From NAP to SNAP: A Bridge to Economic Liberty for Residents of Puerto Rico

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Introduction

The Supplemental Nutrition Assistance Program (SNAP) is a federally funded benefit available to low-income individuals and households in all 50 States, the District of Columbia, Guam, and the U.S. Virgin Islands. Puerto Rico, the Commonwealth of the Northern Mariana Islands, and American Samoa receive a block grant to operate a nutrition assistance program (NAP). In Puerto Rico, this program is supervised by the Administración de Desarrollo Socioeconómico de la Familia (Administration for the Socioeconomic Development of the Family) and is known by its Spanish acronym PAN, which means bread.

In 2021, the United States Congress ordered the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) to perform a study on the feasibility of switching from NAP to SNAP in Puerto Rico. As a result, two reports were published: the first report provides «a detailed update on the administrative, operational, and program integrity changes required to convert NAP to SNAP»; and the second one describes in depth the steps to design and implement SNAP on the Island, «the timeline for each step, and the cost of implementing and maintaining the program» (Thorn et al., 2022, p. i).

In this paper, we analyze various key aspects of the first report, the possible change from the block grant to SNAP, and the potential of this program to enable more people to work and provide for themselves and their families. The effect on the economic activity of the federal funds allocated for the reconstruction and construction of infrastructure on the Island is considered. Finally, we discuss how SNAP incentives could create favorable conditions for the labor force participation rate to rise and what this means for the economic liberty of the people of Puerto Rico.

Context

Puerto Rico’s economy has not been exempted from the current inflation around the world that has been driven by factors such as the Government’s handling of the COVID-19 pandemic, supply chain disruptions, and Russia’s invasion of Ukraine. These events have caused a significant spike in the cost of food on the Island. Furthermore, Puerto Rico is struggling with the recovery from Hurricane Maria in 2017, the earthquakes in its southwest region in 2020, and Hurricane Fiona in 2022, although approximately $84 billion in federal disaster recovery funds has been allocated to the Island, according to the 2022 Fiscal Plan for Puerto Rico.

The U.S. Census Bureau (2021a) reports that 43.4% of the people in Puerto Rico live in poverty while the official U.S. poverty rate was 11.4% in 2020 (Shrider et al., 2021). Mississippi, the poorest state, has a poverty rate of 18.7%, less than half of Puerto Rico’s (U.S. Census Bureau, 2021b). Additionally, with a Gini Index of 0.5448, the Island’s income inequality is higher than any State and the District of Columbia, which is second with 0.5212 (U.S. Census Bureau, 2020).

The situation of Puerto Rico and the significant lack of opportunities can be seen in the constant outbound net migration that the Island experienced from 2011 through 2020; in these years, 550,421 Puerto Ricans (Universidad de Puerto Rico, 2021) migrated to the States. When

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1 The study was mandated by Section 776 of the Further Consolidated Appropriations Act, 2020, Public Law 116–94, 116th Cong. (2019).

2 These reports are Update to Feasibility Study of Implementing SNAP in Puerto Rico: Final Report and Implementation Plan.

3 The Russian invasion of Ukraine triggered inflation in Puerto Rico due to the Island’s dependence on petroleum. Puerto Rico imports all its petroleum of which 90% is used by the electric power and transportation sectors (U.S. Energy Information Administration, 2021). The invasion has had a substantial effect on Puerto Rico’s electrical grid. While U.S. energy production and fuel exports have grown significantly, Puerto Rico’s possibility and ability to benefit from it is constricted by the high cost of using Jones Act-compliant tankers (Grabow & Carrillo Obregón, 2022).

4 The total amount of disaster relief funding varies in other sources. «The 2022 Fiscal Plan projects that ~ $84 billion of disaster relief funding in total, from federal and private sources, will be disbursed in the reconstruction effort over a period of 18 years (FY2018 to FY2035)» (Financial Oversight and Management Board for Puerto Rico, 2022, p. 36).

5 The Gini index is the most used single measure of income inequality (Gastwirth, 2017).
analyzing the patterns of absolute net migration from State to State based on the data of the U.S. Census Bureau and considering the total population, Puerto Rico is the second jurisdiction with the highest outbound net migration (after Alaska) for said period. In addition, the Island reflects the largest outbound domestic migration by percentage of population in the United States between 2015 and 2019 (Quiles, 2022).

