SNAP Supports Health and Boosts the Economy
Overview

In response to the COVID-19 pandemic, the federal government has provided billions of dollars in additional funding to prevent hunger and help ensure that children and families have access to healthy, affordable food. Part of the emergency funding is dedicated to the Supplemental Nutrition Assistance Program (SNAP), which provides short-term financial support to low-income individuals and families who struggle to afford food.

SNAP is the nation’s largest nutrition assistance program. In 2019, the program served approximately 36 million Americans. Nearly half (44 percent) of participants are children under age 18; 13 percent are people age 60 and older; and about 10 percent are people with disabilities; the remainder is composed of non-disabled, non-elderly adults.

SNAP benefits are calculated to cover approximately 70 percent of a family’s food budget. In FY 2018, the average SNAP participant received about $126 in monthly benefits, or approximately $1.40 per person per meal. An expert analysis released in April 2020 finds the current SNAP benefit levels insufficient for allowing participants to afford nutritious foods, noting that the average benefit does not cover the cost of a meal in 99 percent of U.S. continental counties and that most SNAP families run out of their benefits before the end of the month. SNAP participants can use their benefits to purchase food at grocery stores, convenience stores, farmers’ markets, and co-op food programs. Any child who lives in a SNAP household is also eligible to receive free school breakfast and lunch.

SNAP was most recently reauthorized by Congress as part of the 2018 Farm Bill; SNAP comprises approximately 80 percent of total Farm Bill spending. The federal government funds the benefits and splits the cost of administering the program with the states.

This brief describes the purpose of SNAP and who it serves, provides details about how the program works, presents research about its impact, and describes regulatory changes to the program recently proposed by the U.S. Department of Agriculture (USDA). It also offers recommendations for policymakers, including prioritizing specific changes to SNAP in response to the COVID-19 pandemic and related economic crisis.
SNAP Basics

Eligibility and participation

SNAP is a mandatory program, meaning that Congress is required by law to fund it each year and anyone who qualifies for benefits will receive them. An individual’s eligibility is determined by several factors, including family size, total household income, job status, and/or certain types of expenses.

Most people who receive benefits only do so temporarily, such as when they are between jobs or suffering some other economic hardship. Between 2009 and 2012, slightly less than half of SNAP participants received benefits for two years or less, while slightly more than half received benefits for three to four years. Under most circumstances, people without a disability who are ages 18 to 50 and live in a childless household—also known as able-bodied adults without dependents (ABAWDs)—can receive SNAP benefits for three months in a three-year period unless they are working or participating in a work program.

Both the total number of SNAP caseloads and annual funding levels tend to rise and fall in concert with broader economic conditions. For example, the number of SNAP participants increased between 2007 and 2011 as a significant economic recession led to more low-income households qualifying and applying for help. Participation peaked in 2013 with 47.6 million Americans receiving $79 billion in benefits. However, caseloads declined by approximately 10 million as economic conditions improved, with a commensurate drop in overall benefit funding.

Emergency Funding for the COVID-19 Pandemic

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed in March 2020, includes $15.8 billion in additional funding for SNAP. The emergency funding is intended to help meet the anticipated dramatic rise in new SNAP caseloads among Americans due to losses of jobs and income. The funding builds on provisions in the Family First Coronavirus Response Act that allow states to provide short-term SNAP benefit increases with approval from the USDA and temporarily suspends the program’s work requirements. To date, the emergency response laws do not raise minimum or maximum SNAP benefits or expand eligibility for the program.
SNAP participants

Two-thirds of SNAP participants are children, older adults, and people with disabilities.\textsuperscript{11} Approximately 36 percent of participants are white, 25 percent are black, and 25 percent are Asian, Hispanic or Native American.\textsuperscript{12} About 92 percent of SNAP benefits go to households with incomes at or below the poverty line, and 55 percent go to households at or below half of the poverty line (about $10,390 per year for a family of three in 2019).\textsuperscript{13} Most SNAP households (82 percent) were in major metropolitan areas, in or near large cities, while about 10 percent lived in or near smaller cities and towns, and 6 percent lived in rural areas.\textsuperscript{14} Notably, a higher proportion of households in rural areas (16 percent) receive SNAP benefits compared to households in urban areas (13 percent).\textsuperscript{15}

SNAP Basics

SNAP was founded in 1964 to help people with limited resources buy food. Today, it’s the nation’s largest nutrition assistance program. Access to SNAP from birth to early childhood decreases risk of poor health outcomes later in life; improves academic performance; and improves healthy eating habits.
Eligible purchases

Unlike other federal food assistance programs such as the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the National School Lunch and Breakfast Programs, SNAP does not have nutrition standards for purchases made with program benefits—aside from a relatively small list of prohibited items, such as hot foods or alcohol, participants may purchase any foods or beverages with their benefits. In recent years, helping participants access and afford nutritious food has become more of a program focal point:

SNAP-Ed, SNAP’s nutrition education program, was created in 2008. States receive grants (separate from program benefits) to help participants learn how to get the most out of their benefits with respect to buying and preparing nutritious foods on a tight budget.17

The Healthy Incentives Pilot (HIP), also created in 2008, provided SNAP participants with 30 cents back for every dollar in SNAP benefits spent on select fruits and vegetables.18 The HIP was intentionally short-term—it ended in 2012—and was designed to test the efficacy of nutrition incentive programs.

