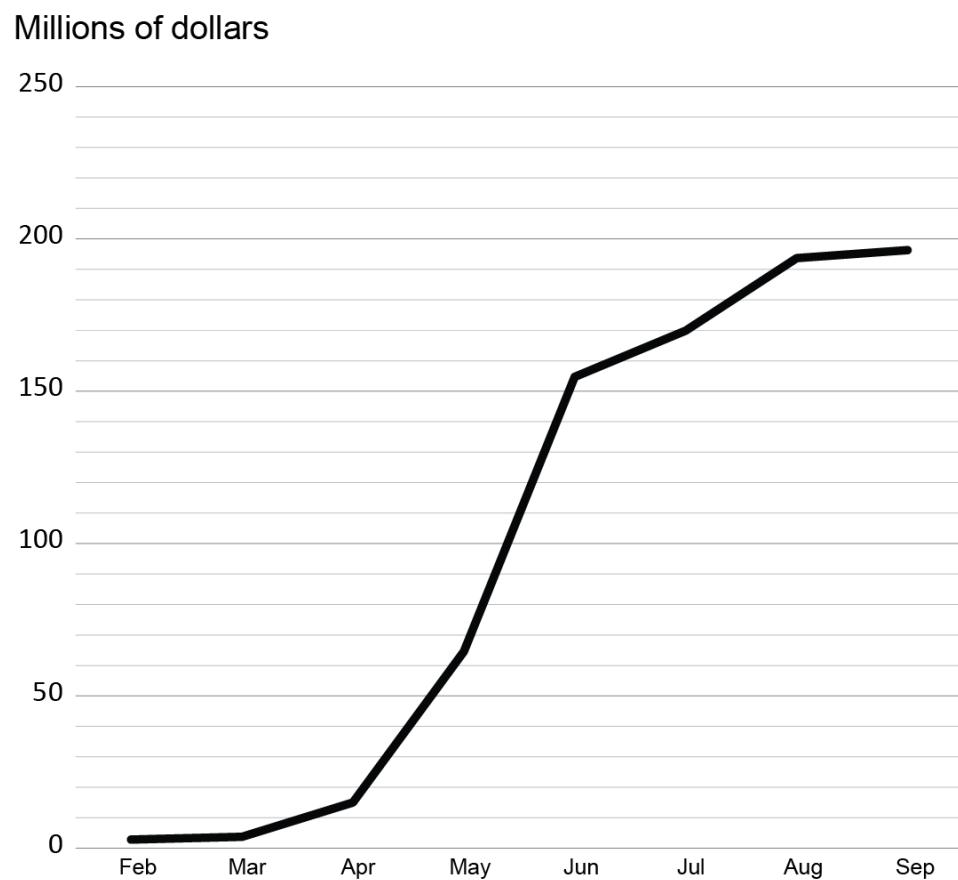
Another factor potentially decreasing redemption shares at each of the other store categories is growth in the value of online redemptions. These redemptions include benefits redeemed online with a participating retailer. All redemptions made online fall under this category, even if the retailer also operates brick-and-mortar stores and regardless of how groceries are collected (i.e., in-person pickup or home delivery). Online redemptions accounted for 1.5 percent of the dollar value of total redemptions from April to September 2020.¹⁷

¹⁷ Data are not available for the same period in 2019. Online redemptions made up a near-zero percentage of overall national redemptions during that time, as only one State operated a pilot in 2019.

Figure 4 shows monthly online redemptions from February through September 2020. Data are available only for February 2020 and later months. Online redemptions occurred before February, as the first two State pilots were implemented in April 2019 and January 2020, but the value of redemptions during this period was small. Online redemptions grew rapidly in the first half of 2020, increasing from \$2.9 million in February to \$154.7 million in June—an increase of 5,234 percent. Growth was slower in subsequent months, increasing to \$196.3 million in September—an increase of 27 percent from June. In February 2020, online redemptions accounted for less than 0.1 percent of benefits redeemed, and in September 2020, they accounted for 2.4 percent.

Figure 4

Monthly online redemptions, February-September 2020



Note: Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions. See Data section for definitions of the different store types.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service Store Tracking and Redemption System.

