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### Chart Book: SNAP Helps Struggling Families Put Food on the Table

The Supplemental Nutrition Assistance Program (SNAP) is the nation's most important anti-hunger program.

- **SNAP** reaches millions of people who need food assistance. It's one of the few meanstested government benefit programs available to almost all households with low incomes. For basic information on the program, see "Policy Basics: The Supplemental Nutrition Assistance Program."
- SNAP promotes long-term health and well-being, especially for children. Research shows that SNAP reduces poverty and food insecurity, and that over the long-term, these impacts lead to improved health and economic outcomes, especially for those who receive SNAP as children. For more on the long-term impacts of SNAP, see "SNAP Works for America's Children" and "SNAP is Linked with Improved Nutritional Outcomes and Lower Health Care Costs."

This chart book highlights some key characteristics of the 40 million people using the program as well as trends and data on program administration and use. It complements more detailed analyses on particular aspects of SNAP, <u>available on our website</u>.

Part I: SNAP Responds to Changes in Poverty and the Economy

Part II: Benefits Are Modest

Part III: SNAP Helps Families Afford Adequate, Nutritious Food and May

Improve Health

Part IV: SNAP Serves Very Vulnerable People

Part V: SNAP Supports Working Families and Those Unable to Work

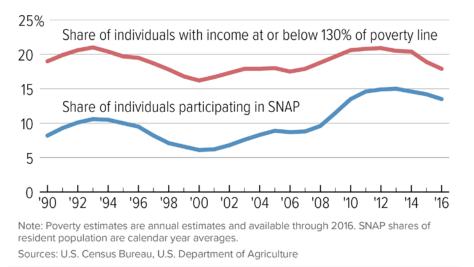
Part VI: SNAP Reaches Most Eligible People, With Some Important Exceptions

Part VII: SNAP Is Efficient

Part VIII: SNAP Is an Important Public-Private Partnership

### Part I: SNAP Responds to Changes in Poverty and the Economy

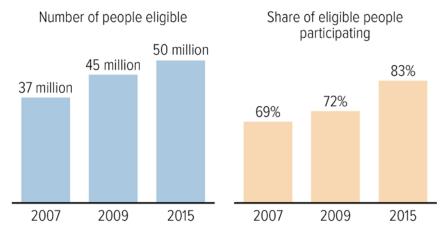




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The number of SNAP participants rises during economic downturns and falls when the economy improves. After unemployment insurance, SNAP historically has been the most responsive federal program in assisting families and communities during economic downturns. The Great Recession was no exception. SNAP grew rapidly between 2008 and 2011, as the recession and lagging recovery led more low-income households to qualify and apply for help.

### For SNAP, Number Eligible and Participation Rate Rose During and After Recession



Note: This figure uses annual Agriculture Department (USDA) estimates of eligible and participating individuals. USDA revised the methodology for these estimates starting with the 2010 estimates, so the 2007 and 2009 estimates are not directly comparable. The revised methodology does not change the underlying trends.

Source: USDA Food and Nutrition Service, "Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2010 to 2015" June 2017, and earlier reports in the series.

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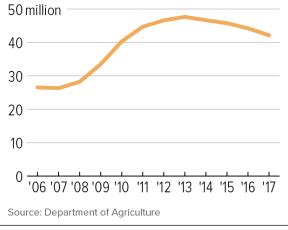
Both the number and share of eligible people participating in SNAP rose significantly during the Great Recession and stayed high during the slow recovery, driving SNAP caseload growth. Poverty and food insecurity both rose substantially in the recession, making more people eligible for SNAP; both have since fallen but remained slightly above pre-recession levels in 2016. SNAP also reached a higher share of eligible people: the participation rate among eligible individuals rose from 69 percent in 2007 to 83 percent in 2015 (the most recent year for which USDA estimates are available).

Research on the Great Recession finds that economic factors (such as the unemployment rate) explain between about half and 90 percent of the increase in SNAP caseloads between 2007 and 2011.

Some of the states hit hardest by the recession saw the largest SNAP caseload increases. For example, the four states with the biggest growth in the number of unemployed workers between 2007 and 2011 — Nevada, Florida, Idaho, and Utah — also had the biggest growth in the number of SNAP recipients over the same period.

### SNAP Participation Rose Due to Recession But Now Is Falling

Number of SNAP participants in average month in fiscal year



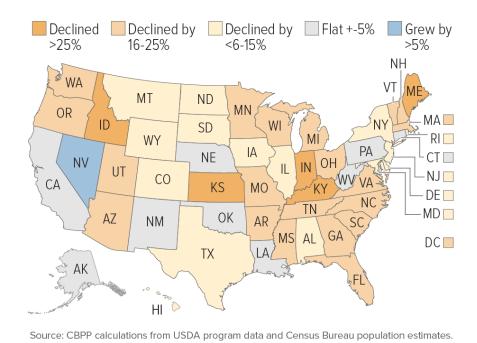
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As the effects of the economic recovery have been felt more broadly, SNAP caseloads have been declining at an increasing rate. Caseloads rose steadily during the recession and its immediate aftermath, but growth slowed substantially in 2012 and 2013, and caseloads peaked in December 2012. SNAP participation has since fallen faster every year, declining about 2 percent annually in 2014 and 2015, 3 percent in 2016, and almost 5 percent in 2017. SNAP caseloads fell by about 1 million people in both 2014 and 2015, 1.5 million in 2016, and 2 million in 2017. Between their December 2012 peak and August 2017 (the month before SNAP participation rose temporarily due to the 2017 hurricanes), SNAP caseloads fell by 6.7 million people.

