

# The Impact of Increasing SNAP Benefits on Stabilizing the Economy, Reducing Poverty and Food Insecurity amid COVID-19 Pandemic

Healthy Eating  
Research

Research Brief, April 2020

The United States Department of Agriculture (USDA) is responsible for administering the [Supplemental Nutrition Assistance Program \(SNAP\)](#), which provides participants with monthly financial assistance to purchase food. SNAP is by far the largest federal nutrition safety net program serving [38 million people](#) in the United States—nearly half of whom are children. SNAP is proven to [reduce](#) poverty and food insecurity. With [unemployment currently at a record high](#) as a result of COVID-19—an unprecedented public health crisis with significant economic effects—SNAP participation is expected to increase significantly.

This brief provides evidence regarding the potential positive impact of a SNAP benefit increase on the economy and on SNAP households in the context of the current SNAP benefit allotment. We also discuss the SNAP provisions in the three congressional COVID-19 aid bills that have already been enacted.

## Recent COVID-19 Stimulus Bills

To date, Congress has passed three COVID-19 stimulus bills ([P.L. 116-123](#); [P.L. 116-127](#); [P.L. 116-136](#)) including SNAP provisions, such as funding for emergency benefits and increased program operating flexibilities as a result of the COVID-19 public health emergency ([Table 1](#)). Individually and collectively, these SNAP provisions should help families during COVID-19. However, due to the fact that SNAP is administered at the state level, [waivers will need to be submitted and approved by USDA](#) on a state-by-state basis. This will likely result in large variation in state use of these provisions, producing a patchwork of state emergency allotments and implementation practices across the country. Such a patchwork approach is unlikely to be successful in meeting the needs of all eligible program participants across the United States and will limit the ability of these additional investments to effectively boost and stabilize the economy.

In addition, these supplemental benefits and program flexibilities are time limited by the federal public health emergency declaration for COVID-19. They are not currently tied to the resulting economic impacts, such as rising unemployment rates, which may take years to reverse. With the United States potentially entering one of [the deepest recessions](#) in its history, Congress is expected to pass additional stimulus bills. As a result, advocacy groups (e.g., the [Center on Budget and Policy Priorities](#) and the [Food Research & Action Center \(FRAC\)](#)) are calling on Congress to [increase the SNAP maximum benefit 15 percent](#) (\$100 per month for a family of four).

