

OVER THE PAST 50 YEARS, the Supplemental Nutrition Assistance Program (SNAP, previously called the Food Stamp Program) has evolved from a small pilot program to a critical component of the safety net. A comprehensive new book, *SNAP Matters: How Food Stamps Affect Health and Well-Being*, edited by the authors of this brief, provides an overview of SNAP, including how and why it has changed over time, how it affects the well-being of participants, and its interconnections with the broader safety net. Drawing on that volume, this brief provides an overview of how SNAP works, summarizes some of the key research conclusions, and considers some of the critical policy debates surrounding the program. Three accompanying briefs look in more detail at what research says about SNAP.

How SNAP Works

The basics:

SNAP provides monthly benefits, delivered via electronic benefit card, which can be used to purchase food at authorized food outlets. Program benefits are federally funded, and the core features are the same nationwide. States administer the program and cover half the operational costs.

Who is eligible?

Most households are subject to two income tests: (1) gross income must be below 130% of the federal poverty line (FPL), and (2) net income—or income after subtracting allowable amounts in areas including shelter costs and work expenses—must be below the FPL. Alternatively, households may qualify automatically by receiving TANF or SSI cash assistance or services.

SNAP is almost universally available to those who meet the income and asset tests, although not to undocumented noncitizens. There are also restrictions on childless working-age adults without disabilities, for whom eligibility is limited to 3 months over a 3-year period unless certain employment or training requirements are met. These restrictions can be waived by requests from states based on regional low employment opportunities; such waivers covered most of the country during the Great Recession.

States have some flexibility regarding eligibility criteria and administrative procedures. The “broad-based categorical eligibility” option allows states to use more generous gross income limits and/or to remove liquid asset tests in conjunction with the provision of TANF-funded services for families with children. However, households still have to have net income below the FPL to get a benefit. States also have flexibility regarding limits on the value of vehicles. And, states have discretion over some operational features, such as frequency and manner of recertification and requirements for fingerprinting of applicants.

How much are benefits?

Benefit amounts depend on household size and net income, and are intended, in combination with other income, to provide enough resources to meet a household’s basic food needs. Maximum monthly benefit levels—currently \$649 for a 4-person household—are based on the federally established minimum cost of a nutritionally adequate diet (the “Thrifty Food Plan”), and are adjusted annually based on changes in food prices.

The benefit formula reflects the assumption that households can spend 30 percent of their net income on food. Benefits are the same nationwide, with the exception of Alaska and Hawaii.

SNAP Stats

1 in 7 households received SNAP in 2013, at a cost approaching \$80 billion

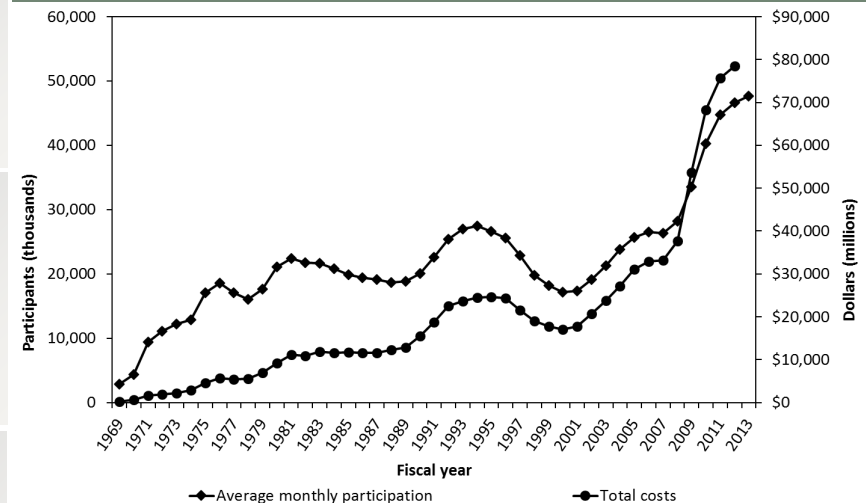
Between 2000 and 2012, SNAP participation increased by 171% and inflation-adjusted spending grew by 286%

Households in deep poverty (below 50% of the monthly FPL) received over half of all SNAP benefits in 2011; only 1.4% of benefits went to households over 130% of the FPL

Almost half of SNAP households include children, roughly 1 in 6 includes an elderly person, and about 1 in 5 includes a non-elderly disabled person

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SNAP participation and cost increased from 1969–2013.