To the extent that SNAP caseload declines reflect improving economic circumstances among low-income households, they are welcome. However, an austere provision affecting some of the nation's poorest individuals also reduced SNAP caseloads in recent years. Over the course of 2016, at least 500,000 people lost SNAP due to the return in many areas of a three-month limit on SNAP benefits for unemployed adults aged 18-49 who aren't disabled or raising minor children. The return of the three-month limit has contributed to falling caseloads — particularly beginning in April 2016 when individuals newly subject to the time limit began exhausting their three months of benefits in the 22 states that implemented the time limit in 2016.

### **SNAP Caseloads Falling in Most States**

Percentage change in SNAP participants as share of population between Fiscal Year 2013 and Fiscal Year 2017

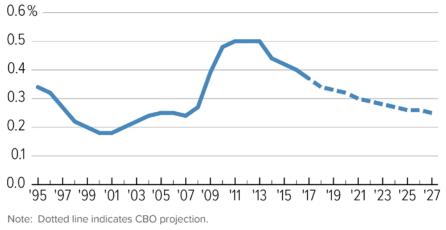


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Most states have falling caseloads. Every state saw substantial SNAP caseload increases during the recession and slow recovery, when national caseloads were rising (that is, 2007 through 2012). Since national SNAP caseloads peaked in December 2012, and as the economy has improved, every state's rapid caseload growth has ended and most states have seen steady declines. The share of the population participating in SNAP — a measure that adjusts for population growth — fell by more than 15 percent in 26 states. Those 26 states accounted for more than half of the national caseload in 2013.

#### SNAP Costs Falling, Projected to Fall Further

Spending as a share of gross domestic product



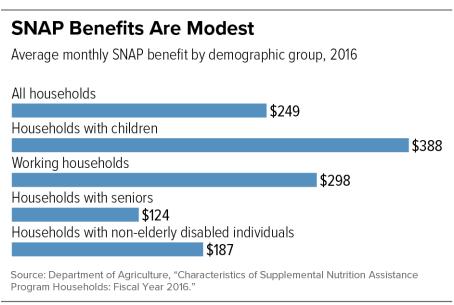
Sources: Department of Treasury, Office of Management and Budget, Bureau of Economic Analysis, and Congressional Budget Office June 2017 baseline

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**SNAP** spending, which also rose significantly in the recession, is falling as well. SNAP spending fell for the fourth straight year in 2017. Spending rose during the recession due to increased participation and the 2009 Recovery Act's temporary benefit increase. The Recovery Act temporarily boosted SNAP benefits to provide fast and effective economic stimulus and push against the rising tide of hardship for low-income Americans. The Recovery Act benefit boost raised SNAP spending by over \$40 billion above what it otherwise would have been, before ending early in fiscal year 2014. Since then, spending has fallen due to the decline in participation, the expiration of the benefit increase, and low food price inflation. The Congressional Budget Office (CBO) predicts that, as the economy continues to recover, SNAP spending will fall to 1995 levels as a share of the economy in the next couple of years.

Once the economy has fully recovered, SNAP costs are expected to rise only in response to increases in food prices and the size of the low-income population. Unlike health care programs and Social Security, SNAP doesn't face demographic or programmatic pressures that would cause its costs to grow faster than the economy over the long term. SNAP thus doesn't contribute to the nation's long-term fiscal problems.

Part II: Benefits Are Modest



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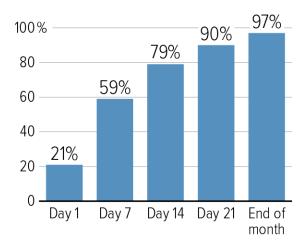
**SNAP** benefits average only about \$1.40 per person per meal. In fiscal year 2017, the average SNAP household received about \$254 a month, while the average *recipient* received about \$126 a month — about \$1.40 per meal.

SNAP benefits are based on need: very poor households receive larger benefits than households with more income since they need more help affording an adequate diet. The benefit formula assumes that families will spend 30 percent of their net income for food; SNAP provides enough additional benefits to meet the cost of the Thrifty Food Plan, the Agriculture Department's estimate of a bare-bones, nutritionally adequate diet.

A family with no net income has no money for food and thus receives the maximum benefit amount, which equals the cost of the Thrifty Food Plan for a household of its size.

### Nearly 80 Percent of SNAP Benefits Are Used Within First Half of Month

Percent of benefits redeemed, by day following receipt



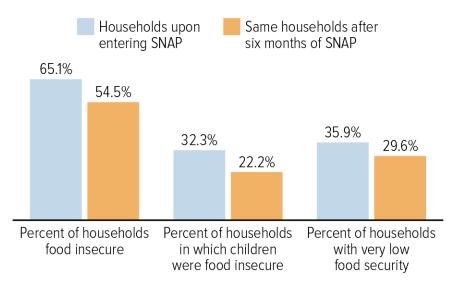
Source: Department of Agriculture, "Benefit Redemption Patterns in the Supplemental Nutrition Assistance Program," February 2011.

