

RESEARCH BRIEF



The Low-Cost Food Plan Would Provide More SNAP Benefits for Households in Need

Introduction

The Supplemental Nutrition Assistance Program (SNAP) is the most successful food assistance program in the U.S., helping millions of people with low incomes to purchase groceries. The Thrifty Food Plan (TFP), which offers the lowest of the four major food plans the federal government uses, sets the maximum amount of food dollars SNAP participants can receive. Despite a long overdue update of the TFP in 2021, the plan still leaves SNAP participants short of the benefit amounts sufficient for food for the entire month. SNAP should switch from the TFP model to the more equitable Low-Cost Food Plan to equip participants with fuller plates and improved health and well-being.



Food Insecurity in the U.S.

Food insecurity is a lack of consistent access to enough food for all household members.¹ Unfortunately, millions of Americans experience food insecurity due to factors such as poverty, unemployment, medical costs, housing costs, and systemic racism.² In 2021, 13.5 million U.S. households experienced food insecurity at some point during the year.³ In 2021, 33.8 million people lived in food insecure households — including 5.0 million children.⁴ 8.6 million adults lived in households with very low food security, meaning that the “normal eating patterns of one or more household members” were significantly reduced throughout the year due to limited funds or other resources to access food.⁵ Food insecurity is a major health concern because, without proper nutrition, health complications can arise. It has been linked to an increased risk of cognitive and behavioral problems in children, chronic health conditions such as diabetes and hypertension in young and working-age adults, and decreased quality of life in older adults.⁶ In addition, disparities exist by race and ethnicity. In 2021, 19.8 percent of Black households and 16.2 percent of Latinx households experienced food insecurity compared to 7.0 percent of White households.⁷

¹ Hunger and Food Insecurity <https://www.feedingamerica.org/hunger-in-america/food-insecurity>

² Ibid

³ Key Statistics & Graphics. USDA Economic Research Service. Published October 17, 2022. Accessed May 3, 2023. <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/key-statistics-graphics/>

⁴ Ibid

⁵ Ibid

⁶ Carlson S, Llobrera J. SNAP Is Linked With Improved Health Outcomes and Lower Health Care Costs. Center on Budget and Policy Priorities. Center on Budget and Policy Priorities. Published December 14, 2022. <https://www.cbpp.org/research/food-assistance/snap-is-linked-with-improved-health-outcomes-and-lower-health-care-costs>

⁷ Coleman-Jensen A, Rabbitt MP, Gregory CA, Singh A. *Household Food Security in the United States in 2021; 2022*. Accessed May 3, 2023. <https://www.ers.usda.gov/publications/pub-details/?pubid=104655>

About the Supplemental Nutrition Assistance Program

SNAP is the nation's most effective anti-hunger and nutrition program that serves people of all ages. Eligible people include those who work low-wage or part-time jobs; are unemployed, experiencing homelessness, as well as those who are not of working age. Two-thirds of SNAP participants are in households with children and the following one-third of participants are in households with older adults or people with disabilities.⁸ SNAP participants receive monthly benefits to purchase food based on their household income and size.

SNAP's positive impacts include reduced food insecurity, reduced poverty, lower health care costs, and improved health outcomes. SNAP is known to reduce food insecurity by up to 30 percent overall and has been shown to reduce food insecurity among children by a third after families with children received SNAP benefits for six months.⁹ According to the United States Census Bureau, in 2021, SNAP uplifted 2.8 million people out of poverty.¹⁰ In addition, SNAP participants are more likely than nonparticipants to self-report "excellent" or "very good" health.¹¹ In fact, SNAP users, particularly older adults, have less emergency room utilization while on benefits.¹² A new study by the Benefits Data Trust reinforces the power of SNAP to reduce health care costs. More specifically, the study found that one year of SNAP participation reduces health care costs by 16 percent and pharmacy costs by 21 percent.¹³