**NAP and SNAP Comparison**

The Island started participating in the Food Stamp Program (FSP) in 1974 when it went nationwide. Concerned about the size, expense, and management of the Food Stamp Program in Puerto Rico, the Congress replaced it with an $825 million annual food assistance block grant in fiscal year 1981. In July 1982, Puerto Rico began operating the PAN, funded by the block grant (U.S. General Accounting Office 1992, p. 2).

The funding levels of the block grant that became NAP were «set well below what Puerto Rico had been receiving under the Food Stamp Program» (Keith-Jennings & Wolkomir, 2020, p. 2). There were considerable concerns about the transition to the block grant. First, far fewer people would be served since the funding was capped at approximately 25% below what households in Puerto Rico would have received under the FSP. Second, it did not include automatic annual adjustments for inflation, so over time, a greater gap would be created. Furthermore, income eligibility limits were around 40% lower than they would have been in the FSP. This and benefit restrictions resulted in NAP participants having fewer resources available for food (Mathematica Policy Research, 1985).

Both NAP and SNAP have specific eligibility criteria and determine benefit levels based on income, expenses, and household size. SNAP eligibility is set based on poverty levels and all eligible individuals who apply can receive benefits. Contrarily, NAP must conform to the limits of the fixed amount of block grant funds, causing people that will be eligible under SNAP, not to be so under NAP.

Both NAP and SNAP include specific eligibility criteria and determine benefit levels based on income, expenses, and household size. SNAP eligibility is set based on poverty levels and all eligible people who apply can receive benefits. Contrarily, NAP must fit the confines of fixed funding, causing people that will be eligible under SNAP, not to be so under NAP. The feasibility study established that the average SNAP participants in Puerto Rico would be 1,449,360, which represents 118,458 persons (8.2%) more than those currently in NAP (Thorn et al., 2022). For a single-person household and a family of up to four, SNAP has higher eligibility income limits and higher maximum benefits in comparison to NAP (Table 1). For larger households (of five or more), NAP has a higher net income limit than SNAP. According to the feasibility study, the maximum NAP benefit in FY 2021 was 59% of the maximum SNAP benefit for all household sizes.

SNAP can provide benefits to participants based on the cost of food. In contrast, NAP’s capped funding structure forces the program to set benefit levels to stay within its budget rather than base them on need or the price of food; thus, it cannot provide the same service and level of benefits as SNAP does.

As Figure 1 illustrates, the federal base funding for NAP after adjusting for food inflation has remained flat since 1999.

Another key benefit is SNAP’s funding structure, which is able to adjust to changes in demand, including those due to recessions. As an entitlement program, low-income individuals and families have access to support, in a quick and effective manner in times of increased need. One of SNAP’s greatest attributes is that it helps families bridge temporary periods of unemployment or family crisis due to the ability of the program to expand enrollment when the economy weakens or an unexpected situation occurs and contract when the economy recov-
Table 1
Net Income Limits and Maximum Benefits (FY 2022), NAP and SNAP

<table>
<thead>
<tr>
<th></th>
<th>NAP</th>
<th>SNAP</th>
</tr>
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<tbody>
<tr>
<td><strong>Single-person household</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income limit</td>
<td>$619</td>
<td>$1,074</td>
</tr>
<tr>
<td>Maximum benefit</td>
<td>$140*</td>
<td>$250</td>
</tr>
<tr>
<td><strong>Household of three</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income limit</td>
<td>$1,706</td>
<td>$1,830</td>
</tr>
<tr>
<td>Maximum benefit</td>
<td>$368*</td>
<td>$658</td>
</tr>
</tbody>
</table>

*Under NAP, additional available funds are distributed to program participants in a monthly adjustment. The monthly adjustment can increase the maximum benefit but is not guaranteed.

Source: Own elaboration with data from Departamento de la Familia (2021, p. 28), Food and Nutrition Service (2022a), and Center on Budget and Policy Priorities (2022).