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**Households spend their benefits quickly.** One way to assess SNAP households' need is to measure how quickly they spend their benefits. On average, within a week of receiving SNAP, SNAP households redeem over half of their SNAP allotments. By the end of the second week, SNAP households have redeemed over three-quarters of their benefits.

Part III: SNAP Helps Families Afford Adequate, Nutritious Food and May Improve Health

### **SNAP Helps Families Afford Adequate Food**



Note: "Food insecure" = household lacks consistent access to nutritious food at some point during the year because of limited resources. "Households with food insecure children" = households in which both children and adults experience food insecurity during the year. "Very low food security" = one or more household members have to skip meals or otherwise eat less at some point during the year because they lack money.

Source: Agriculture Department, "Measuring the Effect of Supplemental Nutrition Assistance Program (SNAP) Participation on Food Security," August 2013. This chart shows the results of a study that looked at longitudinal data comparing SNAP households upon beginning to receive SNAP, and six months after SNAP receipt.

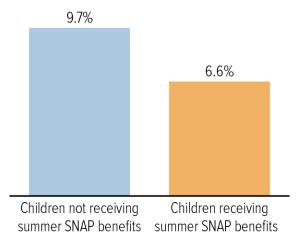
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**SNAP** helps families put sufficient food on the table. Studies have found that SNAP benefits reduce "food insecurity," which occurs when households lack consistent access to nutritious food because of limited resources. One study found that SNAP benefits can reduce food insecurity among high-risk children by 20 percent and improve their overall health by 35 percent.

Another recent study found that participating in SNAP reduced households' food insecurity by about five to ten percentage points and reduced "very low food security," which occurs when one or more household members have to skip meals or otherwise eat less because they lack money, by about five to six percentage points. Because SNAP allows low-income households to spend more on food than their limited budgets would otherwise allow, it helps ensure that they have enough to eat.

## Summer Boost in Children's SNAP Benefits Reduces Hunger

Share of children in study with very low food security, summers 2011-2013



Note: "Very low food security among children" = children skip meals or are hungry and don't eat at some point during the year because their family cannot afford sufficient food.

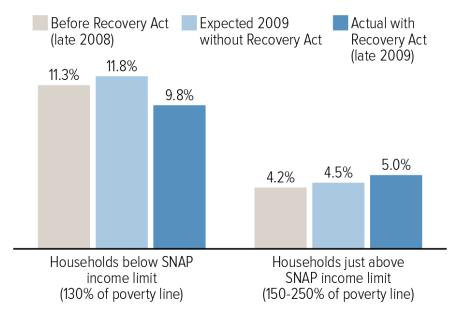
Source: Agriculture Department, Summer Electronic Benefit Transfer for Children Demonstration: Summary Report, May 2016. See Exhibit 4.J, Appendix 4.

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Another study found that providing SNAP benefits over the summer to households with students who had received free or reduced-price school meals during the previous school year cut very low food security among children by nearly one-third, from 9.7 percent to 6.6 percent. ("Very low food security among children" describes a severe form of food insecurity, in which caregivers report that children skip meals or are hungry and don't eat because their family cannot afford sufficient food.)

#### Very Low Food Security Declined for Low-Income Households After Temporary SNAP Benefit Increase

Percent of households with very low food security



Source: Economic Research Service, "Food Security of SNAP Recipients Improved Following the 2009 Stimulus Package," April 2011.

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Increasing SNAP benefits can help families afford adequate food. The share of households with food insecurity, including very low food security, was expected to rise in 2009 due to the recession's harsh impact on incomes and employment. Yet very low food security actually *fell* that year — the year the Recovery Act's SNAP benefit increase took effect — among households with incomes low enough to likely qualify for SNAP (130 percent of poverty or less). Among households with somewhat higher incomes, in contrast, very low food security rose in 2009 as expected. This evidence suggests that the Recovery Act's benefit increase improved SNAP recipients' food security.

### SNAP Participants Report Better Health Than Eligible Non-Participants

Percent more or less likely to describe health as:



Source: Christian A. Gregory and Partha Deb, "Does SNAP Improve Your Health?" Food Policy, 2015. Adjusted for differences in demographic, socioeconomic and other characteristics. Sample includes adults aged 20 to 64 in households with income at or below 130% of the federal poverty level.

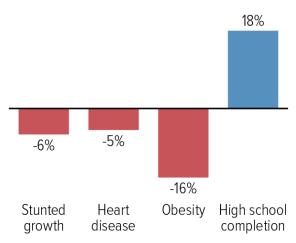
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**SNAP** is linked with improved health outcomes. The stress that food-insecure families face because they can't consistently put healthy food on the table, along with the health effects of unpredictable or intermittent meals, may contribute to a higher risk of chronic conditions and other adverse health outcomes. Because SNAP reduces food insecurity and associated stress and frees up income for households to buy healthier food and spend more on health, SNAP may be a path toward better health.