Increasing access to online FAH purchasing with EBT was a major factor in the growth of online redemptions during the pandemic. The SNAP Online Purchasing Pilot expanded from two States in January 2020 to 46 States and the District of Columbia by December. Increased demand for online grocery shopping likely played a role as well, as households seeking to socially distance during the pandemic might find online purchasing a more attractive option. One industry report found that 43 percent of survey respondents shopped for groceries online in 2020, relative to 24 percent in a 2018 survey. Many new online grocery shoppers cited COVID-19 concerns as a reason (Mercatus, 2020). Online redemptions still made up a relatively small share of total redemptions, though their growth through 2020 is likely to continue in 2021 as the pilot expands to more states and retailers.

Conclusion

The amount of benefits redeemed through State SNAP EBT systems grew rapidly during the COVID-19 pandemic through September 2020. Growth was partly due to higher enrollment, the introduction of P-EBT, and expansions in SNAP benefits. Redemptions as a percentage of total expenditures on FAH roughly doubled between January and June 2020 and remained high through September 2020. This increase reflects the larger role of food assistance programs in supporting food expenditures during the pandemic. A greater share of benefits was redeemed at super stores and online compared to 2019. Online redemptions were still a small share of overall redemptions, but their value increased quickly between February and September 2020 with the expansion of SNAP Online Purchasing Pilots. Further information and analysis are needed to understand how much growth is attributable to increases in SNAP participation, increases in SNAP benefit size, the introduction of P-EBT, and other economic and policy factors.

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Appendices

Table 1

Monthly redemptions¹ in 2017- 2019, 2019-20

Year	Month	Total redemptions ¹ (\$ billions)	Change from previous month (\$ billions)	Change from 2017-2019 avg. ² to 2020 (%)	Change from 2019 to 2020 (%)
2017-19 avg. ²	Jan	\$5.65			
	Feb	\$4.14			
	Mar	\$4.94			
	Apr	\$4.82			
	May	\$4.90			
	Jun	\$4.79			
	Jul	\$4.86			
	Aug	\$4.85			
	Sep	\$4.86			
	Oct	\$5.22			
	Nov	\$4.99			
	Dec	\$4.90			
2017-2019	Jan	\$6.66			
	Feb	\$2.70	-\$3.96		
	Mar	\$4.46	\$1.76		
	Apr	\$4.43	-\$0.04		
	May	\$4.53	\$0.10		
	Jun	\$4.49	-\$0.04		
	Jul	\$4.58	\$0.08		
	Aug	\$4.58	\$0.01		
	Sep	\$4.48	-\$0.11		
	Oct	\$4.59	\$0.11		
	Nov	\$4.51	-\$0.08		
	Dec	\$4.55	\$0.04		

¹ Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions.

² 2017-19 average refers to the average of the value in the corresponding 3 months across the years 2017-19; e.g., the January 2017-19 average is the average of values in January 2017, 2018, and 2019.

Table 1

Monthly redemptions¹ in 2017- 2019, 2019-20, continued

Year	Month	Total redemptions ¹ (\$ billions)	Change from previous month (\$ billions)	Change from 2017-2019 avg. ² to 2020 (%)	Change from 2019 to 2020 (%)
2020	Jan	\$4.44	-\$0.11	-21.5%	-33.3%
	Feb	\$4.31	-\$0.13	3.9%	59.4%
	Mar	\$4.74	\$0.43	-4.1%	6.1%
	Apr	\$6.47	\$1.73	34.2%	46.1%
	May	\$8.43	\$1.96	72.1%	86.1%
	Jun	\$9.50	\$1.07	98.3%	111.5%
	Jul	\$9.35	-\$0.15	92.2%	104.3%
	Aug	\$8.63	-\$0.72	77.9%	88.3%
	Sep	\$8.10	-\$0.53	66.7%	80.9%

¹ Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions.

² 2017-19 average refers to the average of the value in the corresponding 3 months across the years 2017-19; e.g., the January 2017-19 average is the average of values in January 2017, 2018, and 2019.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service Store Tracking and Redemption System.