While SNAP benefits are incredibly important, research shows that their current benefit amount, particularly after the ending of Emergency Allotments (EAs) and an increase in food prices, has created a hunger cliff. An updated report from the Urban Institute shows that, while SNAP helps families purchase the food they need, the maximum benefit rarely covers the cost of a modestly priced meal.¹⁴ As such, families and individuals are experiencing challenges paying their bills on time because they have to choose between feeding their families or paying for shelter and other essentials.¹⁵ Lastly, more emergency room visits within the older adult population increase at the end of the month when SNAP benefits have ended.¹⁶

⁸ Policy Basics: The Supplemental Nutrition Assistance Program (SNAP). <https://www.cbpp.org/research/food-assistance/the-supplemental-nutrition-assistance-program-snap>

⁹ Carlson S, Llobrera J. SNAP Is Linked With Improved Health Outcomes and Lower Health Care Costs. Center on Budget and Policy Priorities. Center on Budget and Policy Priorities. Published December 14, 2022. Accessed May 3, 2023. <https://www.cbpp.org/research/food-assistance/snap-is-linked-with-improved-health-outcomes-and-lower-health-care-costs>

¹⁰ Creamer J, Shrider EA, Burns K, Chen F. Poverty in the United States: 2021 Current Population Reports. <https://www.census.gov/library/publications/2022/demo/p60-277.html>

¹¹ Carlson S, Llobrera J. SNAP Is Linked With Improved Health Outcomes and Lower Health Care Costs. Center on Budget and Policy Priorities. Center on Budget and Policy Priorities. Published December 14, 2022. Accessed May 3, 2023. <https://www.cbpp.org/research/food-assistance/snap-is-linked-with-improved-health-outcomes-and-lower-health-care-costs>

¹² H Cotti, Chad D., John M. Gordanier, and Orgul D. Ozturk. Hunger pains? SNAP timing and emergency room visits. <https://www.sciencedirect.com/science/article/abs/pii/S0167629619301316?via%3Dihub>

¹³ New Study Reinforces Power of SNAP to Reduce Health Care Costs, Lisa Dillman, Ashley Humienny, and Julian Xie. <https://bdtrust.org/new-study-reinforces-power-of-snap-to-reduce-health-care-costs/>

¹⁴ Does SNAP Cover the Cost of a Meal in Your County? https://www.urban.org/data-tools/does-snap-cover-cost-meal-your-county-2022?utm_source=urban_ea&utm_campaign=SNAP_Gap_Map_update&utm_id=social_safety_net&utm_content=government&state&utm_term=hunger_and_food

¹⁵ SNAP Households Survey June Results. <https://www.joinpropel.com/reports/june-2023-pulse-survey>

¹⁶ Otti, Chad D., John M. Gordanier, and Orgul D. Ozturk. Hunger pains? SNAP timing and emergency room visits. <https://www.sciencedirect.com/science/article/abs/pii/S0167629619301316?via%3Dihub>