Figure 1
Base NAP Funding by Fiscal Year

Note. Adjusted for food inflation using the U.S. Department of Agriculture’s Thrifty Food Plans from June 1998 to June 2019. In fiscal years 2009-2014, NAP received supplemental funding through the American Recovery and Reinvestment Act of 2009. Congress authorized additional funding following hurricanes Irma and María in fall of 2017 totaling $1.27 billion, spent over fiscal years 2018 and 2019, and an additional $600 million in disaster funding for NAP in 2019, spent over fiscal years 2019 and 2020. Congress also authorized roughly $297 million in funding to address the COVID-19 crisis. Information included is based on the FNS and PAN reported data as cited in Keith-Jennings & Wolkomir (2020).

ers and poverty declines, without additional action from Congress or the president; NAP cannot do this. The fact that NAP is a capped block grant causes Puerto Rico to receive a fixed amount of food assistance annual funding regardless of the need. There is no ability to expand or contract according to the economic situation of the individuals or households at the moment. This is one of the main reasons why the income and benefit limits for NAP are lower than those in SNAP.

If Puerto Rico (or any state) experiences a natural disaster, SNAP allows requesting more funds from the USDA for new households affected by the event, as well as replacement or supplementary benefits for partici-
The feasibility study by Thorn et al. includes a series of legislative and regulatory changes that implementing SNAP in Puerto Rico will require. Some of the potential Federal legislative actions are:

1. Grant Puerto Rico the authority to operate SNAP and pivot from a block grant to an entitlement program;
2. Designate a timeline that gives Puerto Rico adequate time to design, plan, and implement SNAP processes and data systems effectively;
3. Provide administrative funding for Puerto Rico to engage in and carry out program design, planning, and implementation tasks (e.g., hiring and training new eligibility workers, pretesting materials);
4. Provide startup funding for Puerto Rico to develop and test SNAP data systems;
5. Reduce the degree to which people would lose food assistance benefits abruptly during the transition from NAP to SNAP;
6. Allow for a geographically staggered rollout of SNAP in Puerto Rico, during which the State agency could test new systems and make real-time updates to improve accuracy and maintain program integrity. A geographically staggered rollout would also require that Puerto Rico be granted the authority to operate NAP and SNAP concurrently until the SNAP rollout is completed throughout the island;
7. Provide a Quality Control (QC) "grace period" of up to 3 years after SNAP is rolled out across the island;
8. Provide specific statutory authority for Puerto Rico to maintain a Family Markets program under SNAP;
9. Increase the allocation for SNAP E&T in section 16(h) of the Food and Nutrition Act of 2008 when Puerto Rico transitions to SNAP;
10. Increase the cap on SNAP-Ed grant funds for all SNAP State agencies when Puerto Rico transitions to SNAP;
11. Provide additional NAP funding during the transition period to make the program more similar to SNAP. (2022, pp. 25-26)

The feasibility study explains these actions and their rationale, as well as other legislative and regulatory actions by U.S. Congress, USDA, Legislative Assembly of Puerto Rico, and Government of Puerto Rico agencies.

**Work Requirement**

Many social assistance programs are of a temporary nature to meet certain needs at a given time, rather than to live on them permanently; for instance, there are programs to replace lost income and others for situations of disability and illness. These and other programs aimed at low-income families «end after a number of months (e.g., unemployment) and even those that do not expire … are designed to provide only temporary benefits» (Lindner & Nichols, 2012, p. 1), particularly in the case of the people able to work.

Unlike NAP, SNAP has a work requirement for participants to gradually phase-out of benefits. Individuals ages 18-49, who do not have dependents, are not pregnant, and are subject to the general work requirements.

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8 Thorn et al. comment that «NAP and SNAP have different eligibility parameters such that certain people receiving NAP benefits could lose eligibility or face significant, abrupt reductions in benefits during a change from NAP to SNAP» (2022, p. 25); these authors examine the differences between NAP and SNAP eligibility rules and benefit calculations in chapter 6 of their study.