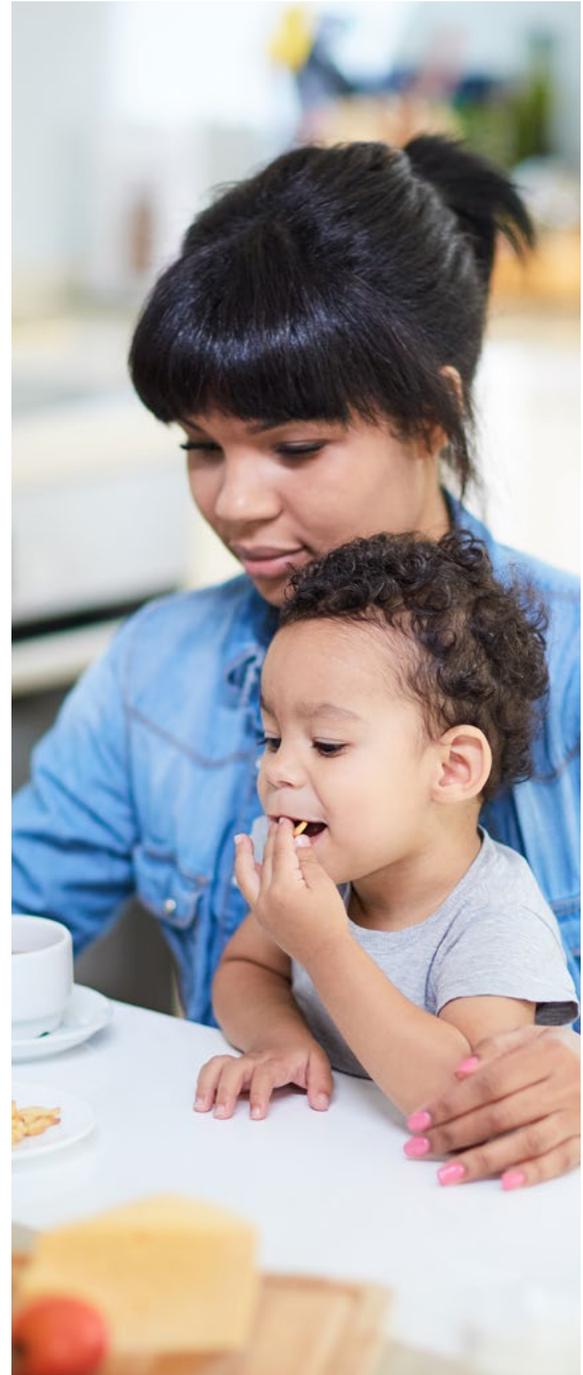


Table 1.

US COVID-19 Stimulus Packages - SNAP Provisions and Relevant USDA Guidance

**U.S. COVID-19 aid bills include the following SNAP provisions:**

- **Allows states to request a waiver from the USDA for any and all of the following:**
  - [Emergency allotments \(supplements\)](#) for all SNAP households up to the maximum benefit (\$646 for a family of four) for up to two months. States could request to extend these allotments and approval would be contingent upon the availability of funding and ongoing need.
  - [Pandemic-Electronic Benefits Transfer \(P-EBT\)](#) for households with children who would normally receive free or reduced-price school meals if school is closed for at least five consecutive days during this pandemic. These additional benefits amount to about \$114 per child per month (adjusted for the number of days that the schools are closed).
  - [Re-Enrollment Flexibilities](#) to extend deadlines for participants re-enrolling to receive SNAP benefits.
  - [Adjustments to Interview Requirements](#) to allow flexibilities around the in-person interview approval process, among others.
  - [Nationwide Flexibility for Quality Control Interviews](#) to be conducted by phone, among other flexibilities.
- **Temporarily suspends the time limit for Able-Bodied Adults Without Dependents (ABAWD) participation in SNAP, and gives states the flexibility to suspend work requirements during the pandemic.**
- **Appropriates \$15.8 billion for anticipated surges in SNAP administrative and benefit costs resulting from increased unemployment and flexibilities in enrollment provided through these relief packages.**

**Key Findings: A Review of the Evidence**

**Increased SNAP expenditures effectively boost and stabilize the economy**

As incomes fall and more people become eligible for the program, SNAP spending increases; thus, the program acts as an [automatic stabilizer](#) during economic downturns. Increased SNAP spending also creates a [multiplier effect](#) through the economy by generating income for all involved with food production, distribution, marketing, and sales. New research from the [USDA Economic Research Service](#) on the multiplier effects of federal spending on low-income programs, such as SNAP, shows that for every \$1 in new SNAP benefits, up to \$2 of economic activity is generated. According to the USDA Economic Research Service, evidence suggests a [\\$1 billion increase in SNAP benefits](#) during an economic downturn:

- increases GDP by \$1.54 billion,
- supports 13,560 new jobs, and
- creates \$32 million in farm income.

**Larger SNAP benefits reduce poverty and food insecurity, and increase food spending**

[SNAP lifted 3.2 million](#) people, including 1.5 million children, out of poverty in 2018. SNAP helps “[put food on the table](#)” and reduces food insecurity up to about [30 percent](#). Another [analysis](#) of nearly 3,000 households with children found SNAP participation for six months was associated with improved food security. During the Great Recession (2009 to 2013), when SNAP participation increased, Congress ([P.L. 111-5](#)) temporarily boosted SNAP benefits by 14 percent (\$80 per month for a family of four). This boost was associated with:

- [increased food expenditures](#),
- [mitigated declines in calorie intake](#),
- [improved food security](#), and
- [reduced Medicaid cost growth, especially for people with chronic illnesses with high sensitivity to food insecurity](#).

As the economy recovered, [SNAP caseload and spending declined](#), reflecting the program’s responsiveness to economic conditions.

In 2010, Congress ([P.L. 111-80](#)) also authorized USDA to develop and test methods for providing access to food for low-income children in the summer when schools are not in session using SNAP or the USDA Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) electronic benefits transfer (EBT). These Summer EBT [demonstration projects](#), which provided families with additional financial resources equivalent to about \$60 per eligible child per month, were also found to increase food expenditures, decrease levels of food insecurity, and show modest improvements in dietary quality.