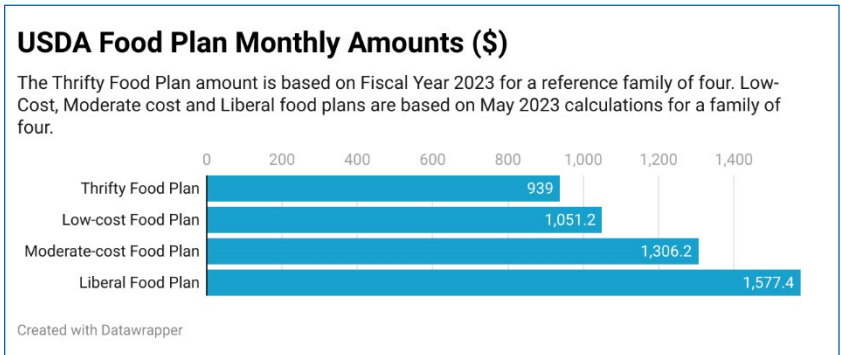
USDA Food Plans

The U.S. Department of Agriculture’s (USDA) four food plans are the Thrifty Food Plan (TFP), the Low-Cost Food Plan, the Moderate-Cost Food Plan, and the Liberal Food Plan.¹⁷ Each food plan is used to calculate food costs in different situations. The TFP sets the national standard for a nutritious diet at the lowest possible cost and is used to determine SNAP benefit allotments.¹⁸ Often in bankruptcy courts, the Low-Cost Food Plan is the basis for determining how much money someone who has gone bankrupt should be allocated for food.¹⁹ The Low-Cost, Moderate-Cost, and Liberal Food plans are used in alimony, child support, and foster care guidelines or payments.²⁰ The Liberal Food Plan is the basis for the Department of Defense to set the Basic Allowance for Subsistence rate for service members. According to the USDA, “all three Food Plans are based on 2001–02 data and updated to current dollars by using the Consumer Price Index for specific food items.”²¹

Monthly Allotment for USDA Food Plans

SNAP maximum allotments are calculated based on a reference family of four, which includes a male and female, ages 20–50 years of age, a child 6–8 years of age, and a second child of 9–11 years of age, as defined in the Food and Nutrition Act of 2008.²² The TFP maximum allotment for fiscal year (FY) 2023 is \$939 (Figure 1). As of May 2023, for the same reference family of four, the average monthly costs for the USDA’s other food plans were \$1,051.20 for the Low-Cost Food Plan, \$1,306.20 for the Moderate-Cost Food Plan, and \$1,577.40 for the Liberal Food Plan.

Figure 1. USDA’s Four Food Plans Monthly Amounts. *The Thrifty Food Plan amount is based on the fiscal year 2023 for a reference family of four. Low-Cost, Moderate-Cost, and Liberal Food plans are based on May 2023 calculations for a family of four.*



Thrifty Food Plan

As aforementioned, the TFP is a mathematical calculation to determine the cost of purchasing and cooking a nutritious and healthy diet that sets the maximum SNAP benefit allotments. The TFP market baskets are an estimate of the weekly cost of a healthy diet among several categories of foods and beverages that are nutrient-dense, and low-price.²³

Update to TFP

In fall 2021, the U.S. Department of Agriculture reevaluated the Thrifty Food Plan, as directed by Congress in the 2018 Farm Bill, to better reflect the true cost of a healthy diet. The TFP is the same value for the contiguous 48 states, including D.C., however, it is evaluated separately from Alaska and Hawaii. By law, the TFP for Alaska and Hawaii

¹⁷ The Low-Cost, Moderate-Cost, and Liberal Food Plans, 2007. https://fns-prod.azureedge.us/sites/default/files/usda_food_plans_cost_of_food/FoodPlans2007AdminReport.pdf

¹⁸ Ibid

¹⁹ Ibid

²⁰ Ibid

²¹ Official USDA Food Plans. <https://fns-prod.azureedge.us/sites/default/files/media/file/CostofFoodMay2023LowModLib.pdf>

²² SNAP FY 2023 Cost-of-Living Adjustments. <https://www.fns.usda.gov/snap/fy-2023-cola>

²³ USDA Food Plans. <https://www.fns.usda.gov/cnpp/usda-food-plans-cost-food-reports>

are both adjusted for the price of food in Anchorage, urban and rural Alaska, and the price of food in Honolulu, respectively.²⁴ The 2021 update to the TFP was the first adjustment since 1975.²⁵

The goal of the revaluation for the TFP was “to create Market Baskets that contain a variety of commonly consumed foods and beverages that are lower in price and of higher nutritional quality (or nutrient density) to support healthy meals and snacks at home on a limited budget.”²⁶

The TFP Update

On October 1, 2021, SNAP benefits increased by \$36.24 per person, per month.²⁷ The update kept nearly 2.3 million people out of poverty in the last quarter of 2021, reducing poverty by 4.7 percent.²⁸ Additionally, child poverty dropped by 8.6 percent with the largest decrease among Black, non-Latinx children for which poverty decreased by 12.2 percent. This improvement in child poverty among Black children demonstrates how the TFP update has moved towards reducing racial disparities among those who experience food insecurity in the U.S.



