

An Examination of the Adequacy of SNAP Benefit Levels

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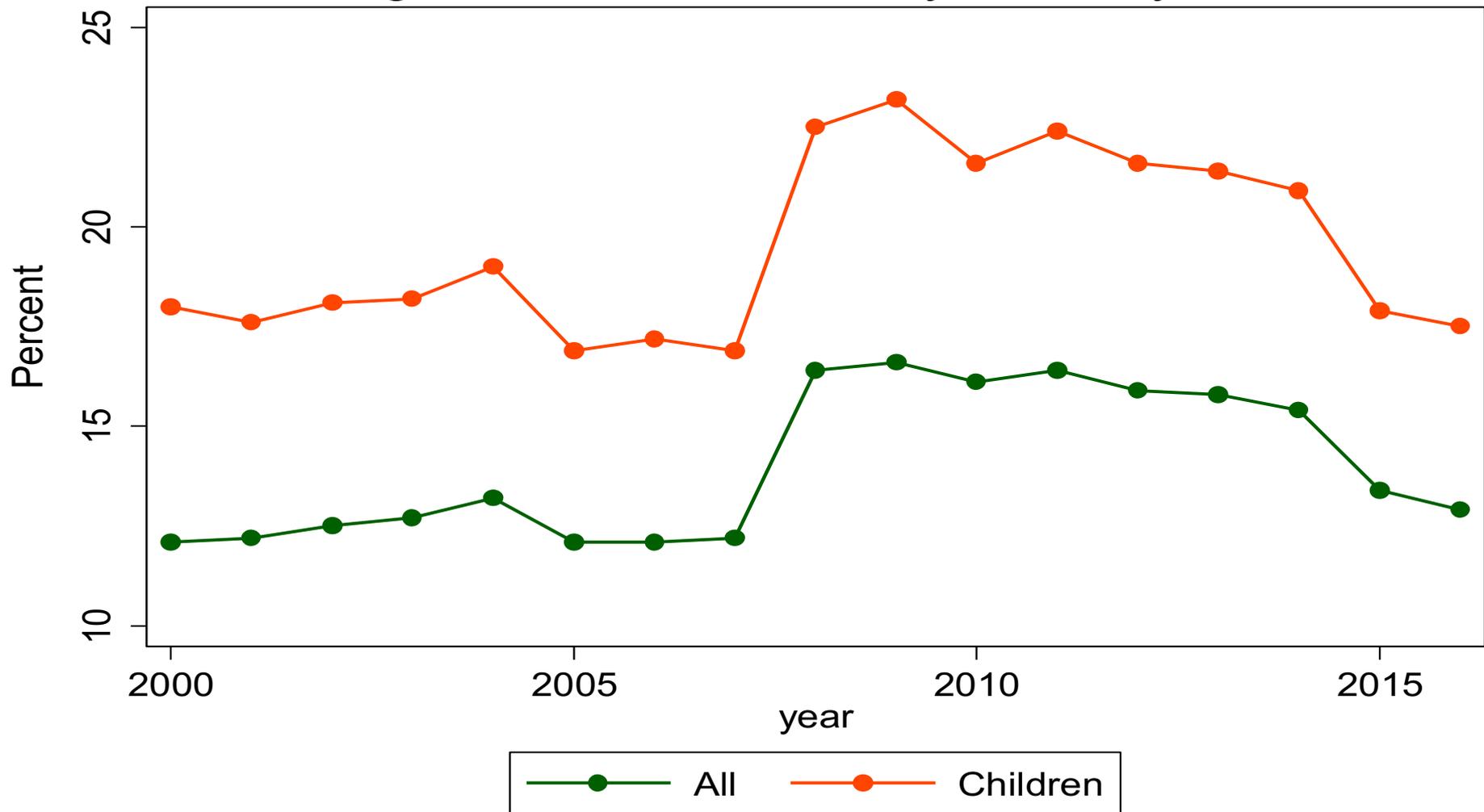