Research links SNAP with a number of improved health outcomes. After adjusting for differences in demographic, socioeconomic, and other characteristics, adults who participate in SNAP are more likely to assess their own health as excellent or very good, as are parents when assessing their child's health. Adults who receive SNAP have fewer sick days, make fewer visits to a doctor, are less likely to forgo needed care because they cannot afford it, and are less likely to exhibit psychological distress. Other researchers have shown that children receiving SNAP are less likely than low-income non-participants to be in fair or poor health or underweight, and their families are less likely to make tradeoffs between paying for health care and paying for other basic needs, like food, housing, heating, and electricity. Research has also shown that elderly SNAP participants are less likely than similar non-participants to cut back on prescribed medications due to cost.

### Children With Access to SNAP Fare Better Years Later

Percentage-point change in outcomes for adults who received SNAP as children, compared to adults who did not



Note: The study compared individuals who had access to SNAP (then food stamps) in early childhood after its introduction in the 1960s and early 1970s to similar children who did not (because they were born before its introduction) in each county.

Source: Hoynes, Schanzenbach, and Almond, "Long-Run Impacts of Childhood Access to the Safety Net," American Economic Review, April 2016.

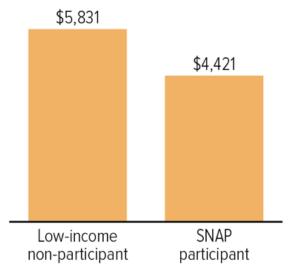
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Access to SNAP can improve health and educational outcomes. Researchers comparing the long-term outcomes of individuals in different areas of the country when SNAP gradually expanded nationwide in the 1960s and early 1970s found that disadvantaged children who had access to food stamps (as they were then called) in early childhood and whose mothers had access during their pregnancy had better health and educational outcomes as adults than children who didn't have access to food stamps.

Among other things, children with access to food stamps were less likely in adulthood to have stunted growth, be diagnosed with heart disease, or be obese. They also were more likely to graduate from high school.

### A SNAP Participant Incurs \$1,400 Less for Health Care

Estimated annual per-person health care spending



Note: Health care spending includes out-of-pocket expenses and costs paid by private and public insurance, including Medicare and Medicaid.

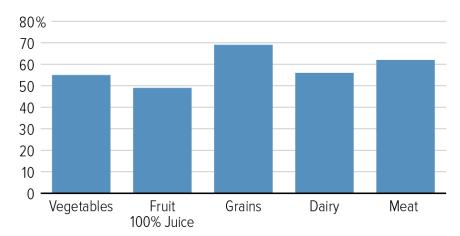
Source: Seth Berkowitz, Hilary K., Seligman, and Sanjay Basu, "Impact of Food Insecurity and SNAP Participation on Healthcare Utilization and Expenditures," University of Kentucky Center for Poverty Research, 2017.

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**SNAP** participation is also linked with lower overall health care expenditures. An analysis of national data on overall health care expenditures links SNAP participation to lower health care costs. On average, after controlling for factors expected to affect spending on medical care, low-income adults participating in SNAP incur about \$1,400, or nearly 25 percent, less than non-participants in medical care costs in a year, including those paid by private or public insurance.

#### **SNAP Participants Eat a Varied Diet**

Percent of SNAP participants recalling consuming discrete food from each food group in a single day



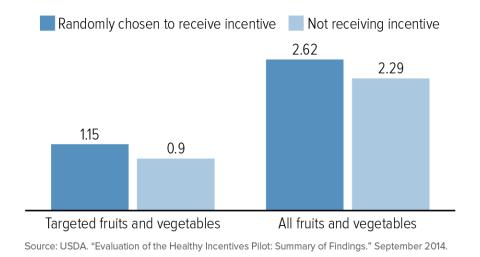
Source: Diet Quality of Americans by SNAP Participation Status: Data from the National Health and Nutrition Examination Survey, 2007–2010 . USDA, May 2015.

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**SNAP** households consume nutritious foods. On a given day, a majority of SNAP participants consume at least one vegetable, grain, dairy, or meat product, and close to half consume at least one fruit or fruit juice. Other studies have found that after controlling for individual and household characteristics that influence dietary choices, overall diets of SNAP participants are not significantly different in terms of quality of nutrition than similar non-participants.

# Incentives Can Boost Consumption of Fruits and Vegetables for SNAP Participants

Average cups consumed per day

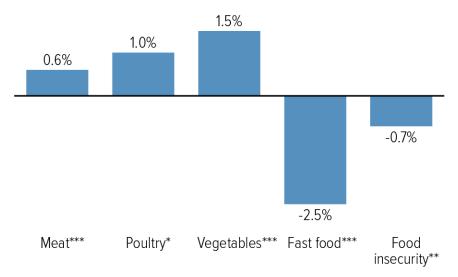


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Lowering the cost of fruits and vegetables can boost SNAP participants' consumption of these healthy foods. Under a recent pilot project that gave randomly selected SNAP participants 30 cents in added benefits for every dollar of SNAP they spent on certain fruits and vegetables, participants consumed almost 26 percent more of those items per day than SNAP recipients not selected to participate in the pilot. They also spent more on all fruits and vegetables.