9 SNAP-Ed is an evidence-based program to help people lead healthy, active lives. «SNAP-Ed teaches people how to make their SNAP dollars stretch, how to shop for and cook healthy meals, and how to stay physically active. ... SNAP-Ed initiatives include nutrition education classes, social marketing campaigns, and efforts to improve policies, systems, and the environment of communities» (Food and Nutrition Service, 2021b).
are known as able-bodied adults without dependents (ABAWD). ABAWDs who do not have documented disabilities must work at least 80 hours a month\(^\text{10}\) or participate in a qualifying workfare training program to receive SNAP benefits for more than three months within a three-year period.\(^\text{11}\)

The SNAP job requirement is not free of criticism; for instance, Marxuach opines that SNAP «nutritional assistance beneficiaries end up in lousy, dead-end jobs from which they cannot escape without losing benefits» (2022, p. 8). Although there are jobs that can be categorized like this, most jobs will not follow under that category. The available jobs in Puerto Rico meet the Fair Labor Standards Act, the Occupational Safety and Health Act, and the applicable major laws of the U.S. Department of Labor.\(^\text{12}\) In addition,

State agencies must operate an employment and training (E&T) program to provide SNAP recipients with the training and skills needed to move toward self-sufficiency. FNS provides funding to States to operate E&T programs, and States have considerable flexibility in designing their programs, including what E&T components to select, whether participation is mandatory or voluntary, and where to provide E&T services. (Wroblewska et al., 2022, p. i)

Marxuach also states that many people subject to SNAP’s requirements «end up in low-skill, low-wage jobs that provide little opportunity for advancement or for acquiring valuable skills» (2022, p. 8). These generalizations are problematic as they tend to downplay the importance of the income effect in the chance of finding a job and the critical role of work in shaping self-fulfillment, individual freedom, and economic liberty. As Lindner and Nichols explain, «temporary assistance can also have an income effect. For re-employment, a higher income can enable individuals out of work to engage in job search activities, which increases their chance of finding a new job» (2012, p. 15). SNAP provides participants that opportunity to find a job, discover and apply new skills, and continue to develop personally and professionally.

On the other hand, many people have reached significant pinnacles in their professional careers commencing from what could be considered low-skill and low-wage jobs that provide little opportunity for advancement. Manny Ángel Villafaña, for example, was born in South Bronx, in 1940, to Puerto Rican parents. He started selling magazines door-to-door in Queens and then had an entry level job in the print shop of an electronics firm. Always taking pride in his work and seeking opportunities to grow, he developed in the organizational world and became an entrepreneur and founder of corporations such as Cardiac Pacemaker, Inc.—a cardiac rhythm management company that revolutionized the pacemaker industry—and St. Jude Medical (Ruaño, 2000), acquired by Abbott Laboratories in January 2017.

Alberto Arroyo is another case of very low beginnings and exemplary professional development. Raised by his uncles (a taxi driver and a housewife) in Barrio Quintana, he started working as a newspaper delivery boy and car washer. As a result of his enthusiasm, hard work, and consistent pursuit for higher opportunities, he studied through scholarships and grants obtaining a Bachelor of Architecture with the Dean’s Thesis Award for a hypothetical art school for La Perla.\(^\text{13}\) Today, Arroyo is the founder and president of Arco Caribe Architects—an architectural, engineering, design, and construction firm. The firm established by the person who started out in low-skill jobs is providing design and construction

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\(^\text{10}\) The Financial Oversight and Management Board for Puerto Rico has required that the Government of Puerto Rico «institute work requirements to qualify for NAP benefits» (2019, p. 57) similar to SNAP.

\(^\text{11}\) This is known as the work requirement and time limit (Food and Nutrition Service, 2019). In response to the COVID-19 pandemic, Congress passed the Family First Coronavirus Act, which temporarily and partially suspended the ABAWD time limit nationwide. «The partial suspension applies through the end of the month subsequent to the month in which the Public Health Emergency based on an outbreak of COVID-19 is lifted by the Secretary of Health and Human Services» (Food and Nutrition Service, 2021a).

\(^\text{12}\) These laws can be reviewed on the website of the U.S. Department of Labor (2022).

\(^\text{13}\) Barrio Quintana and La Perla are poor neighborhoods of San Juan, Puerto Rico.
services for the reconstruction efforts of Puerto Rico after Hurricane Maria.14

The Island has approximately $84 billion federal disaster recovery funds allocated of which $24 billion have been disbursed.15 There are around 2,000 housing, infrastructure, and energy construction projects that will last for several years.16 These figures will further increase after the passage of Hurricane Fiona in September 2022. Many NAP participants could benefit from these work opportunities to slowly phase-out of benefits, as they contribute to the reconstruction of Puerto Rico, if SNAP is implemented.