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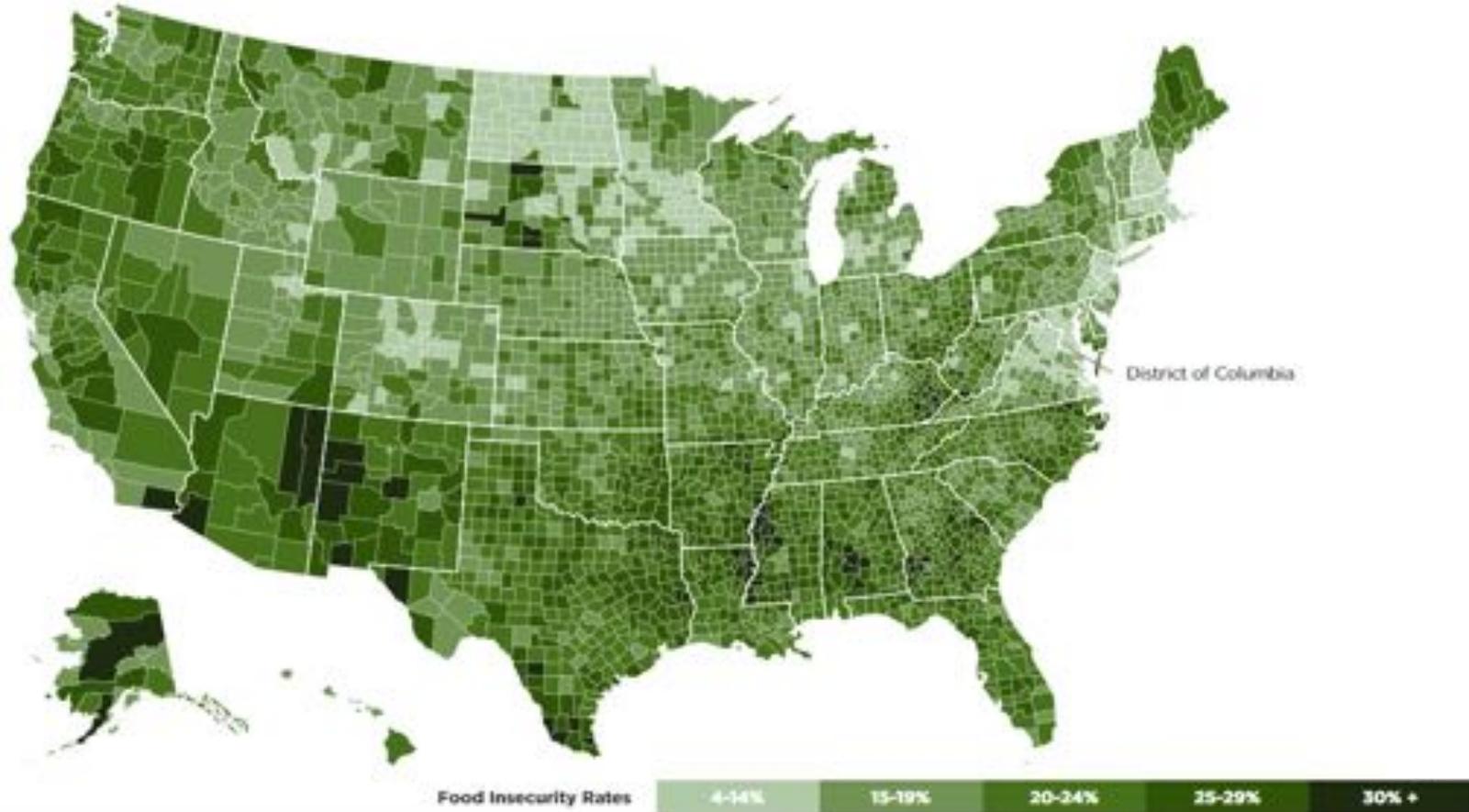
Defining Food Insecurity