### Higher SNAP Benefits Mean More Groceries, Better Nutrition

Estimated impact on food consumption and food insecurity of \$30 increase in monthly per capita benefits



"\*, \*\*, \*\*\* Indicate relationship is significant for a two-sided test at the 0.15, 0.10, 0.05 level or better, respectively.

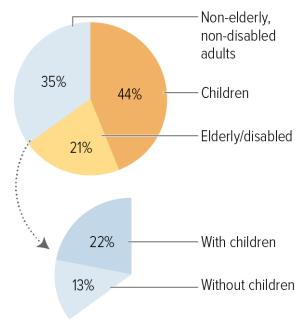
Source: Authors' analysis of National Health and Nutrition Examination Survey (NHANES) 2007-2012)

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Raising SNAP benefits would increase low-income households' spending on food and improve the nutritional quality of their diets. A growing body of research documents that SNAP benefits are inadequate to fully meet the nutritional needs of eligible households. A recent study found that if low-income households received an additional \$30 per month per person in SNAP benefits (which would be about a 20 percent increase in the cost of the Thrifty Food Plan, the basis for SNAP benefits), their food spending would rise by about \$19 per person, based on the food spending patterns of households with somewhat more resources. (Food spending would rise by less than the SNAP benefit increase, even though SNAP can be spent only on food, because the added benefits would free up household income for other necessities such as utility bills or non-food groceries that SNAP doesn't cover.) That increase in food spending, in turn, would raise consumption of more nutritious foods; notably vegetables and certain healthy sources of protein (such as poultry and fish), and lower consumption of fast food, for example. The increased food spending also would reduce food insecurity among SNAP recipients.

Part IV: SNAP Serves Very Vulnerable People





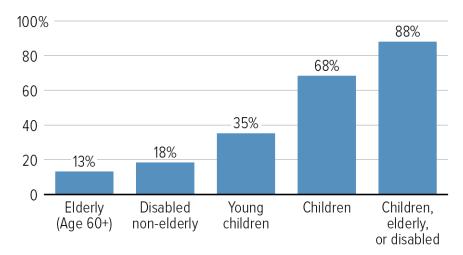
Source: CBPP tabulations of USDA 2016 SNAP household characteristics data.

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The overwhelming majority of SNAP participants are children, seniors, or people with disabilities. Close to half of all participants are children, and over half of all non-elderly, non-disabled adult participants live with children.

# Vast Majority of SNAP Recipients Live in Households With a Child, Senior, or Person with a Disability

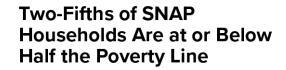
Percent of individuals in households, fiscal year 2016

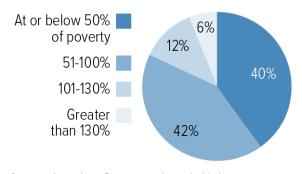


Source: USDA Food and Nutrition Service, Office of Research and Analysis, "Characteristics of Supplemental Nutrition Assistance Program Households, Fiscal Year 2016."

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**SNAP** serves particularly vulnerable families. Nearly 90 percent of participants are in households that contain a child under age 18, an elderly person 60 years or older, or an individual with disabilities.





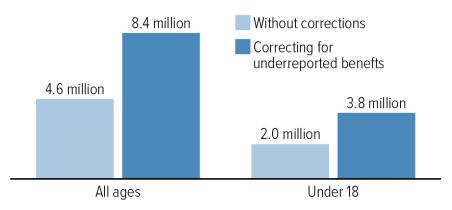
Source: Agriculture Department household characteristics data, FY 2016.

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**SNAP** households have very low incomes. Over 80 percent of SNAP households have gross incomes at or below the poverty line (\$25,100 for a family of four in 2018, and \$12,140 for a person living alone, such as an elderly widow) while they are receiving SNAP. Almost all of the rest have incomes between 101 and 130 percent of poverty. Two of every five SNAP households have incomes at or below *half* of the poverty line (about \$10,390 for a family of three in 2018).

Some 92 percent of SNAP benefits go to households below the poverty line; 56 percent go to households with incomes at or below half of the poverty line.

### **SNAP Kept Millions of People Above Poverty Line in 2015**



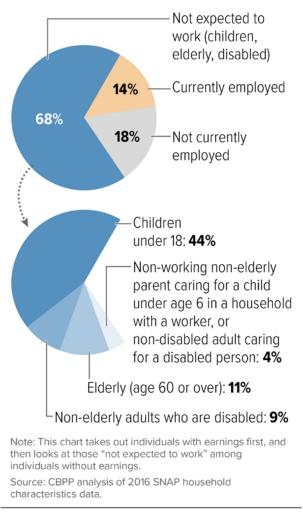
Note: Figures use the federal government's Supplemental Poverty Measure (SPM). Source: CBPP analysis of Census Bureau data from the Current Population Survey and SPM public use files; corrections for underreported government assistance from Health and Human Services/Urban Institute Transfer Income Model (TRIM).

