

Supplemental Nutrition Assistance Counters High Unemployment

Sheila Zedlewski

Today, nearly 45 million people receive help from the Supplemental Nutrition Assistance Program (SNAP, formerly called food stamps), an increase of about 69 percent since the recession began at the end of 2007 (figure 1). Caseload increases reflect high unemployment (increasing the number of people eligible for benefits), increased participation rates (more eligible households enrolling in the program) and recent program changes that allow states to make it easier for families to get and keep benefits. Higher unemployment accounts for the majority of recent caseload growth, although the other factors matter as well (Mabli and Ferrerosa 2010).

State SNAP caseloads increased from 23 to 128 percent between 2007 and 2010 (figure 2, next page). Generally the caseload increases track increases in state unemployment rates. Nevada, for example, experienced the greatest growth in SNAP caseloads (128 percent) and unemployment (248

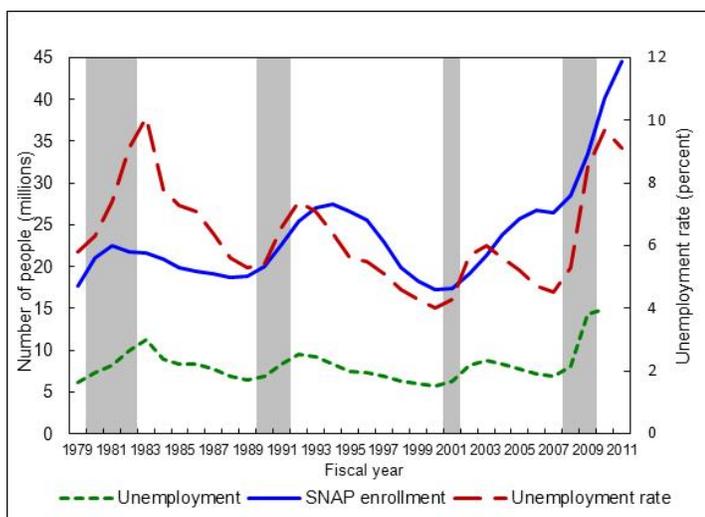
percent, per Rosenbaum 2010). In contrast, SNAP grew by 23 percent in Arkansas, and the number of unemployed there increased by 43 percent.

Who Receives SNAP Benefits?

SNAP is the only universal safety net program. It reaches about one in seven Americans.

- Over half of households have children; one in five include a disabled, nonelderly adult, and about one in eight include elderly individuals.¹
- Most (96 percent) are U.S. citizens, 1 percent are refugees, and 3 percent are documented noncitizens living in the U.S. long enough to qualify (aliens are not eligible).
- In 2009, about 29 percent of SNAP households had some earnings, 5 percent had some unemployment insurance (up from 2 percent in 2007), and many others reported disability or retirement income. Nearly one in five (18 percent) had no countable income.

Figure 1. Unemployment and SNAP/FSP Enrollment, 1979–2011



Sources: Food and Nutrition Service, Bureau of Labor Statistics, and National Bureau of Economic Research.

Note: Gray bars indicate recessions.