### Current SNAP benefits are inadequate

For a family of four with no net income (for whom SNAP is expected to cover 100% of food costs), the maximum SNAP benefit was [\\$640, or about \\$120](#) per person per month in 2018. The average SNAP household (two people) received [\\$239 in monthly benefits](#) in 2018. This averages to about \$1.40 per meal, which does not cover the cost of a meal in [99 percent](#) of U.S. continental counties and the District of Columbia. SNAP benefits are calculated with the expectation that participating households spend about 30 percent of their own resources on food. Therefore, the SNAP allotment is calculated by multiplying a participating household's net monthly income by 0.3, and subtracting the result from the maximum monthly allotment for the household size.

SNAP benefit allotments are based on the [Thrifty Food Plan \(TFP\)](#), which estimates “a representative healthful and minimal cost meal plan.” In 2006, USDA revised the TFP to reflect changes in dietary guidance and new information on food consumption while maintaining the cost level of the previous (1999) TFP market baskets. Even at that time, these revisions were considered inadequate and now nearly 15 years later, there is again a long overdue need to update the TFP as several [major shortcomings](#) have been identified to using this dated food plan as the basis for determining SNAP benefit allotments. The TFP does not:

1. Account for the time cost of food preparation. Instead, TFP assumes that households are spending [13 to 16 hours per week](#) preparing food from scratch and that they have the required ingredients, time, equipment, and knowledge. An [empirical analysis](#) among single-headed households suggests they would need a 40 percent larger benefit to account for time costs.
2. Factor in food price variation based on geography or disrupted supply chains. In fact, SNAP benefits are only adjusted upwards for Alaska, Hawaii, Guam, and the

U.S. Virgin Islands. But, food costs substantially vary across the country. For example, households receiving the maximum monthly benefit would need to spend an additional [\\$2,520 per year in Boston and \\$3,165 per year in Philadelphia](#) to meet the TFP for a four-person household compared to the current allotment.

3. Meet [all](#) dietary recommendations and [may be insufficient](#) to support eating patterns recommended by the 2015-2020 Dietary Guidelines for Americans, since it was based on the 2005 edition.

[An expert committee at the National Academies of Sciences, Engineering, and Medicine](#) concluded in 2013 that it is possible to develop a definition of the SNAP benefit adequacy that incorporates individual, household, and environmental factors including time cost of food preparation and geographic variations in cost.

USDA already has put forth [three other food plans](#) that price meals at a higher cost than the TFP (**Table 2**). The Low-Cost Food Plan (30% higher cost than TFP) is used by bankruptcy courts to determine alimony and child support payments for 1.5 million people. The Moderate (63% higher cost than TFP) and Liberal (doubles the cost of TFP) Food Plans are used by the Department of Defense to set Basic Allowance for Subsistence (food allowance) for 1.4 million service members.

Congress ([P.L. 115-334](#)) required the secretary of agriculture to reevaluate and publish the TFP every five years based on dietary guidance, food prices, food composition data, and consumption patterns. A critical component to this reevaluation will be updating the [optimization model](#) behind the four plans, which **has not been updated in more than 40 years**. This [modernization process](#) must recognize the implications increased plans would have on various sectors of the economy, not limited to SNAP.

**Table 2.**  
Monthly Costs for the Four USDA Food Plans (for a Family of Four)

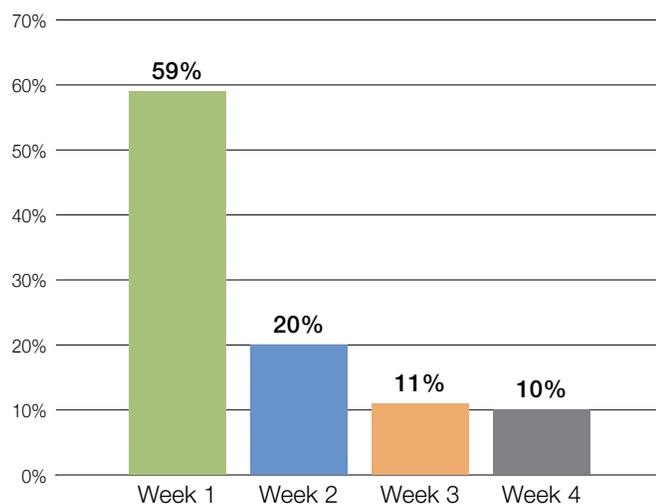
Thrifty Food Plan	Low-Cost Food Plan	Moderate-Cost Food Plan	Liberal Food Plan
\$654.10	\$857.70	\$1,072.30	\$1,300.00