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**SNAP** helps millions of households lift themselves out of poverty. By providing benefits that must be used to purchase food, SNAP is an important part of a low-income household's budget. In 2015 (the most recent year available), SNAP kept about 8.4 million people out of poverty, including 3.8 million children, according to a CBPP analysis that uses the Supplemental Poverty Measure — which counts SNAP as income — and corrects for households' underreporting of benefits. This analysis also found that SNAP lifted 2 million children out of deep poverty (defined as below 50 percent of the poverty line) in 2015, more than any other government assistance program.

Part V: SNAP Supports Working Families and Those Unable to Work



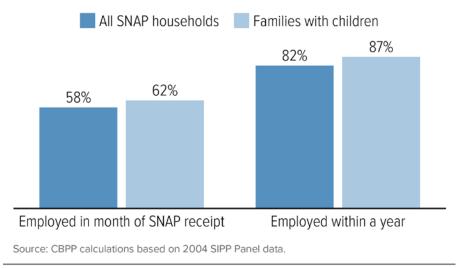


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Most SNAP participants either aren't expected to work or are working. In a typical month of 2016, 68 percent of SNAP recipients weren't expected to work because they were children, elderly, disabled, or caring for a disabled family member in their home or for a child under age 6 where another household member was working. Children under age 18 constitute nearly half (44 percent) of all SNAP participants.

### SNAP Households with Working-Age Non-Disabled Adults Have High Work Rates

Work participation during the previous and following year for households that received SNAP in a typical month

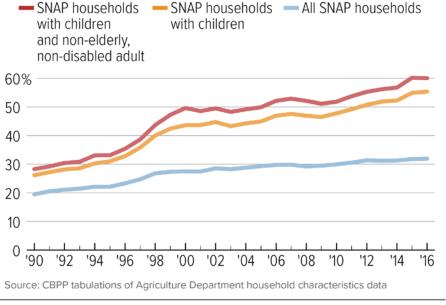


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Work rates are high among SNAP households that can work. SNAP has become increasingly effective at supporting work among households that can work. More than half of SNAP households with at least one working-age, non-disabled adult work while receiving SNAP. Because people often participate in SNAP when they are between jobs, work rates are higher over a longer time frame: more than 80 percent of SNAP households work in the year before or the year after receiving SNAP. Work rates are even higher for families with children: more than 60 percent work while receiving SNAP, and almost 90 percent work in the prior or subsequent year.

### SNAP Work Rates Have Risen, Especially Among Households With Children and Adults Who Could Be Expected to Work

Share of households with earnings



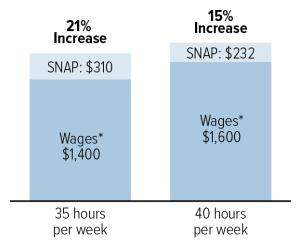
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A growing share of SNAP households work in an average month while receiving SNAP. Work rates have risen among all households, but especially among households with individuals who

are able to work. This overall trend continued despite the large job losses in the Great Recession.

### SNAP Boosts Working Families' Incomes

Monthly income for family of three, based on weekly earnings at \$10/hour



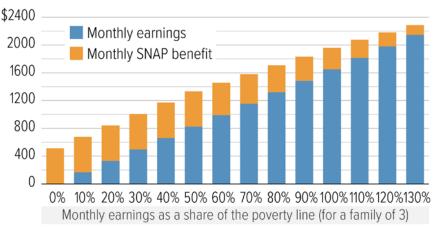
\*Monthly wages after payroll taxes (FICA)

Source: CBPP calculations using SNAP benefit levels for FY 2018, based on the median shelter expense in the SNAP quality control household characteristics data for FY 2016 inflated to FY 2018.

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**SNAP** helps working families make ends meet. For a family of three with one full-time worker who earns \$10 an hour, SNAP boosts the family's take-home income by roughly 15 to 21 percent, depending on the number of hours worked. For instance, a mother with two children who works 35 hours a week increases her monthly income by 21 percent when adding her SNAP benefits.





Note: This chart shows the phase out for a family of three with earned income that claims the \$155 standard deduction and the 20 percent earned income deduction, and that has \$1,110 in monthly shelter costs (the median value for working households of three with children that have incomes at or above 125 percent of poverty based on the fiscal year 2015 SNAP Household Characteristics data.)

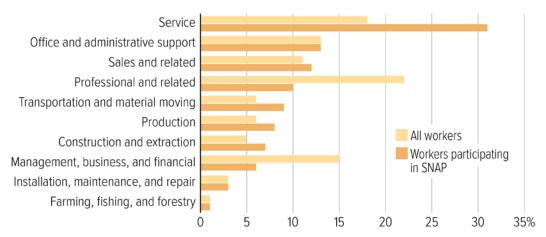
Source: CBPP calculation based on Fiscal Year (FY) 2015 SNAP federal benefit parameters and FY 2015 SNAP household characteristics data.

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**SNAP** encourages work. The SNAP benefit formula contains an important work incentive: for every additional dollar a SNAP recipient earns, her SNAP benefits decline by only 24 to 36 cents. The benefit formula favors earned income over unearned income through its income deduction. Consequently, families that receive SNAP have a strong incentive to work more hours or search for better-paying jobs.

### Workers Participating in SNAP Work in Service Occupations at Higher Rates Than All Workers

Share of workers by major occupation group



Note: Workers are defined as working at the time of the survey. "Workers participating in SNAP" refers to workers who live in households that report participating in SNAP at any time in the last year.