The Poverty Trap

NAP may be causing people to find the cost of working too high, since they will lose benefits if they exceed the net income level; this is known as the poverty trap. The «poverty trap results when benefit phaseouts incentivize program beneficiaries not to work. Because working would require significant effort and adjustment without much (if any) financial gain, beneficiaries are incentivized to abstain from paid work in order to maximize their well-being» (Wenande, 2019, p. 18).17

SNAP’s phase-out system makes it easier for people to work and earn money to support themselves and their families while continuing to receive nutrition assistance benefits. As Balasurriya et al. assert, «how families phase-out of benefits as incomes rise is essential to successfully addressing food insecurity. As income rises, SNAP benefits are reduced—typically by about 30 cents for each $1 increase in income». Phasing out benefits slowly «reduce this “poverty trap” that makes it harder to escape food insecurity» (2021, p. 3).

The poverty trap that perpetuates dependency through generations of families is also called the unemployment trap. The unemployment trap has been described as a situation where unemployed persons with low earnings potential or receiving relatively satisfactory unemployment benefits face the dilemma of accepting a job or not as it may «lead to little (or no) increase in disposable income as a result of the combined effects of benefit withdrawal and higher tax burdens on in-work earnings» (Carone et al., 2004, p. 8).18 With SNAP the unemployment trap that NAP may cause is attended to by increasing income limits and maximum benefits.

SNAP’s antipoverty effects are even larger than what is reflected in the U.S. national statistics, as shown in a study based on data from the Annual Social and Economic Supplement to the Current Population Survey. With underreporting adjustments, and depending on the poverty measure being considered, SNAP reduces poverty by 14-16 percent. And we conclude that SNAP is our nation’s most effective anti-poverty program for the non-elderly when adjusted for underreporting, one that is especially good at reducing extreme poverty —by over 50 percent, and also especially effective for poor families with children. In summary, the SNAP program currently costs one half of one percent (.5 percent) of GDP (Moffitt, 2013). For that amount we get a 16 percent reduction in poverty (8 million fewer poor people) after an adjustment for underreporting, based on USDA Administrative data. Moreover we get a 41 percent cut in the poverty gap, which measures the depth of poverty and a 54 percent decline in the

14 Other notorious examples include Sidney Weinberg who started as a janitor’s assistant and became Chairman and CEO of Goldman Sachs (Wyatt, 2019); Gail Evans that went from cleaning floors to a technology executive at Bank of America, then Hewlett-Packard and Microsoft (Montag, 2017); and Richard Montañez whose journey from janitor to a high executive at Pepsi Co. and later creator of Flamin’ Hot Cheetos is also exemplary (García, 2020).

15 The Transparency portal of the Central Office for Recovery, Reconstruction, and Resiliency (2022) provides information on the federal recovery funds and projects.

16 The job opportunities that currently exist led the Government of Puerto Rico to turn to the Dominican Republic, in search of developers and labor for reconstruction projects on the Island (Departamento de Estado, 2022).

17 A study by Tiehen et al. found that «SNAP benefits led to an average annual decline of 4.4 percent in the prevalence of poverty from 2000 to 2009» and showed that this program significantly improves the welfare of low-income households (2012, p. iii).

18 Clark and Kavanagh (1996) discuss and delve into the relationship between basic income and unemployment—in the linkage between work and well-being.
severity of poverty, when we add SNAP benefits to Census money incomes and recalculate the official poverty rate. (Tiehen et al., 2013, pp. 19–20.)

Between 2018 and 2019, when the supplemental NAP funding was in effect in Puerto Rico, labor force participation among NAP beneficiaries increased and unemployment decreased (Figure 2). The proportion of NAP participants ages 25-59 without a documented disability who were employed jumped from 22% to 29%.

The increase of NAP participants who were working when the supplemental NAP funding was in effect may be driven by a few factors. One could be that the benefit increase helped participants to afford transportation, childcare, and other work-related costs. Another factor could be that the higher eligibility limits allowed some participants to seek and sustain more formal employment outside the home, without jeopardizing their access to needed nutritional assistance benefits for their family.\(^{19}\) These findings are important because the supplemental NAP funding—a temporary measure—created the same conditions as SNAP can on a permanent basis with higher benefits and higher income limits.