Table 2

Monthly redemptions¹ and food-at-home expenditures in 2017-2019, 2019-20

Year	Month	Redemptions ¹ (\$ billions)	Non-redemption FAH ² expenditures (\$ billions)	Total FAH ² expenditures ³ (\$ billions)	Redemptions as share of FAH ² expenditures (%)
2017-2019 avg. ⁴	Jan	\$5.65	\$55.63	\$61.29	9.2%
	Feb	\$4.14	\$53.46	\$57.60	7.2%
	Mar	\$4.94	\$59.54	\$64.48	7.7%
	Apr	\$4.82	\$57.43	\$62.25	7.7%
	May	\$4.90	\$61.16	\$66.05	7.4%
	Jun	\$4.79	\$59.48	\$64.27	7.5%
	Jul	\$4.86	\$60.14	\$65.00	7.5%
	Aug	\$4.85	\$61.09	\$65.94	7.4%
	Sep	\$4.86	\$57.74	\$62.60	7.8%
	Oct	\$5.22	\$59.57	\$64.79	8.1%
	Nov	\$4.99	\$62.18	\$67.18	7.4%
	Dec	\$4.90	\$67.94	\$72.85	6.7%
2019	Jan	\$6.66	\$56.96	\$63.63	10.5%
	Feb	\$2.70	\$55.79	\$58.49	4.6%
	Mar	\$4.46	\$61.29	\$65.75	6.8%
	Apr	\$4.43	\$60.03	\$64.46	6.9%
	May	\$4.53	\$63.94	\$68.46	6.6%
	Jun	\$4.49	\$61.72	\$66.21	6.8%
	Jul	\$4.58	\$63.02	\$67.59	6.8%
	Aug	\$4.58	\$64.17	\$68.76	6.7%

¹ Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions.

² FAH = food-at-home.

³ FAH and food expenditures include nominal FAH sales (including taxes and tips) and exclude FAH acquisition from home production and donations.

⁴ 2017-19 average refers to the average of the value in the corresponding 3 months across the years 2017-19; e.g., the January 2017-19 average is the average of values in January 2017, 2018, and 2019.

Source: USDA, Economic Research Service (ERS) using data from USDA, Food and Nutrition Service Store Tracking and Redemption System and USDA, ERS Food Expenditure Series.

Table 2

Monthly redemptions¹ and food-at-home expenditures in 2017-2019, 2019-20, continued

Year	Month	Redemptions ¹ (\$ billions)	Non-redemption FAH ² expenditures (\$ billions)	Total FAH ² expenditures ³ (\$ billions)	Redemptions as share of FAH ² expenditures (%)
2019	Sep	\$4.47	\$59.20	\$63.68	7.0%
	Oct	\$4.59	\$62.31	\$66.90	6.9%
	Nov	\$4.51	\$64.71	\$69.22	6.5%
	Dec	\$4.55	\$69.48	\$74.03	6.1%
2020	Jan	\$4.44	\$60.74	\$65.18	6.8%
	Feb	\$4.31	\$58.64	\$62.94	6.8%
	Mar	\$4.74	\$74.55	\$79.29	6.0%
	Apr	\$6.47	\$62.68	\$69.15	9.4%
	May	\$8.43	\$66.17	\$74.60	11.3%
	Jun	\$9.50	\$61.74	\$71.24	13.3%
	Jul	\$9.35	\$64.71	\$74.06	12.6%
	Aug	\$8.63	\$63.95	\$72.58	11.9%
	Sep	\$8.10	\$61.52	\$69.61	11.6%

¹ Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions.

² FAH = food-at-home.

³ FAH and food expenditures include nominal FAH sales (including taxes and tips) and exclude FAH acquisition from home production and donations.

⁴ 2017-19 average refers to the average of the value in the corresponding 3 months across the years 2017-19; e.g., the January 2017-19 average is the average of values in January 2017, 2018, and 2019.

Source: USDA, Economic Research Service (ERS) using data from USDA, Food and Nutrition Service Store Tracking and Redemption System and USDA, ERS Food Expenditure Series.

