

MARCH 2020 | FACT SHEET

# **Improving SNAP in Response to COVID-19**

The spread of COVID-19 has unleashed a health and economic crisis of unprecedented scope. This disaster has highlighted the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, and its ability to quickly deliver aid to families and stimulus to the economy. Economists estimate that 14 million workers will lose their jobs by the summer, even with a sizeable stimulus package. SNAP serves a diverse group of women and families, with women making up 63 percent of adult beneficiaries. Policymakers must focus both on immediate expansions to SNAP to help people put food on the table, and additional changes that will reduce food insecurity during a recession and future economic crises.

## **SNAP Is a Highly Effective Program, But Needs to Be Expanded**

In 2018, one in seven households with children were affected by food insecurity. SNAP provides foodinsecure individuals and families with nutrition benefit dollars that can be used to purchase foods at retailers through an Electronic Benefit Transfer (EBT) Card. Even before COVID-19, SNAP helped millions of families put food on the table: In 2019, SNAP served more than 34.5 million people in nearly 17.4 million households on average each month. But SNAP has gaps in fully addressing food insecurity:

- **SNAP** benefits are meager: The average SNAP recipient received about \$130 per month in FY 2019 an average of only \$1.44 per person, per meal.
- Access to SNAP is limited: Most adults aged 18 through 49 without dependents can only receive SNAP benefits for three months (within a three-year period) unless they are working at least 20 hours or participating in a qualifying work training program or they live in a waived area that lacks sufficient jobs for these adults. College students enrolled at least half time are not eligible for SNAP, while students attending college less than half time are subject to the time limits. Furthermore, most undocumented immigrants are not eligible to receive SNAP, and only certain Lawful Permanent Residents may receive SNAP, regardless of income level. While immigrant families with children are able to receive benefits for the child, families whose members have mixed immigration status are reported to have lower SNAP participation rates than families with native-born parents.
- The Trump administration has proposed a series of regulations that would weaken SNAP and cut benefits. For example, a federal court enjoined a final rule that would take SNAP away from at least 755,000 unemployed and underemployed people because of harsh time limits, and the U.S. Department of Agriculture (USDA) is appealing that decision. A second would restrict Broad Based Categorical Eligibility (BBCE), which allows states to extend SNAP to working families whose gross incomes or assets are just over the eligibility cut-off but who have high child care or medical expenses, and would also restrict access to free school meals for 1-2 million children. A third proposed rule would change Standard Utility Allowances (SUAs) for SNAP beneficiaries, resulting in at least \$1 billion in annual cuts to SNAP benefits.

### **SNAP Is Proven to Stimulate the Economy**

SNAP serves as an automatic stabilizer in periods of high unemployment, expanding to cover households as they become eligible and decreasing when the economy fares better. SNAP not only allows families to meet immediate basic needs, but also feeds money back into the economy quickly.

During the Great Recession of 2007-09, SNAP was one of most responsive programs in addressing families' increased economic hardship. In anticipation of higher caseloads, the 2009 American Recovery and Reinvestment Act (ARRA) increased SNAP benefits for households by 13.6 percent between April 2009 and October 2013. This helped augment food expenditures by families with low incomes by 5.4 percent between 2008 and 2009.

- In 2011, a total of \$71 billion was spent at SNAPauthorized retailers. The increase in SNAP spending during the recession has helped create jobs, with \$10,000 of SNAP creating 1.0 jobs in rural areas and 0.4 jobs in urban areas, compared to 0.2 pre-recession.
- Recent studies estimate that every \$1 spent in SNAP benefits leads to between \$1.50 and \$1.80 in total economic activity during a recession.
- SNAP supported 782,600 jobs in 2018.

### The Initial Federal Response to **COVID-19 Made Progress Towards Meeting Immediate Needs**

The Families First Coronavirus Response Act (FFCRA) took additional steps to bolster SNAP's countercyclical impact by:

- Creating the Pandemic Electronic Benefit Transfer (P-EBT) program, which, after state plan approval, provides EBT cards to families with children who would have received free or reduced school meals but their schools are closed for at least five consecutive days during a public health emergency designation;
- Allowing states to request waivers to provide temporary SNAP benefits to households up to the maximum monthly benefit allotment; and
- Suspending time limits.

### Additional Policy Changes Are Needed to Mitigate a Recession

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides \$15.5 billion additional SNAP funding, but that will only cover costs for the relief in FFCRA and increases in applications. Congress must pass further improvements to SNAP to help women and families put food on their table.

- Boosting SNAP benefits: SNAP benefits should be temporarily increased by 15 percent. This would result in an approximate \$100 increase in benefits per month for a family of four (under the current Thrifty Food Plan).
- **Increasing the minimum SNAP benefit: Switching** from basing benefit allotments on the outdated and impractical Thrifty Food Plan to the Low-Cost Food Plan would better align benefits with what low- and moderate-income families need. Specifically, we recommend that the minimum benefit be raised to \$30.
- Suspending all SNAP administrative rules that would terminate or weaken benefits: Temporarily suspending time limits in the FFCRA was an important step toward protecting SNAP. All harmful rulemakings, including those changing BBCE and SUAs, must be suspended.
- **Enhancing and restructuring SNAP administrative** processes: The FFCRA provides states with the flexibility to make operational changes to manage larger caseloads and increase retention such as extending the maximum re-certification period, providing simplified applications, and waiving interview requirements. But it failed to provide funds for states to implement these changes. The 2009 ARRA provided \$300 million to states for administrative expenses. Passing a similar allotment could help states hire more case managers and outreach workers in the event of recession.

While Congress has consistently acted to preserve SNAP benefits, it has not ensured that families facing food insecurity have enough resources to meet their nutritional needs. In addition, the Trump administration has sought to cut benefits. The COVID-19 crisis should be a wake-up call to the need to immediately improve SNAP benefits and eliminate draconian restrictions that increase, rather than reduce, food insecurity.