\(^{19}\) Cordero-Guzmán comments that when «this supplemental funding expired in March 2019, benefits reverted to previous levels, but the Commonwealth maintained the higher eligibility limits» (2021, p. 3).

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**Figure 2**

*Work Rose Among NAP Participants After Benefit and Eligibility Expansions.*

<table>
<thead>
<tr>
<th>Non-elderly non-disabled NAP participants in labor force...</th>
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<tbody>
<tr>
<td>---------</td>
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<tr>
<td>81%</td>
</tr>
</tbody>
</table>

...who were either:

- **Working**
  - Feb. ‘17: 22%  
  - Aug. ‘17: 23%  
  - Feb. ‘18: 22%  
  - Aug. ‘18: 29%  
  - Feb. ‘19: 31%  
  - Apr. ‘19: 31%

- **Looking for work**
  - Feb. ‘17: 78%  
  - Aug. ‘17: 77%  
  - Feb. ‘18: 78%  
  - Aug. ‘18: 71%  
  - Feb. ‘19: 69%  
  - Apr. ‘19: 69%

**Note.** Share of civilian non-institutional population (e.g., not incarcerated or in long-term care facility) ages 25-29. From Cordero-Guzmán (2021, p. 9).
Improving Puerto Rico’s Labor Force Participation Rate

Puerto Rico has had a considerably low labor force participation rate for decades. From 1990 to 2021, it averaged 44.52%, reaching an all-time high of 49.80% in February 2007 and a record low of 38.50% in October 2017 (International Labour Organization, 2022a). In the States and the District of Columbia, the average was 65.3% from 1990 to 2020 (International Labour Organization, 2022b). Figure 3 shows that, on the island, the labor force participation never reached 50% in the same period; and in Figure 4 we can see the Puerto Rico labor force participation rate from September 2021 to July 2022.

As of Fiscal Year 2022, 1,556,788 persons and 877,297 households in Puerto Rico were participating in NAP (Food and Nutrition Service, 2022b). Two important characteristics of adult NAP participants on the Island are that (1) 2 in 4 were age 18 through 59 and (2) 89% under age 60 did not have a documented disability (Cordero-Guzmán, 2021). Regarding the education level of NAP participants in Puerto Rico, more than a third have post-secondary education and around 36% have a high school diploma (Cordero-Guzmán, 2021).

According to Rosenbaum, SNAP has been effective in supporting work. The majority «of SNAP recipients are not expected to work—primarily because they are children, elderly, or disabled. Among those who reasonably could be expected to work, however, we find strong labor force participation» (2013, p. 9). Her report concludes that

SNAP recipients have strong labor force participation. About half of all SNAP households that have a working-age, non-disabled adult are working while receiving SNAP benefits. The majority of the others work in the months before and after receiving SNAP. Work rates are somewhat higher among SNAP families with children. (Rosenbaum, 2013, p. 32)

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20 Unemployment on the Island has been historically higher than in the U.S as well. The average unemployment rate in Puerto Rico from 1976—two years after the FSP was established on the Island—to January 2021 is 14.4%. The lowest unemployment rate in this period was 8.3%, in 2019 (U.S. Bureau of Labor Statistics, 2022a, 2022b).
The Puerto Rico Institute for Economic Liberty prepared a preliminary estimate of the potential number of people in Puerto Rico who could participate in the labor force, under the ABAWD parameters, when changing from NAP to SNAP. The estimate is based on population and working group survey data from the Departamento del Trabajo y Recursos Humanos (2022). According to the survey, the population between the ages of 18 and 49 who is outside the working group is estimated to be approximately 500,000 people. Considering the ABAWD definition and calculating the parameters, the potential number of people who are outside the working group and would qualify under the ABAWD requirements is estimated to be approximately 246,000 (Table 2). This amount represents 21.3% of the number of individuals who were part of the civilian labor force, in July 2022, and 30.1% of the number of people in this group between the ages of 18-49.

