

The Benefits Gap

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The Benefits Gap: How Billions in Federal Aid Go Unclaimed Every Year

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TL;DR

- SNAP: 88 percent of eligible individuals participated in fiscal year 2022. 12 percent did not.
- WIC: coverage varied by a 38-percentage-point spread between the highest and lowest state in 2023, widening from 24 points in 2016.
- LIHEAP: reaches a minority of eligible households. Federal funding supports roughly 20 percent of eligible recipients in a typical year.
- Medicaid: among the highest take-up rates of means-tested programs, but still with substantial churn on redetermination.
- The dominant reason for non-enrollment is application friction, not ineligibility or principled opt-out.
- Abundera's Q4 2026 report will publish aggregate take-up data from the platform plus outreach-conversion rates by program. This article pre-registers the methodology.

The scale of the gap

The U.S. federal government spends roughly \$100 billion per year on SNAP, \$30 billion on LIHEAP, over \$800 billion on Medicaid, and billions more on WIC, TANF, school lunch, and housing programs. These dollars are available to eligible households. Not all of them reach eligible households.

The gap between eligibility and enrollment varies dramatically by program. SNAP is near the top with 88 percent participation. LIHEAP sits near the bottom with take-up often estimated in the teens. The programs that reach the fewest eligible people tend to be the ones with the heaviest application friction.

That friction is the research question. It is not whether eligible Americans need the benefits. They do. It is not whether the money exists. It does. The question is why the paperwork between eligibility and receipt is so steep that millions of eligible households never bridge it.

Program-by-program

SNAP (Supplemental Nutrition Assistance Program). The USDA's most recent published take-up estimate, for fiscal year 2022, is 88 percent of eligible individuals. That sounds high until the absolute numbers land. Roughly 41 million Americans received SNAP in 2022. Twelve percent of the eligible population is several million more who qualified and did not apply.

WIC (Women, Infants, and Children). WIC is a targeted program for pregnant women, new mothers, infants, and children under five. National take-up averages in the mid-50s to low-60s. The bigger story is geographic variance. The gap between the state with the highest coverage and the state with the lowest grew from 24 percentage points in 2016 to 38 points in 2023. That widening is a policy signal. Some states have made WIC easier to apply for. Most have not.

Medicaid. Take-up for Medicaid is among the highest of the means-tested programs, driven by automatic or near-automatic enrollment pathways in many states and by healthcare providers who have incentives to enroll eligible patients at the point of care. The bigger problem is churn. During the 2023-2024 “unwinding” of pandemic-era continuous-enrollment rules, millions of eligible Americans were disenrolled due to paperwork failures, not ineligibility.

LIHEAP (Low-Income Home Energy Assistance Program). LIHEAP has the most severe take-up gap of the four. Federal funding historically supports about one in five eligible households in a typical winter. The program is rationed by funding, not by eligibility. Eligible applicants in many states hit a closed window because the state exhausted its allocation before the season ended.

Why eligible people do not enroll

Three forces dominate.

First: awareness. Many eligible people do not know they qualify. LIHEAP is the starkest example. The program is administered at the state and local level with minimal national branding. An eligible senior with high winter heating costs may never encounter the word “LIHEAP” in their lifetime.

Second: friction. The application process for SNAP, WIC, and Medicaid typically requires documentation of income, assets, household composition, and in some cases work status. Documents must be gathered, photographed or scanned, submitted through state portals of varying quality, and then followed up on if anything is missing. For a household already managing limited time and unreliable technology access, the friction is decisive.

Third: stigma and risk perception. A smaller but meaningful share of eligible non-enrollees decline to apply because they perceive the programs as shameful, as risky (they fear immigration consequences, for themselves or family members), or as likely to affect other benefits. Research on “chilling effects” during the 2019-2020 public charge rule changes documented measurable drops in SNAP and Medicaid enrollment in mixed-status households even when no household member was at immigration risk.

The dominant driver is friction. The research consensus is that reducing paperwork requirements, shortening applications, and using data already held by other agencies (the IRS, DMV, school lunch rolls) to pre-populate applications would capture a large share of the currently-missing eligible population.

The dollar figure

Totaling unclaimed benefits across programs is harder than it sounds because the base rates and eligibility definitions differ. Rough order-of-magnitude estimates assembled from federal program data and academic research:

- Unclaimed SNAP: several billion dollars per year in benefits that would have been received had the 12 percent gap closed.
- Unclaimed LIHEAP: dollars-exhausted-before-season-end plus uninformed-eligibles combine to leave the majority of eligible households without assistance each year.
- Unclaimed WIC: the 38-point state coverage spread implies a material national total, though WIC is complicated by the declining under-five population in some states.
- Medicaid disenrollment errors during the 2023-2024 unwinding: millions of eligible Americans lost coverage due to paperwork failures, resulting in billions in coverage gaps before most were re-enrolled.

Pulling all of this into a single number is imprecise. What is clear is that the unclaimed total runs into the tens of billions of dollars per year across major means-tested programs.

Friction, not eligibility, is why the American safety net leaves money on the table.

What Abundera will measure

Abundera’s benefits engine runs a preliminary eligibility check based on user-provided income, household composition, state of residence, and a small set of program-specific signals (utility costs for LIHEAP, child ages for WIC, pregnancy status, Medicare enrollment, military service). The check surfaces every program the user likely qualifies for.

For each surfaced program, the engine either routes the user to the state application portal or, where Abundera has direct agency integrations, pre-populates the application with data the user has already provided.

What the platform will measure across its user base:

1. **Eligibility surfacing rate.** Of users who completed the benefits intake, the percentage who were flagged as likely-eligible for at least one program they had not enrolled in.
2. **Program-specific surfacing.** The same, broken out by program (SNAP, WIC, Medicaid, LIHEAP, CHIP, TANF, Section 8, Lifeline, school lunch, EITC).
3. **Conversion to application.** Of users surfaced as likely-eligible, the percentage who started an application.
4. **Application completion.** Of those who started, the percentage who submitted.
5. **Enrollment confirmation.** Of those who submitted, the percentage who confirmed enrollment through an agency decision notice.
6. **Time to enrollment.** Median days from Abundera surfacing to confirmed enrollment, by program.
7. **Dollar value of enrollment.** Estimated annualized benefit value per newly-enrolled household.

Pre-registration: Q4 2026

The Benefits Gap report will publish the metrics above in December 2026, covering the platform's first full year of eligibility screening. All figures will be reported in aggregate, with sample-size caveats. No individual user data will be published. We will release the methodology before the report for external review.

The report will also include one figure that is harder to measure but arguably the most important: an estimate of the "gap closure" rate. Of users who entered Abundera's surfacing flow as likely-eligible-but-not-enrolled, what fraction ended the year actually enrolled. That is the number that tells us whether a software platform can meaningfully close the application-friction gap that has kept tens of billions of dollars of assistance out of the hands of eligible Americans for decades.

If the gap-closure rate is low, we will publish that and explain why. This research is independent of the product.

References

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- Administration for Children and Families, *LIHEAP Home Energy Notebook* (acf.hhs.gov)
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- Heflin, Colleen, *The Paperwork Tax on the American Safety Net*, Journal of Public Administration Research and Theory.

Abundera Research is the independent research arm of Abundera, Inc. The Q4 2026 Benefits Gap report will be published under the methodology described here. Press and data-access inquiries: research@abundera.ai.