Low-Cost Food Plan Is a More Appropriate Barometer for SNAP Benefit Amounts

Although the TFP reevaluation has increased SNAP benefits by \$36.24 per person per month, this is still not enough money for individuals and families, particularly when the maximum SNAP benefit does not cover the cost of a modestly priced meal in 78 percent of U.S. counties.²⁹ According to a monthly pulse survey by The Center for Food Demand Analysis and Sustainability of Purdue University, in June 2023, among households with an annual income of less than \$50,000, only 26 percent received SNAP benefits.³⁰ They also found that 48 percent of households with income less than \$50,000 reported waiting on their next paycheck to buy groceries, compared to 27 percent and 22 percent of households with incomes \$50,000–100,000, and greater than \$100,000, respectively.³¹ Living paycheck to paycheck leaves households having to make difficult decisions on the purchases they do make. In a May 2023 online survey of SNAP participants from Propel Inc.’s “Providers” app, respondents reported using coping mechanisms in the past month to shield from hunger: 44 percent of respondents skipped meals in April — a 7 percent increase from the previous month’s findings; 54 percent cut back on their food intake; and 32 percent relied on food from family and/or friends —

²⁴ 7 CFR 273.10(e)(4)(i)

²⁵ USDA Modernizes the Thrifty Food Plan, Updates SNAP Benefits. United States Department of Agriculture. Published August 16, 2021. Accessed April 17, 2023. <https://www.usda.gov/media/press-releases/2021/08/16/usda-modernizes-thrifty-food-plan-updates-snap-benefits>

²⁶ Food and Nutrition Service. Thrifty Food Plan, 2021. Accessed May 24, 2023. <https://fns-prod.azureedge.us/sites/default/files/resource-files/TFP2021.pdf>

²⁷ <https://www.usda.gov/media/press-releases/2021/08/16/usda-modernizes-thrifty-food-plan-updates-snap-benefits>

²⁸ Wheaton L, Kwon D. Effect of the Reevaluated Thrifty Food Plan and Emergency Allotments on Supplemental Nutrition Assistance Program Benefits and Poverty. <https://www.urban.org/research/publication/effect-reevaluated-thrifty-food-plan-and-emergency-allotments-supplemental>

²⁹ Urban Institute, Does SNAP Cover the Cost of a Meal in Your County? Amid inflation, SNAP benefits did not cover the cost of a meal in 99 percent of counties in 2022. Adjustments to SNAP narrowed — but didn’t close — that gap. July 13, 2023. <https://www.urban.org/data-tools/does-snap-cover-cost-meal-your-county-2022>

³⁰ Consumer Food Insights, Center for Food Demand Analysis and Sustainability College of Agriculture, Purdue University. [ag.purdue.edu/cfdas/wp-content/uploads/2023/07/Report_202306-2.pdf](https://www.purdue.edu/cfdas/wp-content/uploads/2023/07/Report_202306-2.pdf)

³¹ Ibid

an increase of 22 percent since April.³² The increase in coping mechanisms used among SNAP participants occurred following the end of SNAP Emergency Allotments in March 2023.³³ In addition, 43 percent of respondents owe past-due utilities/household bills — a 37 percent increase from April 2023.³⁴ Based on this subgroup of SNAP participants, it is evident that many are having an even harder time not only securing food for themselves and their families but also in affording other crucial necessities such as rent and utilities, especially as SNAP Emergency Allotments have ended as of March 2023.

Using the Low-Cost Food Plan for SNAP Instead of TFP

Household Impact

Using the Fiscal Year 2023 Cost-of-Living Adjustment calculation for SNAP and the June 2022 Monthly Update to the Low-Cost Food Plan, Table 1 shows the monthly benefit calculation for SNAP under the current TFP compared to what the monthly benefit calculation would be under the Low-Cost Food Plan calculation. Most notably, when comparing the reference family calculation among the two plans, the maximum allotment would be \$48 per month (\$12 per person per month) more for food under the Low-Cost Food Plan, compared to the Thrifty Food Plan, a roughly 5 percent increase in maximum allotment benefits.