The purpose of this paper is not to measure the number of people who would enter the labor market in Puerto Rico in case of a change to the SNAP system, but to recognize that it has the potential to make more people join the labor force, in a place where the participation rate is low. A more recent study than Rosenbaum’s provides evidence on the work incentive effects of SNAP participation:

Contrary to the perception that SNAP significantly reduces incentives to work, we find that SNAP increases the likelihood of employment among low income households. In addition, we find that SNAP increases the probability of working full time. It is likely that higher labor supply among SNAP households is driven by work requirements imposed in SNAP and the ability to afford job related expenses such as child care. Our subgroup analyses indicate that the effects of SNAP on employment are concentrated among women, which is consistent with the importance of SNAP to child care affordability. (Fayaz Farkhad & Meyerhoefer, 2018, p. 24)

With SNAP, about a quarter of a million people in Puerto Rico could be on the path to economic freedom, significantly increasing the labor force participation rate in the process. Future research could contribute evidence on the extent to which SNAP work requirement increase labor force participation on the Island.

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21 The number of the civilian labor force in July 2022 was 1,156,000 (Departamento del Trabajo y Recursos Humanos, 2022).
A Path to Individual and Economic Liberty

From ancient times to the present, it has been affirmed that work dignifies the human being; this maxim «has great self-explanatory power highlighting the idea that man is the fruit of his work, an extension of him and his potential» (Matos Rêbelo & de Oliveira Costa, 2021, p. 182). There are studies on how «cultural values emphasize that human dignity is derived from work and from collaboration with the work of other people, animals, and the natural world» (Cardoso Jiménez, 2015, p. 289).

As Sen (1999) asserts, not only work but the freedom to work dignifies people through human development. «This approach is not far from metaphysical and theological approaches, but it is rooted in economic principles» (Chebly et al., 2020, p. 1346). Work is considered «a variable of great importance in the economy because it generates well-being in people. People who work are valuable by adding value to the type of work and the place where they do it» (Acosta, 2021, p. 477).

Table 2
Estimate of Potential ABAWD Population Based on SNAP Requirements

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<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Men 18-49</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-19</td>
<td>638</td>
<td>179</td>
<td>-88</td>
<td>91</td>
</tr>
<tr>
<td>20-24</td>
<td>113</td>
<td>57</td>
<td>-28</td>
<td>29</td>
</tr>
<tr>
<td>25-34</td>
<td>199</td>
<td>38</td>
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<td>35-44</td>
<td>186</td>
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<td>45-49</td>
<td>99</td>
<td>27</td>
<td>-13</td>
<td>14</td>
</tr>
<tr>
<td><strong>Women 18-49</strong></td>
<td>678</td>
<td>321</td>
<td>-166</td>
<td>155</td>
</tr>
<tr>
<td>18-19</td>
<td>40</td>
<td>36</td>
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</tr>
<tr>
<td>20-24</td>
<td>109</td>
<td>63</td>
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<td>30</td>
</tr>
<tr>
<td>25-34</td>
<td>210</td>
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<td>35-44</td>
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<td>72</td>
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<tr>
<td>45-49</td>
<td>111</td>
<td>60</td>
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<tr>
<td><strong>Total 18-49</strong></td>
<td>1,316</td>
<td>500</td>
<td>-254</td>
<td>246</td>
</tr>
</tbody>
</table>

**Nota.** Thousands of people.

**Source.** Own elaboration with data from Departamento del Trabajo y Recursos Humanos (2022).

Living in a situation of dependency—lacking the freedom to work and earn a living—has a social stigma. Many participants of nutritional assistance programs recognize that they are devalued by our society. They feel judged by elected leaders, the press, people in grocery stores waiting behind them in line, and grocery store cashier clerks. Feeling judged and devalued was one of the most often reported challenges among participants... (Gaines-Turner et al., 2019, pp. 12–13).

Furthermore, nutritional insecurity has been associated with higher rates of anxiety, depression, and other mental health problems (Laraia et al., 2017; Loh, 2021; Nagata, 2019). Although SNAP recipients are not exempt from these problems, studies have shown that participation in this program helps reduce depressive symptoms and psychological distress (Berkowitz et al., 2021; Lee et al., 2020; Wolfson et al., 2021).