Source: CBPP analysis of 2015 American Community Survey data

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**SNAP** supports workers in low-paying jobs. Close to two-thirds of SNAP participants work in service, office and administrative support, and sales occupations. Many of the jobs most common among SNAP participants, such as cashiers, cooks, or home health aides, are likely to have low pay and irregular work hours, and frequently lack benefits such as paid sick leave. These conditions make it difficult for workers to earn sufficient income to provide for their families and may contribute to volatility such as high job turnover. SNAP supplements these workers' low pay, helps smooth out income fluctuations due to irregular hours, and helps workers when they are between jobs, enabling them to buy food and use their limited resources on other basic necessities.

### Nearly All Households That Worked Before Receiving SNAP Continued Working

Work participation in year after starting to receive SNAP among households that worked in prior year

Worked after starting to receive SNAP

96%

Did not work after starting to receive SNAP

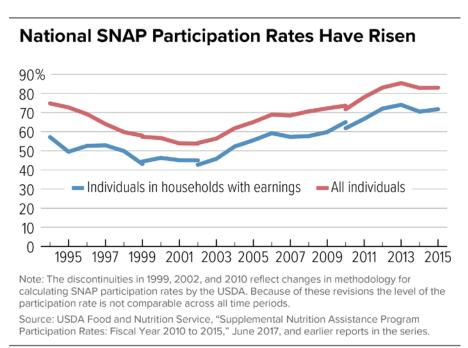
4%

Source: CBPP calculations based on 2004 SIPP Panel data.

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Nearly all households that worked before receiving SNAP continue working. The vast majority of non-disabled, working-age households that worked in the year before receiving SNAP continue working *after* starting to receive benefits. For many of these families, SNAP is an important support while they are between jobs and looking for work; it doesn't keep them from looking for work. Only *4 percent* of SNAP households that worked in the year before starting to receive SNAP didn't work the following year.

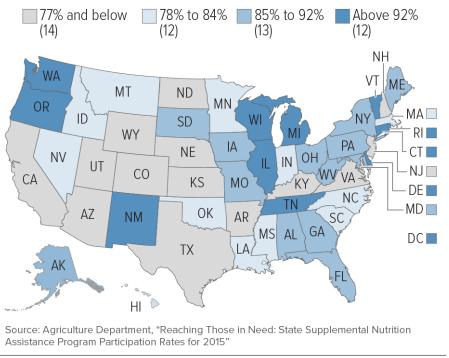
# Part VI: SNAP Reaches Most Eligible People, With Some Important Exceptions



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**SNAP** participation rates are high and have risen in the past decade, reflecting increased need, improved enrollment policies, and outreach efforts. SNAP reached 83 percent of eligible individuals in a typical month in 2015 (the most recent year available). That represents a significant improvement from 2001, when participation bottomed out at 54 percent. Among eligible individuals in low-income *working* families, participation rose from 43 percent to 72 percent between 2002 and 2015.

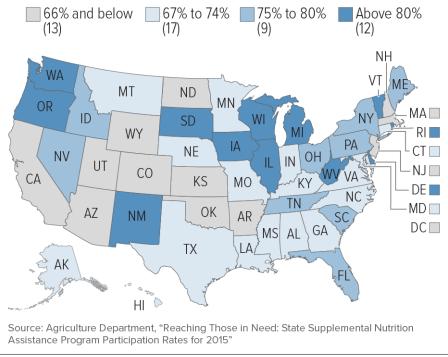
#### **SNAP Participation Rates by State, 2015**



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**Participation rates vary widely by state.** Some states serve a high percentage of eligible households, such as Michigan, Oregon, Vermont, and Washington. Others serve a relatively low percentage, such as California, Nevada, North Dakota, and Wyoming. In every state, however, more than 50 percent of eligible individuals participate.

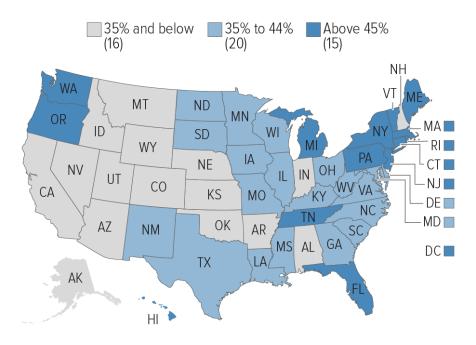
# SNAP Participation Rates for Working Poor by State, 2015



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The working poor are underserved in many states. Even though SNAP provides an important support for the working poor, this population is often particularly hard to reach. In 2015, 72 percent of the eligible working poor participated. In 40 states and the District of Columbia, individuals in working-poor households participated at a lower rate than eligible individuals nationally.

#### **SNAP Participation Rates for Elderly by State, 2012**



Source: Mathematica Policy Research, "State Trends in SNAP Eligibility and Participation among Elderly Individuals, Fiscal Year 2008 to Fiscal Year 2013," July 2015

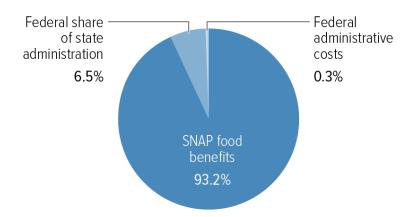
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**Seniors are underserved.** Many low-income seniors who struggle to get by on low, fixed incomes and have critical unmet dietary needs don't participate in SNAP. Only 42 percent of eligible individuals over age 60 participated in 2015 nationwide, though participation rates have risen modestly in recent years.