Source: USDA Food and Nutrition Service SNAP program data.

What the Research Says

- SNAP is highly responsive to macroeconomic pressures and policy choices intended to increase access among low-income households. As a result, it has become one of the most effective antipoverty programs overall, and it is particularly effective at lifting non-elderly households with children out of deep poverty.
- SNAP is firmly embedded within the broader safety net; program rules influence access to school meals, and SNAP often fills in residual gaps remaining after other forms of assistance fall short.
- Higher SNAP benefits reduce the risk of food insecurity; SNAP does not appear to contribute to obesity; and some evidence suggests SNAP has long-term benefits on health.
- Most recipients spend more on food than their benefit amount, suggesting benefits are not distorting food choices relative to unrestricted income.

Policy Debates

SNAP is the subject of ongoing policy debates over such issues as eligibility, funding, work requirements, and how benefits may be used. While prevailing debates are in part ideological, reflecting differing views on the appropriate role of government programs, we believe that careful research can and should inform policy deliberations.

Should SNAP be converted to a block grant?

SNAP is an entitlement, available to all who meet the eligibility criteria. To limit growth, control costs, and enhance state flexibility, some have proposed that SNAP be devolved to the state level as a block grant, providing states with a fixed pot of funds and increased discretion over how the program operates.

Our assessment is that the benefits of SNAP—including its capacity to respond to macroeconomic forces; its critical role in reducing the incidence, depth, and severity of poverty; and its ability to reduce food insecurity—would be severely jeopardized by shifting to a block grant. Such a change would also have spillover effects on access to school meals. The growth in SNAP expenditures, and the persistently high levels since the Great Recession, are largely a reflection of longer-term structural weaknesses in the labor market, as well as of SNAP policy choices intended to offset the impacts of those weaknesses, rather than flaws in program design.

Should SNAP do more to promote work?

SNAP, like other assistance programs, is often criticized for discouraging work—both because benefits may reduce the need for work and because increases in earnings lead to reductions in benefits. Proposals to encourage work range from “carrots,” such as reducing benefits more slowly as earnings rise, to “sticks,” such as mandating work as a condition of receipt.

We believe that SNAP is not currently substantially deterring work because empirical evidence on work disincentives suggests they are small. And, because most SNAP recipients fall in an income range that makes them eligible for the EITC—which subsidizes earnings at a higher rate than SNAP penalizes them—the net impact of work incentives across programs is to make work more financially rewarding, rather than less so, for families with children. In fact, the largest growth over the past several decades has been in the share of SNAP households working year-round, often full time. This growth suggests that concerns about SNAP discouraging work may be less salient now than in the past.

Should SNAP purchases be restricted to “healthy” foods?

SNAP recipients may use their benefits for any food purchases at authorized retailers other than alcohol and hot prepared foods. There have been many proposals to restrict SNAP purchases of food considered to be unhealthy.

Research suggests that restrictions on SNAP purchases would have little impact on diet, obesity, or health. Because most SNAP households spend more on food than the value of their SNAP benefits, restrictions would largely alter the funding source for disallowed foods, more so than altering overall consumption. And, as there is little evidence that SNAP causes either obesity or poor nutrition, both of which are also widespread in the non-SNAP population, we question whether SNAP restrictions are an appropriate vehicle to address these concerns. At a practical level, there are major challenges in identifying “healthy” foods and, logistically, in establishing the technical ability for SNAP retailers to enforce restrictions. The likely impact of purchase restrictions would be decreased participation in SNAP and thus negative impacts on poverty, food insecurity, and potentially broader health.

Should more be done to combat fraud?

The potential for fraud in SNAP is a longstanding concern. Fraud could take the form of trafficking, whereby individuals and stores collaborate to turn SNAP benefits into cash. Or fraud could result from overpayments, if ineligible households are enrolled or if recipients receive more benefits than they are entitled to.

The level of fraud has fallen considerably and is substantially less than in other assistance programs or, for that matter, among federal taxpayers. Trafficking of SNAP declined greatly with the use of electronic benefits, falling from 3.8% of benefits in 1993 to 1.3% of benefits by 2013.

Between 2000 and 2013, the proportion of inaccurate payments also fell sharply, from 8.9% of payments to 3.4%, in part due to annual quality-control audits.

Program integrity is critical. However, policy discussions should acknowledge the substantial gains in reducing errors and fraud already achieved, and the likelihood of diminishing returns and increasing costs of devoting major new efforts to combating fraud rates that are already low.

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