Work is an important part of human activity; it is the source of the goods and services that satisfy our desires...
and aspirations. It is counterintuitive for people to want or aspire to live on welfare and in poverty. In fact, in a survey conducted by the Puerto Rico Institute for Economic Liberty, 93% of the sample stated that they prefer to earn a living by working; and 95% expressed that people need economic liberty to cooperate with each other, and that economic liberty is fundamental for development and progress (Carrión-Tavárez et al., 2022).

It is important that the people who are conditioned by the limitations of NAP have the freedom and opportunity to work, by either choosing among the jobs available in the market or starting a business, and to change their dependency situation—getting out of the poverty trap—by their own efforts. Hayek says the following about this process:

> Few people have ever an abundance of choice of occupation. But what matters is that we have some choice, that we are not absolutely tied to a particular job which has been chosen for us, or which we may have chosen in the past, and that if one position becomes quite intolerable, or if we set our heart on another, there is almost always a way for the able, some sacrifice at the price of which he may achieve his goal. Nothing makes conditions more unbearable than the knowledge that no effort of ours can change them. (1944/2006, p. 98)

The SNAP work requirement does not represent a violation of human dignity, because individuals act freely when requesting this benefit and act morally when fulfilling the commitments they have made as beneficiaries. SNAP provides an opportunity for many people on the Island to work and, consequently, improve their standard of living and have social well-being (Acosta, 2021). All able-bodied people who participate in the labor force in turn produce and contribute to the progress of society. Work can also awaken people’s curiosity; stimulate their creativity, innovation, and entrepreneurial attributes; and get them on a path of economic liberty, self-realization, and upward mobility.

The following testimony from a working woman affirms human dignity and its relationship to work and freedom.

> I believe that all work dignifies us as human beings, and I am aware that work is the way to the transformation of man. ... I just want the freedom to work in the profession I have chosen. I would like that liberty to be a reality. I also dream of having the opportunity to seek happiness as a woman who fulfills three roles: outside the home in my service as a healthcare worker, at home in my daily chores and as the caregiver of my children, and thirdly, as a believer in God, in my fulfillment of His plan for me, and as a defender of human dignity, the working class and the dignity of work itself. (Mecon Naranjo, as cited in Suárez, 2002)

The Puerto Rico Institute for Economic Liberty shares this vision of labor freedom for human development, and personal freedom for self-fulfillment and happiness.

**Conclusion**

Puerto Rico has received federal funding for nutrition assistance, first under FSP and then NAP, since 1974. Likewise, other federal programs such as the Special Supplemental Nutrition Program for Women, Infants, and Children and the National School Lunch Program operate on the Island as in the States and other U.S. territories. In spite of this and after almost 50 years participating in these programs, Puerto Rico continues to have high levels of food insecurity and poverty, as well as a considerably low labor force participation rate; and this stagnation has perpetuated dependency.

PANS will increase the number of beneficiaries on the Island. It will not be constrained by a block grant and will let people come in and out as it may be needed due to their circumstances at the time. Moreover, bureaucratic and long U.S. Congress processes are not needed when disasters or another pandemic is confronted by the residents of Puerto Rico. Also, it will make the treatment of U.S. citizens residing on the Island equal to that of U.S. citizens residing in the States. In sum, SNAP would
overcome the challenges and correct the existing disparities between NAP benefits on the Island and SNAP in the States and other territories.

The Puerto Rico Institute for Economic Liberty also favors the transition to SNAP because it is designed to assist people in times of need while encouraging them to be productive when their circumstances allow it. Its important work requirement would be advantageous for eligible participants as it makes it easier for them to join the labor force, provide for themselves and their families, and contribute to the reconstruction of Puerto Rico for a prosperous and sustainable future. This attribute carries along with it a sound message about the importance of individual responsibility, which is a fundamental element of economic liberty.

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From NAP to SNAP: A Bridge to Economic Liberty for Residents of Puerto Rico

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The Puerto Rico Institute for Economic Liberty is a free-market think tank that advocates for the economic liberty of all residents of Puerto Rico. We exist to ensure that everyone on the Island has equal opportunities to unleash their maximum potential and create their own success. We believe that prosperity must be driven by individuals’ creativity, entrepreneurship, and innovation. We want to live in a Puerto Rico where everyone can prosper in a free and open society.

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