If we moved to the Low-Cost Food Plan, households would receive on average \$125 more in their monthly SNAP allotment (see Appendix for Methodology).

Table 1. Comparison of monthly benefit allotment for 48 states and D.C. under the reevaluated TFP using the Cost-of-Living Adjustment (COLA) calculation for fiscal year 2023 compared to the Low-Cost Food Plan from June 2022.*

* The June 2022 update for the Low-Cost Food Plan was used for comparison since the COLA update for SNAP under the TFP was also updated in June 2022.³⁵ To determine the household size, a scaling factor was used based on the SNAP COLA for fiscal year 2023 allotments³⁶. A household can be composed of (1) an individual living alone, (2) an individual living with others but purchases and prepares food separate from others, or (3) a group of individuals living together

Household Size	Monthly Benefit Under TFP COLA FY 2023	Monthly Benefit Under Low-Cost Food Plan (June 2022)	Amount of More Money per Month Under Low-Cost Food Plan
1	\$281	\$344	\$63
2	\$516	\$559	\$43
3	\$740	\$773	\$33
4	\$939	\$987	\$48
5	\$1,116	\$1,202	\$86
6	\$1,339	\$1,416	\$77
7	\$1,480	\$1,631	\$151
8	\$1,691	\$1,845	\$154

that purchase and prepare their meals collectively.³⁷ Each year in June, the USDA calculates the following fiscal year’s SNAP maximum allotments base. This comparison does not account for Alaska or Hawaii as both of these states have different SNAP allotment maximums due to adjusted TFP calculations for their unique food prices.

³² SNAP Households Survey May Results. <https://www.joinpropel.com/reports/may-2023-pulse-survey>

³³ Ibid

³⁴ Ibid

³⁵ Official USDA Food Plans. <https://fns-prod.azureedge.us/sites/default/files/media/file/CostofFoodJun2022LowModLib.pdf>

³⁶ SNAP Fiscal Year 2023 Cost-of-Living Adjustments. <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-fy-2023-cola-adjustments.pdf>

³⁷ 7 CFR 273.1(a)

Economic Impact

In addition to household-level impact, an increase in SNAP benefits via the Low-Cost Food Plan would stimulate the economy. During an economic downturn, SNAP provides assistance to more households with low incomes and during economic expansion provides assistance to fewer households.³⁸ In a 2019 report by the USDA Economic Research Service, it is estimated that for every additional \$1 of government spending, the Gross Domestic Product (GDP) increases to between \$0.80 to \$1.50.³⁹ For a \$1 billion increase in SNAP benefits due to new enrollment during economic downturn, GDP increases by \$1.54 billion.⁴⁰ For SNAP and other government programs for households with low incomes, estimated economic activity is up to \$2 per dollar spent.⁴¹ Since this report is based on the TFP, switching to the Low-Cost Food Plan would be expected to create economic activity greater than \$2 for every government dollar spent on the program.



Recommendations

Switch From the TFP to the Low-Cost Food Plan

Switching from the Thrifty Food Plan to the Low-Cost Food Plan would provide households with more meaningful SNAP benefit amounts and help SNAP participants purchase the food they need. An additional \$125 in benefits each month could alleviate stress for families and individuals already concerned about deciding between their next meal, their next rent or mortgage payment, and their next utility bill. It could reduce the instances in which recipients need to cut corners to make their food last longer and ensure better quality foods are in reach.

Conclusion

It is imperative that SNAP provide a sufficient benefit to support recipients to afford food. Although the 2021 Thrifty Food Plan reevaluation has improved benefit allotments, more must be done to continue to support food insecure households. By making the switch to the Low-Cost Food Plan, current SNAP households could see an average increase of \$125 in benefits. More dollars for SNAP households mean more food for them and their families and less hunger among the nation's food insecure households. By switching to the Low-Cost Food Plan, SNAP would better feed families the healthy and nutritious foods that they need to support their overall health and well-being.