Table 3

Monthly redemptions¹ in 2017-2019, 2019-20 by retail store type, billions of dollars

Year	Month	Total ¹	Super stores ¹	Supermarkets and grocery stores ¹	Convenience and combination grocery ¹	Other (Non-online) ¹	Online ¹
2017-19 avg.²	Jan	\$5.65	\$3.02	\$1.97	\$.59	\$.069	
	Feb	\$4.14	\$2.21	\$1.43	\$.45	\$.052	
	Mar	\$4.94	\$2.64	\$1.70	\$.54	\$.062	
	Apr	\$4.82	\$2.57	\$1.65	\$.54	\$.062	
	May	\$4.90	\$2.58	\$1.70	\$.55	\$.063	
	Jun	\$4.79	\$2.54	\$1.65	\$.54	\$.061	
	Jul	\$4.86	\$2.58	\$1.67	\$.55	\$.059	
	Aug	\$4.85	\$2.58	\$1.66	\$.54	\$.060	
	Sep	\$4.86	\$2.58	\$1.68	\$.54	\$.060	
	Oct	\$5.22	\$2.78	\$1.81	\$.57	\$.067	
	Nov	\$4.99	\$2.69	\$1.73	\$.51	\$.058	
	Dec	\$4.90	\$2.66	\$1.67	\$.53	\$.056	
2019	Jan	\$6.66	\$3.59	\$2.27	\$.72	\$.081	
	Feb	\$2.70	\$1.45	\$.91	\$.32	\$.028	
	Mar	\$4.46	\$2.40	\$1.51	\$.50	\$.052	
	Apr	\$4.43	\$2.39	\$1.48	\$.50	\$.053	
	May	\$4.53	\$2.41	\$1.54	\$.52	\$.055	
	Jun	\$4.49	\$2.41	\$1.52	\$.51	\$.054	
	Jul	\$4.58	\$2.45	\$1.55	\$.53	\$.052	
	Aug	\$4.58	\$2.46	\$1.54	\$.53	\$.053	
	Sep	\$4.48	\$2.41	\$1.51	\$.51	\$.052	
	Oct	\$4.59	\$2.48	\$1.54	\$.52	\$.053	
	Nov	\$4.51	\$2.46	\$1.51	\$.48	\$.049	
	Dec	\$4.55	\$2.48	\$1.51	\$.51	\$.049	

¹ Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions. See Data section for definitions of the different store types.

² 2017-19 average refers to the average of the value in the corresponding 3 months across the years 2017-19; e.g., the January 2017-19 average is the average of values in January 2017, 2018, and 2019.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service Store Tracking and Redemption System.

Table 3

Monthly redemptions¹ in 2017-2019, 2019-20 by retail store type, billions of dollars, continued

Year	Month	Total ¹	Super stores ¹	Supermarkets and grocery stores ¹	Convenience and combination grocery ¹	Other (Non-online) ¹	Online ¹
2020	Jan	\$4.44	\$2.42	\$1.49	\$.48	\$.048	
	Feb	\$4.31	\$2.36	\$1.43	\$.47	\$.047	\$.003
	Mar	\$4.74	\$2.60	\$1.59	\$.50	\$.048	\$.004
	Apr	\$6.47	\$3.56	\$2.17	\$.65	\$.071	\$.015
	May	\$8.43	\$4.60	\$2.82	\$.84	\$.101	\$.065
	Jun	\$9.50	\$5.10	\$3.17	\$.97	\$.111	\$.155
	Jul	\$9.35	\$4.97	\$3.14	\$.96	\$.105	\$.170
	Aug	\$8.63	\$4.58	\$2.84	\$.92	\$.093	\$.194
	Sep	\$8.10	\$4.30	\$2.65	\$.86	\$.088	\$.196

¹ Redemptions refers to the nominal value of combined Supplemental Nutrition Assistance Program and Pandemic Electronic Benefit Transfer redemptions. See Data section for definitions of the different store types.

² 2017-19 average refers to the average of the value in the corresponding 3 months across the years 2017-19; e.g., the January 2017-19 average is the average of values in January 2017, 2018, and 2019.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service Store Tracking and Redemption System.