

SNAP Benefits Need To Be Made Adequate, Not Cut Or Restricted¹

The Supplemental Nutrition Assistance Program (SNAP) is one of the crown jewels of U.S. public policy. Senator Robert Dole described it as the most important social program since the creation of Social Security. SNAP provides nutrition assistance — often desperately needed nutrition assistance — to a very large cross-section of Americans. More than 40 million children, parents working at low wages, seniors, people with disabilities, veterans, members of the active duty military, unemployed working-age adults, and others receive SNAP in an average month.

A surge of recent research has shown how vital SNAP is to a wide variety of the nation's most important health, employment, education, and other goals. SNAP is invaluable to

- reduce food insecurity;
- reduce poverty and deep poverty (research has shown SNAP is the most effective government program in lifting children out of poverty);
- support economic stability;
- increase economic self-sufficiency;
- improve academic outcomes;
- improve dietary intake;
- reduce the incidence of metabolic syndrome;
- protect against obesity;
- improve physical and mental health outcomes; and
- reduce health care utilization and costs (one estimate is that savings are \$1,409 per SNAP participant).²

¹ This paper condenses and/or updates earlier FRAC reports and analyses on SNAP benefits, impacts, and policy proposals, including: <u>A Review of Strategies to Bolster SNAP's Role in Improving Nutrition as well as Food Security; Replacing the Thrifty Food Plan in Order to Provide Adequate Allotments for SNAP Beneficiaries;</u> and <u>The Role of the Supplemental Nutrition Assistance Program in Improving Health and Well-Being.</u>

² For comprehensive reviews of these and other analyses of SNAP's impacts, see: FRAC's <u>The Role of the Supplemental Nutrition Assistance Program in Improving Health and Well-Being</u>; White House Council of Economic Advisors' <u>Long-Term Benefits of the Supplemental Nutrition Assistance Program</u>; <u>SNAP Matters: How Food Stamps Affect Health and Well-Being</u> (a book from 2015 by poverty and food insecurity scholars); Center on Budget and Policy Priorities' <u>SNAP Is Linked with Improved Nutritional Outcomes and Lower Health Care Costs</u>; and Children's HealthWatch's <u>The SNAP Vaccine: Boosting Children's Health</u>.

In addition to the program's effectiveness, SNAP is efficient because it provides access to normal streams of food commerce: beneficiaries have access to the grocery stores, supermarkets, farmers' markets, and other SNAP-authorized retailers selling food in their communities. SNAP also preserves the dignity of beneficiaries by making the food-purchase smooth and akin to all other commercial food purchases through the use of an electronic benefits card.

The Faces of SNAP

Eighty-four percent of SNAP benefits go to households with seniors, people with disabilities, or children. SNAP reaches people between jobs, after changes in family circumstances, and in a variety of other ways that create movement of households in and out of the program:

- Each month in recent years, about 1 in 8 Americans participated in SNAP. But there is much movement in and out of the program every month as some people lose jobs or face lowered hours or wages, while others become employed or get more work hours, or second jobs, or higher hourly wages. About 40 percent more individuals participate in SNAP over the course of the year than participate in an average month. In other words, in fiscal year 2017, 42.3 million people participated in an average month, but as many as 60 million almost 1 in 5 participated at some point during the year.
- Over longer periods of time, naturally, the program reaches an even larger share
 of the population. An estimated one-half of all children will receive SNAP benefits
 at some point during childhood; and half of all adults will use SNAP at some
 point by age 65.

Attacks on SNAP and its beneficiaries often are based on stereotypes that do not acknowledge these demographics — that the face of SNAP is the face of much of America. And proposals to reshape the program through benefit cuts, eligibility reductions, restrictions on food choice, or different delivery mechanisms typically fail to recognize this as well.

SNAP Benefits are Inadequate

The greatest shortcoming of SNAP is that benefits for most households are not enough to get through the entire month without hunger or being forced to sacrifice nutrition quality.³ In 2013, after a thorough study, the prestigious Institute of Medicine (IOM)

³ For studies and analyses on SNAP benefit adequacy, see the Institute of Medicine and National Research Council's <u>Supplemental Nutrition Assistance Program: Examining the Evidence to Define Benefit Adequacy</u>; FRAC's <u>New Institute of Medicine Report Outlines Steps to Address Benefit Adequacy</u>; FRAC's <u>New Study Buttresses Case for Higher SNAP Benefits</u>; and FRAC's <u>The Role of the Supplemental Nutrition Assistance Program in Improving Health and Well-Being</u>.

outlined the factors that explain why the SNAP allotment is not enough to get most families through the month with a minimally adequate diet. These factors include, among others, the lag in SNAP benefits keeping up with inflation; households' shelter costs that consume income that SNAP rules incorrectly treat as available for food purchases (therefore reducing SNAP allotments); and the cost-time trade-offs in obtaining a nutritious diet.