³⁸ Supplemental Nutrition Assistance Program (SNAP) Linkages with the General Economy. <https://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-snap/economic-linkages/>

³⁹ The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier. <https://www.ers.usda.gov/publications/pub-details/?pubid=93528>

⁴⁰ Ibid

⁴¹ Ibid

Appendix

Methodology and Technical Notes

Purpose

FRAC has prioritized passing the Closing the Meal Gap Act, which will direct USDA Food and Nutrition Service (FNS) to use the Low-Cost Food Plan to calculate SNAP benefits. The purpose of this data analysis is to (1) determine the maximum allotment for households under the Low-Cost Food Plan compared to the Thrifty Food Plan, and (2) estimate the household-level impact of the Closing the Meal Gap Act.

Methodology

Low-Cost Food Plan Maximum Allotment

To determine the maximum allotment for households under the Low-Cost Food Plan, we used the 2021 Thrifty Food Plan Report to determine FNS' procedure to develop maximum allotments. According to FNS, maximum allotments are determined based on food plan costs for a reference family of four that includes a male and female, ages 20–50 years, and two children, ages 6–8 and 9–11 years old, as defined in the Food and Nutrition Act of 2008. FNS publishes Cost-of-Living Adjustments (COLAs) each fiscal year (FY). For each COLA, FNS uses the food plan costs for June of the previous year. For example, for the fiscal year 2019 COLA (October 2018–September 2019), FNS used food cost data from June 2018. Finally, FNS uses scaling factors with reference to family food cost to determine the maximum allotment for each household size.

To determine the maximum allotment for benefits under the Low-Cost Food Plan, we pulled the Low-Cost food costs for the reference family from June 2022, equaling \$1,051.20. To determine the scaling factors (see Table I), we extrapolated estimated scaling factors for each fiscal year since 2016. A regression was performed to get average scaling factors across all years. These average scaling factors were applied to the reference family.

Low-Cost Food Plan Household Impact

To determine the household impact of passing the Closing the Meal Gap Act, we estimated the average increase in benefits to households based on 2019 SNAP participation data ([SNAP QC Data](#)). The 2019 SNAP QC data was used as it is the most recent data set on SNAP participation and household benefit levels that is not impacted by pandemic-era program changes.

Using a similar process as mentioned above, we determined the scaling factors and reference family food cost amount used in FY 2019 COLA. That same scaling factor was applied to the Low-Cost Food Plan for the reference family to determine the household level maximum allotments. Using [FNS' standard formula](#) on benefit amounts, we recalculated a new benefit level (which we called the LC benefit level) to determine each household's estimated allotment by subtracting 30 percent of the household net income for its respective maximum benefit allotments.

The households standard benefit level and LC benefit level were adjusted for inflation using Consumer Price Index data on Food-at-Home costs. Then the difference in allotment was calculated for each household and was averaged across all households.

All SNAP QC data gives estimates based on monthly averages for a sample of SNAP cases. This sample is used to create estimates across the entire population of SNAP participants.

Technical Notes and Cautions

1. This estimate excludes households in Alaska, Hawaii, Guam, and the U.S. Virgin Islands. Maximum allotments and eligibility standards for these jurisdictions are different from the 48 contiguous states and D.C.
2. Estimates do not account for state-funded increased minimum benefits or changes in benefit levels due to COVID-19 pandemic-era eligibility and benefit-level changes to the Supplemental Nutrition Assistance Program.
3. Data to adjust values for inflation are based on the inflation rate for Food-at-Home CPIs for June 2018 and June 2022 from the Bureau of Labor Statistics. June values were used to determine the inflation rate between FY 2019 and FY 2023 to align with FNS' protocol for COLAs.
4. These estimates will not be the same for each household and in each state. Additionally, due to caseload changes in 2019, this should not be used as an exact figure.

Table I. *Scaling Factor Used for Low-Cost Food Plan Monthly Benefit Calculations*

Household Size	Scaling Factor
1	0.3394047
2	0.5507745
3	0.7621443
4	0.9735141
5	1.184884
6	1.396254
7	1.607623
8	1.818993