

Transition to EBT in WIC: Review of Impact and Examination of Participant Redemption Patterns

Final Report Summary

Agreement # 59-5000-1-0032

Prepared for:

**Betsy Frazao
USDA Economic Research Service**

Prepared by:

**Diane Phillips, Loren Bell
Ruth Morgan, Jennifer Pooler
Altarum Institute**

Transition to EBT in WIC: Review of Impact and Examination of Participant Redemption Patterns

REPORT SUMMARY

While 13 WIC State Agencies have implemented EBT, there have been no comprehensive assessments aimed at understanding the processes surrounding Electronic Benefits Transfer (EBT) transition and its impact on various stakeholders, including WIC State Agencies, WIC vendors, and WIC participants. The WIC State Agencies transitioning to EBT over the next few years could benefit from the timely dissemination of such information, helping them make informed decisions when planning and implementing EBT.

Altarum Institute conducted this study with funding from the USDA's Economic Research Service (ERS) as part of the Food Assistance and Nutrition Research Programs (FANRP) and in partnership with three WIC State Agencies that had fully implemented online EBT by late 2011: Kentucky, Michigan, and Nevada.

Methodology

To better understand these factors and the impact of transitioning to an EBT system on key WIC stakeholders, this study examined four aspects of the program:

1. State policies and practices related to EBT implementation;
2. WIC vendor perceptions of the benefits and challenges with EBT;
3. WIC participant perceptions of the transition to EBT and associated benefits and challenges with using EBT; and
4. WIC family food benefit purchasing and redemption patterns using EBT.

This study consisted of both qualitative and quantitative data analysis. Qualitative data included:

- ▲ WIC State Agency interviews to understand each state's EBT implementation process and policies;
- ▲ vendor interviews to better understand the vendor perspective of the benefits and barriers to WIC EBT implementation and the overall impact of WIC EBT; and
- ▲ WIC participant focus groups to discuss their experience with WIC EBT and to identify key benefits and barriers to using it.

The primary source of quantitative data for this study was WIC program EBT food purchase redemption data provided by the Kentucky, Michigan, and Nevada WIC Programs. Participant characteristics, benefit issuance, and benefit redemption data were obtained for all participants receiving WIC food benefits between January 1 and March 31, 2012. Independent variables were derived from individual characteristics contained in the participant file, including state, race and ethnicity, urban/rural geographic residence, number of people in the household, and the number of family members participating in WIC.

Data were analyzed for all aspects of the study, including EBT implementation, state policies, vendor and participant perspectives on EBT, and food purchasing patterns of WIC participants.

Summary of Findings

State Agencies, authorized WIC vendors, and WIC participants across Kentucky, Michigan, and Nevada highly value EBT over the previous paper FI system. The following provide highlights of these findings:

- ▲ WIC EBT is a successful method for issuing WIC benefits and preferred by vendors and participants over paper FIs. EBT data analysis reveals trends and patterns in participant food redemptions that were unknown with paper FIs, as individual purchasing patterns could not be identified.
- ▲ Even as the transition to EBT is sought after, it is an arduous task for State Agencies and authorized vendors alike, given the complexity of the prescriptive nature of the nutritious WIC foods.
- ▲ 95% of WIC families in Kentucky, Michigan and Nevada either partially or fully redeemed their WIC food benefits during January-March 2012, the study time period (13% fully redeemed, 82% partially redeemed).
- ▲ WIC vendors operate both integrated Point of Sale (POS) devices and stand-beside devices to complete a WIC transaction. The integrated POS systems allow for 'mixed basket' presentation of foods in the lane (e.g., allowing participants to place both WIC and non-WIC food items on the checkout lane belt), and a more streamlined cash value benefit (CVB) transaction in situations of split tender.
- ▲ Self-checkout lanes, at the time of the study, were allowed for WIC purchases in Kentucky and Michigan. WIC participants who used self-checkout lanes reported doing so because they are quick and more convenient.
- ▲ WIC families make an average of just over 3 shopping trips per month to utilize their WIC EBT benefits, with a range of 1 to 25 trips monthly. Focus group participants said they tend to spread their WIC shopping over the month, purchase the WIC foods when needed, and incorporate their WIC shopping into their regular grocery shopping.
- ▲ WIC families shopped at 1.8 vendors in an average month. This ranged from a minimum of 1 vendor to a maximum of 11 vendors.
- ▲ Compared with non-Hispanic White families, Asian families were nearly twice as likely to have redeemed all of their benefits, while non-Hispanic Black families were 41 percent less likely to do so.

Recommendations

- ▲ Encourage transition from stand-beside to integrated devices among vendors, where feasible.
- ▲ Ensure easy access to WIC EBT benefit balance information and expand methods by which participants can access their benefit balances.
- ▲ Develop and evaluate efforts to increase benefit redemptions, especially as it affects redemption among underserved populations.
- ▲ Plan early for utilization of EBT redemption data in program management.