An analysis by FRAC found that SNAP benefits also are inadequate because they are based on the U.S. Department of Agriculture's (USDA) flawed Thrifty Food Plan.⁴ That plan

- is justified by USDA by assuming impractical lists of foods;
- lacks the variety called for in the Dietary Guidelines for Americans;
- unrealistically assumes adequate facilities and time for food preparation;
- unrealistically assumes food availability, affordability, and adequate transportation;
- ignores special dietary needs; and
- even accounting for these shortcomings, costs more than the SNAP allotment in many parts of the country.

This last point was recently underscored by an Urban Institute study that concluded, "the SNAP benefit does not cover the cost of a low-income meal in 99 percent of U.S. continental counties and the District of Columbia."⁵

The result is a type of Potemkin village: a food plan that is an artificially constructed model that obscures the reality of the near-impossible struggles of low-income people trying to cope with its shortcomings.

Proposals to Restrict SNAP Foods are Misplaced

As SNAP families struggle to overcome the shortfall of inadequate benefits, they generally do a first-rate job of shopping and extending allotments as long as possible. Research shows that SNAP participants use a variety of savvy shopping practices to stretch their limited food dollars, such as clipping coupons, using shopping lists, looking for deals by comparing store circulars, purchasing generic brands, buying in bulk quantities, and shopping at multiple stores.

⁴ See FRAC's <u>Replacing the Thrifty Food Plan in Order to Provide Adequate Allotments for SNAP</u> Beneficiaries.

⁵ See Urban Institute's <u>How Far Do SNAP Benefits Fall Short of Covering the Cost of a Meal?</u>

In part because of these strategies, research also demonstrates that the differences between SNAP recipients' purchases and diets and those of other consumers are modest. It should not be surprising that the dietary patterns of SNAP recipients are so much like those of other Americans, since so many Americans at one point or another benefit from SNAP. The dietary constraints that are unique to SNAP recipients are due to monthly SNAP benefit inadequacy or lack of resources in poor communities.

Despite all this, beneficiaries are constantly under attack for the foods they buy — foods that are virtually identical to the foods bought by the rest of the population, which is unsurprising given how diverse and large (especially over time) is the population of SNAP recipients. This means that this proven and effective program is subject to proposals often rooted in stereotyped judgments of low-income people and sometimes on a politically motivated desire to harm the program. The constant stream of attacks from many competing corners has the effect in the aggregate of weakening the program and stigmatizing beneficiaries.

Much of this is evident from the range of proposals themselves, where some seek to eliminate foods from eligibility because they are not good enough, while others want to eliminate foods that are too good. It is a toxic version of the Goldilocks story, where there is no food "just right," as interest groups and political actors fight over ways to carve out restrictions. National Geographic's The Plate reinforced this point in their summary of a 2016 study:⁷

"A new study suggests why SNAP clients' diets — which are neither expensive nor much worse than other poor people's — inspire so much scrutiny.

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⁶ See testimony from economist Diane Whitmore Schanzenbach before the House Committee on Agriculture, February 16, 2017: "There has been much media discussion of the November 2016 USDA report on typical food purchase patterns by SNAP participants and non-participants. The top-line finding of that report is that SNAP and non-SNAP households have extremely similar food spending patterns ... The USDA findings are consistent with my own published research using the Consumer Expenditure Survey that also found similar spending patterns across food categories for SNAP and non-SNAP households ... [As to soft drink consumption, the] USDA study indicates that this is an issue across the income distribution, and there is no need to single out SNAP recipients for their consumption of soft drinks. Among the spending observed in the USDA study, about 5 cents of each dollar went to the purchase of soft drinks. This rate is similar to non-SNAP households, which spend an average of 4 percent of their grocery dollars on soft drinks." The <u>full testimony</u> is available at The Brookings Institution. As another example, the <u>USDA Economic Research Service</u> (ERS) has noted that, after accounting for individual and household demographic characteristics, a 2014 study found that SNAP participants are no more likely to consume sugar-sweetened beverages than are low-income nonparticipants. "These findings are consistent with other ERS research on overall diet quality, which also found that SNAP participants' diets do not differ greatly relative to otherwise similar nonparticipants." ⁷ See The Plate's <u>Steak, Lobster, and Other Myths About Food Stamps</u>.