The Food Insecurity and Nutrition Incentive (FINI), created in 2014, encourages participants to purchase the most nutritious foods, such as fresh fruits and vegetables, with financial incentives. The program was authorized permanently as the Gus Schumacher Nutrition Incentive Program in 2018.19

The average monthly SNAP benefit—$1.40 per meal—does not cover the cost of a meal in 99% of U.S. continental counties.
Evidence and Analysis

Hunger and food insecurity are serious public health threats that impact tens of millions of Americans and disproportionately affect low-income populations. The economic crisis tied to the ongoing coronavirus outbreak disproportionately impacts these populations and puts millions more at risk for hunger, food insecurity, and poverty. While studies show that SNAP is working to address these issues and link the program with numerous health and economic benefits, the current benefit levels are insufficient for allowing participants to afford nutritious food throughout the month.

Food Insecurity and Poverty

In 2018, 38.1 million people—11.8 percent of the U.S. population—lived in poverty. Poverty is linked with food insecurity, or the inability to afford enough food to support a healthy life. Today, children are more likely to face food insecurity than any other group in the United States. Food insecurity among children is linked to increased risk of poor diet, chronic health conditions, cognitive and behavioral problems, anxiety and depression, and poorer general health, compared with their food-secure peers.

Children, in particular, need nutritious food to grow, learn, and thrive. Research shows access to nutritious food helps children’s brains develop, improves their academic performance, has long-term health benefits, and establishes healthy eating habits that can last a lifetime.

Impact of SNAP

Research links SNAP participation with significant, long-lasting benefits for America’s most vulnerable children and families—and the program is proven to boost a lagging economy. The program:

Reduces poverty

According to the U.S. Census Bureau, SNAP is responsible for a decline in the U.S. poverty rate from 14.3 percent to 13.2 percent between 2016 and 2018. The program lifted 3.1 million people out of poverty in 2018.
**Improves the economy**

Research shows SNAP benefits infuse money into the economy quickly—approximately 80 percent of benefits are spent within two weeks and 97 percent are spent within a month of receipt. According to the Congressional Budget Office, increasing SNAP expenditures during an economic downturn is one of the most effective fiscal policies for sparking economic activity and jobs. Increasing SNAP benefits by $1 billion during an economic downturn would increase the gross domestic product by $1.54 billion, support more than 13,000 jobs, and create $32 million in farm income. Food retailers depend on SNAP participants for business as well; for each $15 in additional SNAP benefits, estimated grocery spending among SNAP participants increases by nearly $10.

**Improves food security**

The largest and most rigorous examination of the relationship between SNAP participation and food security, conducted by USDA, found that overall food insecurity fell by as much as 20 percent and food insecurity among children fell by approximately 33 percent after their families received SNAP benefits for six months.

Yet analyses show SNAP benefits are not enough to help most households get through the entire month without hunger or being forced to sacrifice nutritional quality. For example, in 2018, the maximum SNAP benefit was $640 (or about $120 per person per month) for a family of four with no net income, for whom SNAP is expected to cover 100 percent of food costs. 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. Benefits are inadequate, in part, because they are based on USDA’s Thrifty Food Plan, which was last updated in 2006 and does not factor in food price variation based on geography, account for the time cost of food preparation, or meet all recommendations called for in the Dietary Guidelines for Americans.

**Boosts children’s health and academic performance**

Studies show that when children have access to SNAP, their risk of developing high blood pressure, heart disease, diabetes, and other poor health outcomes later in life decreases. Participants also attain improved reading and math skills and have a greater chance of graduating from high school.
Encourages healthier purchases and healthier eating

Evaluations of SNAP incentive programs find participants buy and consume more fresh fruits and vegetables. During the first year of the Food Insecurity Nutrition Incentive, more than 25,000 participating SNAP households purchased more than half a million dollars’ worth of produce: 62 percent purchased more fruits and vegetables, 90 percent said they would increase their intake, and 63 percent ate fewer chips, cookies, and candy. The Power of Produce club, which is funded by SNAP-Ed, shows promise for encouraging healthy eating among kids. The program has been adopted by farmers’ markets nationwide and provides children ages 4 to 12 with a token for $2 of fresh fruit and vegetables. Among parents whose children participated, 67 percent reported their kids were eating, or at least trying, more fruits and vegetables.

Supporting America’s Farmers

In an effort to support local farmers and increase opportunities for SNAP participants to purchase fresh fruits and vegetables, USDA’s Food and Nutrition Service has licensed more than 3,000 farmers’ markets nationwide to accept SNAP benefits. In 2017, participants spent $22 million in SNAP benefits at farmers’ markets, a 35 percent increase over 2012. The Double Up Food Bucks program, which was launched in Michigan in 2009, also encourages SNAP participants to purchase local produce. This program provides SNAP participants with up to $20 in vouchers to buy locally grown fruits and vegetables at farmers’ markets. In 2012, it benefited 13,000 SNAP participants and more than 700 farmers statewide. The program has since expanded to 27 states, benefiting more than 190,000 families and 5,400 farmers’ markets.