Source: [USDA Official USDA Food Plans Cost of Food at Home at Four Levels, U.S. Average, February 2020](#)

## SNAP benefit inadequacy has negative implications for health and education

Another sign of inadequacy: SNAP benefits are issued once per month and nearly [80 percent](#) of SNAP benefits are redeemed within two weeks of receipt, with most SNAP families running out of their SNAP benefits well before the end of the month (**Figure 1**). The rapid depletion of limited food budgets over the course of the month has negative implications on health and education. Among low-income adults with diabetes, reduced calorie intake (by 10%-25%) is associated with a [27 percent](#) higher hospital admission rate for hypoglycemia in the last week of the month compared to the first week. For children participating in SNAP, running out of food is associated with [lower standardized test scores](#) in the last versus first week of the benefit month.

**Figure 1.**  
**Percent of SNAP Benefits Spent by Week of Issuance**



Source: [USDA Benefit Redemption Patterns in the Supplemental Nutrition Assistance Program, 2011](#)

## Conclusion

In a time of economic uncertainty, increasing SNAP benefits is a proven policy approach to stimulate the economy, reduce economic hardship, and improve health. Because of unrealistic assumptions used to calculate monthly benefits, current SNAP benefit levels are insufficient for participants to afford nutritious food throughout the month. This inadequacy is likely amplified as a result of COVID-19. Congress is expected to pass additional stimulus bills. Future federal recovery policy approaches should consider SNAP's proven ability to lift people out of poverty, purchase healthy food, and create and preserve jobs, as well as the evidence supporting an increase in the monthly benefit allotment.

## Acknowledgments

This brief was prepared by Sara Bleich, PhD, professor of public health policy at the Harvard Chan School of Public Health; Caroline Dunn, PhD, RDN, research associate at the Harvard Chan School of Public Health; and Sheila Fleischhacker, PhD, JD, RDN, adjunct professor of law at Georgetown University Law Center.

Sara Bleich served on the [expert committee at the National Academies of Sciences, Engineering, and Medicine](#) examining SNAP adequacy. The authors have recently been working on various projects relating to COVID-19 food implications and SNAP, including a [paper](#) examining legislative and executive branch development affecting SNAP; a recent [paper](#) on policy options to strengthen the public health impact of SNAP; an [op-ed](#) on the need to increase the SNAP benefit amount; a [perspective](#) regarding feeding children during these unprecedented times; and a collaboration with the [Centers for Disease Control and Prevention \(CDC\) Nutrition and Obesity Policy Research and Evaluation Network \(NOPREN\)](#) and [Healthy Eating Research, a national program of the Robert Wood Johnson Foundation \(RWJF\)](#) joint ad hoc COVID-19 response working groups.

Additionally RWJF published a [brief](#) in April 2020 that offers recommendations for prioritizing specific changes to SNAP in response to the COVID-19 pandemic and related economic crisis. The brief details how SNAP works, who it serves, and its impact on health and the economy. It also describes regulatory changes USDA has proposed to the program.

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### **About Healthy Eating Research**

*Healthy Eating Research* (HER) is a national program of the Robert Wood Johnson Foundation. Technical assistance and direction are provided by Duke University under the direction of Mary Story PhD, RD, program director, and Megan Lott, MPH, RDN, deputy director. HER supports research to identify, analyze, and evaluate environmental and policy strategies that can promote healthy eating among children and prevent childhood obesity. Special emphasis is given to research projects that benefit children and adolescents and their families, especially among lower-income and racial and ethnic minority population groups that are at highest risk for poor health and well-being and nutrition related health disparities. For more information, visit [www.healthyeatingresearch.org](http://www.healthyeatingresearch.org) or follow HER on Twitter at [@HERResearch](https://twitter.com/HERResearch).

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