In the April issue of *Journal of Consumer Research*, a survey of 1,300 Americans found we consistently use 'a double standard where people are judged differently for making identical choices, depending on where their money comes from,' says study author Darren Dahl in a press release. One example: buying organic is seen as virtuous — unless the person is using government benefits to buy it. In fact, we're so judgy that researchers found we're less likely to donate to a charity if it's serving organic food."

In some instances, those proposing food restrictions see it as a way to cut the program's funding or size, e.g., estimating how much is currently spent on the proposed prohibited food and then taking those dollars away from SNAP allotments, making SNAP benefits even more inadequate to buy enough healthy foods. Rarely do any proponents of restrictions meaningfully seek to confront and address the inadequacy of monthly benefits as a barrier for low-income families in achieving dietary adequacy.

In addition, as USDA has pointed out, restriction proposals introduce additional administrative costs for retailers, create difficulties in deciding on the exclusion criteria for particular foods or food categories, and lack evidence that restrictions yield meaningful improvements in health outcomes while doing no harm to participants.

Here is a partial list of foods or food categories that various proponents of restrictions have proposed to ban from the program:

- steak:
- "luxury meats";
- crab, lobster, shrimp, or any other shellfish;
- any animal-based product (e.g., dairy, meat, poultry, seafood);
- soft drinks;
- energy drinks;
- ice cream;
- candy;
- cookies;
- chips and other snack foods;
- imported foods;
- decorated cakes; and
- "luxury frozen foods."8

 $^{^8}$ See $\frac{http://docs.legis.wisconsin.gov/2015/related/proposals/ab177;}{http://www.house.mo.gov/bills151/billpdf/intro/HB0813I.PDF;}{http://legislation.nysenate.gov/pdf/bills/2015/S6761;} and <math display="block">\frac{https://www.fns.usda.gov/snap/short-history-snap}{https://www.fns.usda.gov/snap/short-history-snap}.$

Recently, a spate of recycled and new proposals to restrict food choice has been unleashed, e.g., legislators in several states have sought restrictions on soda, and others have proposed limiting all SNAP purchases to grains, vegetables, fruits, beans, and multi-vitamins.

The most recent proposal that combines benefit cuts with food restrictions in a different way is the Trump Administration's America's Harvest Box that would replace half of the SNAP allotment for most families with "100 percent U.S. grown and produced" shelf-stable foods, including canned fruits and meats, while projecting savings of — and cutting benefits by — \$129 billion over 10 years. Among the many flaws of the plan are the forced choice given by the food box, which appears to fail to account in any way for the varied dietary needs of SNAP households (e.g., nutrient and calorie requirements based on age/gender; food allergies; special dietary restrictions; cultural or religious preferences).

Policy Solutions Exist to Improve the Health of SNAP Beneficiaries

There *are* policy solutions to improve SNAP beneficiaries' health. One key step is to improve benefit adequacy. The IOM report contains many valuable recommendations to make SNAP benefits more adequate, and FRAC has long supported those adjustments. FRAC also recommends replacing the Thrifty Food Plan with the Low-Cost Food Plan. The amount of USDA's Low-Cost Food Plan is generally in line with what low- and moderate-income families report they need to spend on food, as opposed to the lower amount the Thrifty Food Plan-based SNAP allotment provides. The Low-Cost Food Plan also allows for greater food variety and choices to support a healthful, palatable diet.

Research has shown that increasing benefits to more adequate levels would have important positive health impacts. For instance, after the temporary increase in benefits created by the American Recovery and Reinvestment Act (ARRA) of 2009 (an increase that was terminated in 2013), inpatient Medicaid cost growth significantly declined, especially among people with chronic illnesses. While emergency room visits or inpatient hospitalizations for hypoglycemia typically rise at the end of the month among lower-income adults, this effect was reduced to non-significance during the temporary ARRA boost in SNAP benefits.

Improving benefit adequacy and other strategies (e.g., increasing access to healthy affordable foods in underserved communities; supporting use of SNAP at farmers' markets and in other farm-to-consumer venues; enhancing SNAP Nutrition Education) build on, rather than undercut, SNAP's strengths. Proposals for food choice restrictions make the program weaker. The program is so valuable and so effective that the smart path is to enhance its strengths.