Encouraging Healthier Eating

An evaluation of the Healthy Incentives Pilot program found that an ongoing investment of less than 15 cents per person per day may result in a 25 percent increase in fruit and vegetable consumption among adults.
Proposed Regulatory Changes

Since Congress reauthorized the Farm Bill, USDA has proposed a series of regulatory changes to SNAP. These include:

Proposed changes to the federal time-limit waivers

Currently, able-bodied adults without dependents receiving SNAP must work an average of at least 20 hours per week or face a time limit on their SNAP benefits of no more than three months of benefits in a three-year period. However, states can exempt some SNAP participants from the time limit by requesting a federal waiver for a geographic area that meets USDA's criteria for a high unemployment or a weak labor market. The proposed rule would limit states’ ability to request and receive such waivers. 38

A final rule to this effect was scheduled to take effect on April 1, 2020; however, the Families First Coronavirus Response Act temporarily suspends SNAP work requirements, and a federal judge has issued a temporary injunction blocking the final rule from taking effect.

Proposed changes to broad-based categorical eligibility

This rule change, proposed in July 2019, would eliminate SNAP broad-based categorical eligibility (BBCE). 39 BBCE policies may allow households with higher gross incomes, more countable resources (such as money in a bank account), or both, to qualify for SNAP benefits. More than 40 states and U.S. territories have adopted BBCE policies, which enable households receiving a noncash benefit funded by Temporary Assistance for Needy Families (TANF) to qualify for SNAP by meeting the financial criteria of the TANF-funded program rather than federal SNAP criteria. These low-income households must still meet SNAP’s nonfinancial eligibility criteria, such as adhering to work requirements, and their benefits are determined under the same rules as other eligible households.

USDA’s regulatory impact analysis indicates the proposed rule would cause nearly 1 million children to no longer be directly certified for free school meals based on SNAP participation. Of those, 40,000 children would lose eligibility for free or reduced-price meals entirely; 445,000 would have to apply to maintain access for free school meals; and 497,000 would only qualify for reduced-price meals. 40 The proposed changes to SNAP would eliminate states’ ability to adopt or maintain BBCE policies. A final rule has not yet been issued.
Proposed changes to calculating standard utility allowances

This rule change, proposed in October 2019, would create a uniform approach to setting standard utility allowances (SUAs) and converting the telephone allowance to a telecommunications allowance that includes basic internet service. Both allowances factor into the excess shelter expense deduction, which is used to compute net income (which, in turn, is used to determine SNAP eligibility and benefit level). A final rule has not yet been issued.

A research brief from the Urban Institute examining the cumulative impact of these three rules taking effect found that the proposed changes would remove 2.2 million households from SNAP and reduce benefits for 3.1 million others. Households losing eligibility would lose an average of $127 per month. Households with lower benefits would lose an average of $37. About 2.5 million households would have higher benefits, with an average increase of $14.
Conclusion

SNAP has a long and successful history of providing temporary help that reduces food insecurity, improves children’s health, lifts people out of poverty, and strengthens the economy. It serves tens of millions of Americans who are vulnerable to hunger and serious health issues linked with poor nutrition.

SNAP will be even more critical to families and children during the COVID-19 pandemic and until the economy stabilizes. Any reforms to SNAP should be driven by analysis of impacts on access, equity, cost, and program outcomes including food security, financial security, and diet quality.

Recommendations

In response to the COVID-19 pandemic and related economic crisis, the Robert Wood Johnson Foundation urges these actions to prevent hunger and even larger increases in poverty:

- Raise the maximum SNAP benefit level by 15 percent for the duration of the economic downturn.

- Remove the 3-month time limit on SNAP benefits for unemployed adults who are not raising minor children for the duration of the economic downturn.

- Stop implementation of new regulatory changes that would decrease SNAP benefits or take SNAP benefits away from 4 million people.

- For states, implement the various strategies that Congress has authorized for increasing SNAP benefits and streamlining eligibility and enrollment rules.

Longer term the following actions can maintain and strengthen SNAP and its impact:

- Increase SNAP benefits to enhance anti-hunger and anti-poverty effects.

- Avoid funding cuts that would reduce enrollment and/or benefit levels.

- Expand the Supplemental Nutrition Assistance Program–Education (SNAP-Ed) and financial incentive programs to encourage SNAP participants to purchase more fruits and vegetables and help them make healthier purchases.
Additional resources

- Center on Budget and Policy Priorities: Coronavirus Response Package
- State of Childhood Obesity: SNAP Policy Feature
- Center on Budget and Policy Priorities: SNAP Helps Struggling Families, Put Food on the Table
- Urban Institute: Does SNAP Cover the Cost of a Meal in your County?
- Feeding America: Hunger in America

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