The participation rate among eligible seniors varies across states. In 2012, the most recent year for which state-level estimates are available, state-level participation rates ranged from under 20 percent to over 60 percent.

### Part VII: SNAP Is Efficient

#### 93 Percent of Federal SNAP Spending Is for Food



Notes: Chart excludes spending on activities not directly related to SNAP but in the SNAP budget account, such as nutrition assistance in the U.S. territories, support for food banks, and the Food Distribution Program on Indian Reservations. The federal share of state administration includes state costs associated with SNAP operations – including eligibility determinations, benefit issuance, and quality control – as well as certain services for SNAP recipients such as employment and training and nutrition education. Federal administrative costs include the mandatory and discretionary federal costs of administering SNAP.

Source: Department of Agriculture, Fiscal Year 2016, obligations as reported in fiscal year 2018 "Explanatory Notes for Committee on Appropriations."

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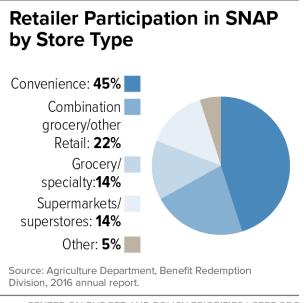
About 93 percent of federal SNAP spending goes for benefits to purchase food. The rest goes toward administrative costs, including reviews to determine that applicants are eligible, monitoring of retailers that accept SNAP, and anti-fraud activities.

The federal government spent about \$70 billion on SNAP in fiscal year 2017. This also includes funding for other food assistance programs, such as the block grant for food assistance in Puerto Rico and American Samoa, commodity purchases for the Emergency Food Assistance Program (which helps food pantries and soup kitchens), and commodities for the Food Distribution Program on Indian Reservations.

**SNAP** has an extensive quality control system. SNAP has one of the most rigorous payment error measurement systems of any public benefit program. Each year, states pull a representative sample (totaling about 50,000 cases nationally) and thoroughly review the accuracy of their eligibility and benefit decisions. Federal officials re-review a subsample of the cases to ensure accuracy in the error rate they assign each state. States face financial penalties if their error rates are persistently above the national average, and states with the lowest error rates receive performance bonuses.

A USDA Office of Inspector General Report in 2015 drew attention to concerns about data quality issues with SNAP Quality Control error rates in many states. As a result, USDA did not report national or state-level error rates for all states for 2015 or 2016. Since 2015, USDA has conducted detailed reviews in all states and taken action to address the quality and consistency of the measure. USDA expects that reliable SNAP error rates for 2017 will be released in June 2018.

### Part VIII: SNAP Is an Important Public-Private Partnership

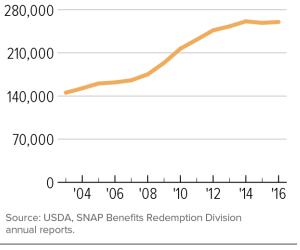


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**SNAP** boosts local economies. Because most households redeem their monthly SNAP benefits quickly, SNAP is one of the most effective forms of economic stimulus during a downturn. Moody's Analytics estimated that every \$1 increase in SNAP benefits redeemed during 2009, when the economy was in a recession, generated about \$1.70 in economic activity.

Food stores can participate in SNAP if they stock a prescribed variety of foods and provide adequate information on the nature and scope of their business. This ensures that SNAP participants can redeem benefits in many of the stores and settings available to other consumers, though some geographic areas have few or no authorized retailers. Participating retailers include superstores (like Wal-Mart), supermarkets, grocery stores, corner stores, and farmers' markets. Convenience stores are the largest single category, representing nearly half of all SNAP retailers. Stores that combine grocery and other retail store formats represent nearly a quarter of all SNAP retailers. Farmers' markets, commissaries, wholesalers, food co-operatives, and meal service facilities comprise about 5 percent.

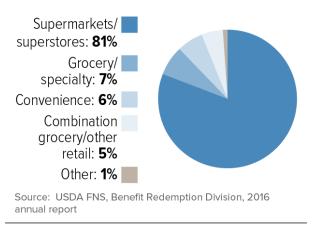
### Number of Authorized SNAP Retailers Has Increased by More Than 50% Since 2003



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The number of SNAP retailers has risen considerably. In 2016, about 260,000 retailers were authorized to accept SNAP benefits — 79 percent more than in 2003, though this growth has flattened in recent years.

# **SNAP Benefit Redemption by Store Type**



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SNAP households spend most of their benefits at large grocery stores and superstores.

Participants redeem over 80 percent of their benefits at superstores (such as warehouse clubs and big-box retailers), supermarkets, and grocery stores, even though these stores make up only 14 percent of all available retailers. Superstores alone redeem over half of all benefits.

While nearly half of SNAP retailers are convenience stores, they are a minor source of food for participants, redeeming only 6 percent of SNAP benefits.