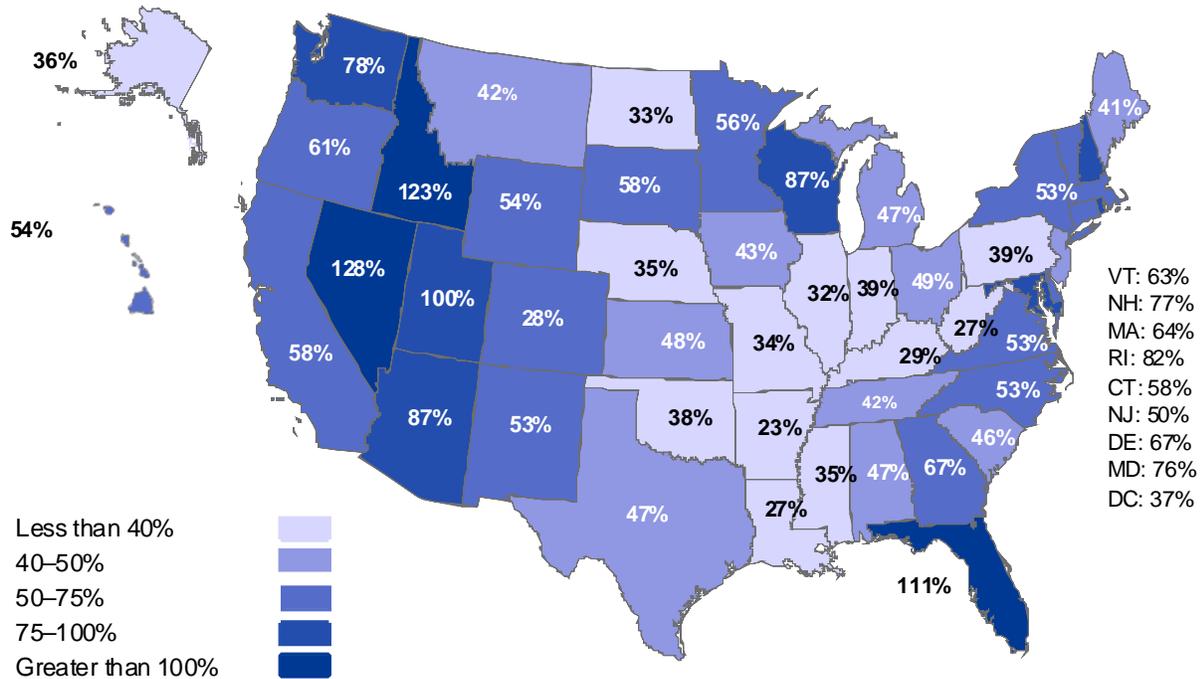
How Much Does the Program Cost, and How Much Do Families Get?

In fiscal year 2010 (the latest year of data available), SNAP cost about \$60 billion. The federal government pays for all benefits and half of administrative costs.

The SNAP benefit is based on the cost of the Thrifty Food Plan, and the maximum benefit is \$526 a month in 2011 for a three-person household with no other income. (The cost of the food plan is updated each year.) Most households do not receive the maximum since they have some other income. Many have deductions (for housing, health, and child care costs) that also affect their net benefit. On average, SNAP households received \$272 a month in 2009 with an average household size of 2.2.

SNAP is an effective antipoverty program. In 2009, benefits lifted 3.8 million people out of poverty (Sherman 2011). Benefits reduced the gap between income and the poverty threshold for many others.

Figure 2. Percentage Change in SNAP Enrollment by State, 2007–10



What Are the Issues Going Forward?

SNAP responded to the recession by offsetting some of the income that households lost and stimulating local economies. (Numerous studies estimate that each dollar of SNAP spending generates \$1.78 in economic activity.) Not surprisingly, current debate over reducing the federal deficit has led some to propose scaling back federal program costs. The House Budget Committee passed a major restructuring that would block grant SNAP to the states with fixed federal resources, thereby eliminating its countercyclical nature.² Such proposals fail to recognize the critical role the program plays during recessions, today and historically. Caseloads and federal costs will decline as more jobs are generated. Policymakers' attention should focus on spurring job creation and economic growth through investments in infrastructure, adult education and training, and hiring incentives for business.

Acknowledgment

Erika Huber, a research assistant in the Income and Benefits Policy Center, produced the charts for this fact sheet.

Notes

1. Characteristics are from <http://www.fns.usda.gov/fns/research.htm>.
2. H. Con. Res. 34, "The Path to Prosperity: Restoring America's Promise."

References

- Mabli, James, and Carolina Ferreros. 2010. *Supplemental Nutrition Assistance Program Caseload Trends and Changes in Measures of Unemployment, Labor Underutilization and Program Policy*. Washington, DC: Mathematica Policy Research.
- Rosenbaum, Dorothy. 2010. "House-Passed Proposal to Block-Grant and Cut SNAP Rests on False Claims about Program Growth." Washington, DC: Center on Budget and Policy Priorities.
- Sherman, Arloc. 2011. "Despite Deep Recession and High Unemployment, Government Efforts—including the Recovery Act—Prevented Poverty from Rising in 2009." Washington, DC: Center on Budget and Policy Priorities.

About the Author

Sheila Zedlewski is a senior fellow in the Urban Institute's Income and Benefits Policy Center.