- A household's food insecurity status is based on responses to 18 questions in the Core Food Security Module (CFSM)
- Examples of questions:
 - “I worried whether our food would run out before we got money to buy more”
 - “Did you or the other adults in your household ever cut the size of your meals or skip meals because there wasn't enough money for food”
 - “Were you ever hungry but did not eat because you couldn't afford enough food”
 - “Did a child in the household ever not eat for a full day because you couldn't afford enough food”
- Categories
 - food insecure if have 3 or more affirmative responses

Figure 1: Food Insecurity Rates by Year



Child Food Insecurity by County in 2016

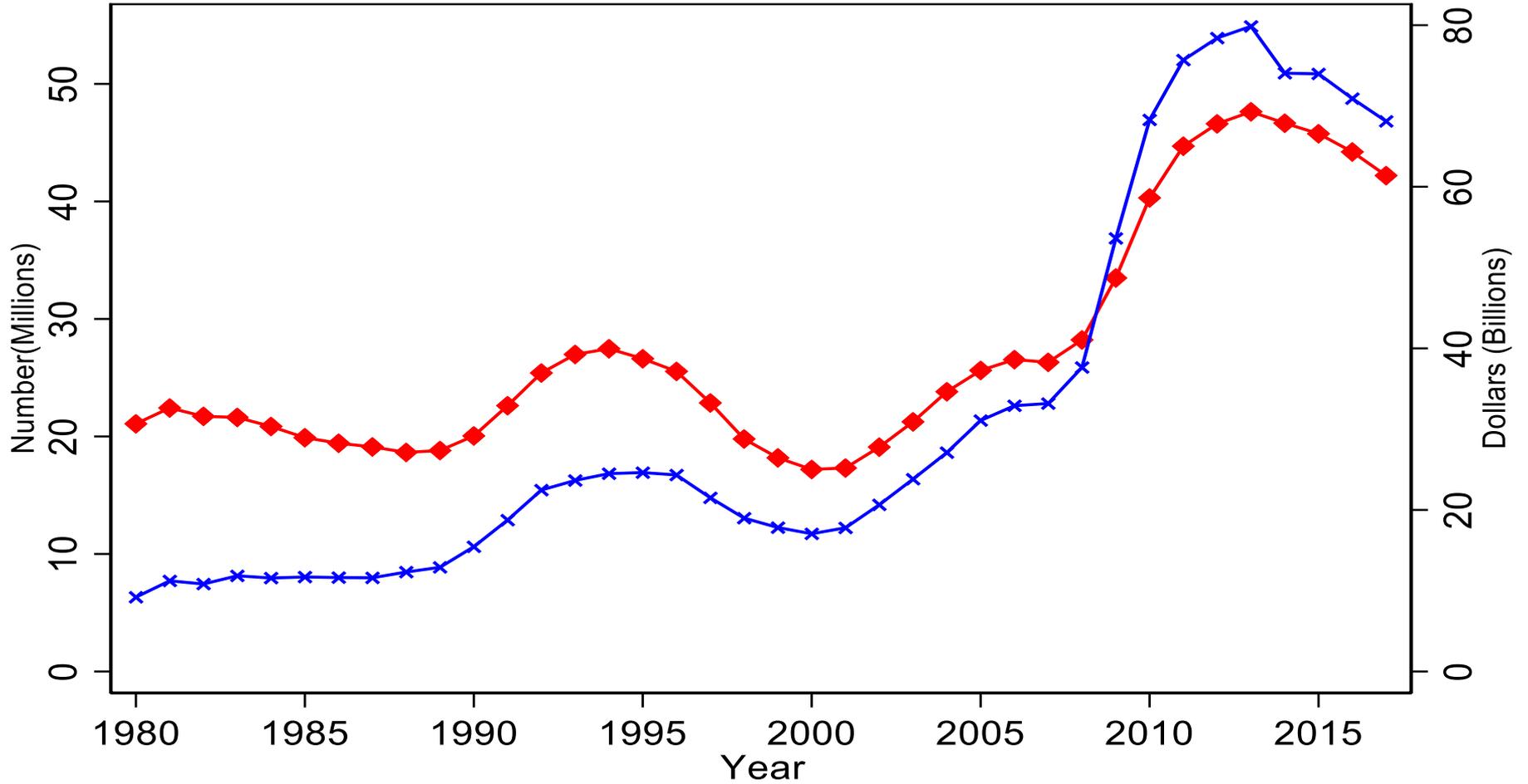


Source: Gundersen, C., A. Dewey, A. Crumbaugh, M. Kato & E. Engelhard. Map the Meal Gap 2018: A Report on County and Congressional District Food Insecurity and County Food Cost in the United States in 2016. Feeding America, 2018.

Supplemental Nutrition Assistance Program (SNAP)

- Benefit levels
 - maximum benefit level – $0.3 \times \text{net income}$
 - maximum benefit level is \$640 for a family of four in 2018
 - average benefit level for households with children is about \$460 in 2018
- Size of program
 - served over 42 million persons in 2017
 - almost half of SNAP households have children
 - total cost was almost \$70 billion per year in 2017
- Eligibility criteria
 - gross income test: income < 130% of the poverty line
 - set higher in some states, up to 200% of the poverty line
 - net income test: income after deductions < poverty line
 - deductions include excess housing expenditures, excess medical expenditures
 - same for all states
 - asset test
 - below \$2,000
 - waived in most states

SNAP Participants and Expenditures



—◆— Number of SNAP Participants —×— SNAP Expenditures

SNAP and Food Insecurity

- Central goal is to alleviate food insecurity
- SNAP recipients are at least 20% less likely to be food insecure than eligible non-recipients
 - after controlling for selection and measurement error
- Despite receiving benefits, about half of SNAP recipients are food insecure
- About one-in-four households with incomes between 130 and 185 percent of the poverty line are food insecure

Current Suggestions for Restrictions

- Not allowing states to set higher gross income thresholds
- Imposing work requirements
- Construction of SNAP benefits
 - Harvest Boxes
 - limits on how can use SNAP benefits

Opportunities to Address SNAP Adequacy

- IOM panel recommendation
- Approaches
 - Across the board increase in SNAP benefits
 - Ziliak (2016)
 - Increase in SNAP benefits tied to dollars needed to be food secure
 - Gundersen et al. (2018)
 - Increase in SNAP benefits tied to additional dollars needed to purchase TFP
 - Waxman et al. (2018)

Increase in SNAP benefits
Tied to Dollars Needed to be
Food Secure

Data

- 2014 Current Population Survey
- Limit sample to
 - food insecure SNAP households
 - non-SNAP households with incomes between 130 and 185 percent of the poverty line
- Central question: “About how much more would you need to spend each week to buy just enough food to meet the needs of your household?”
 - asked of those saying they needed more money
 - asked prior to food insecurity questions

Figure 1: Weekly Real and Nominal Per Capita Dollars Needed to be Food Secure

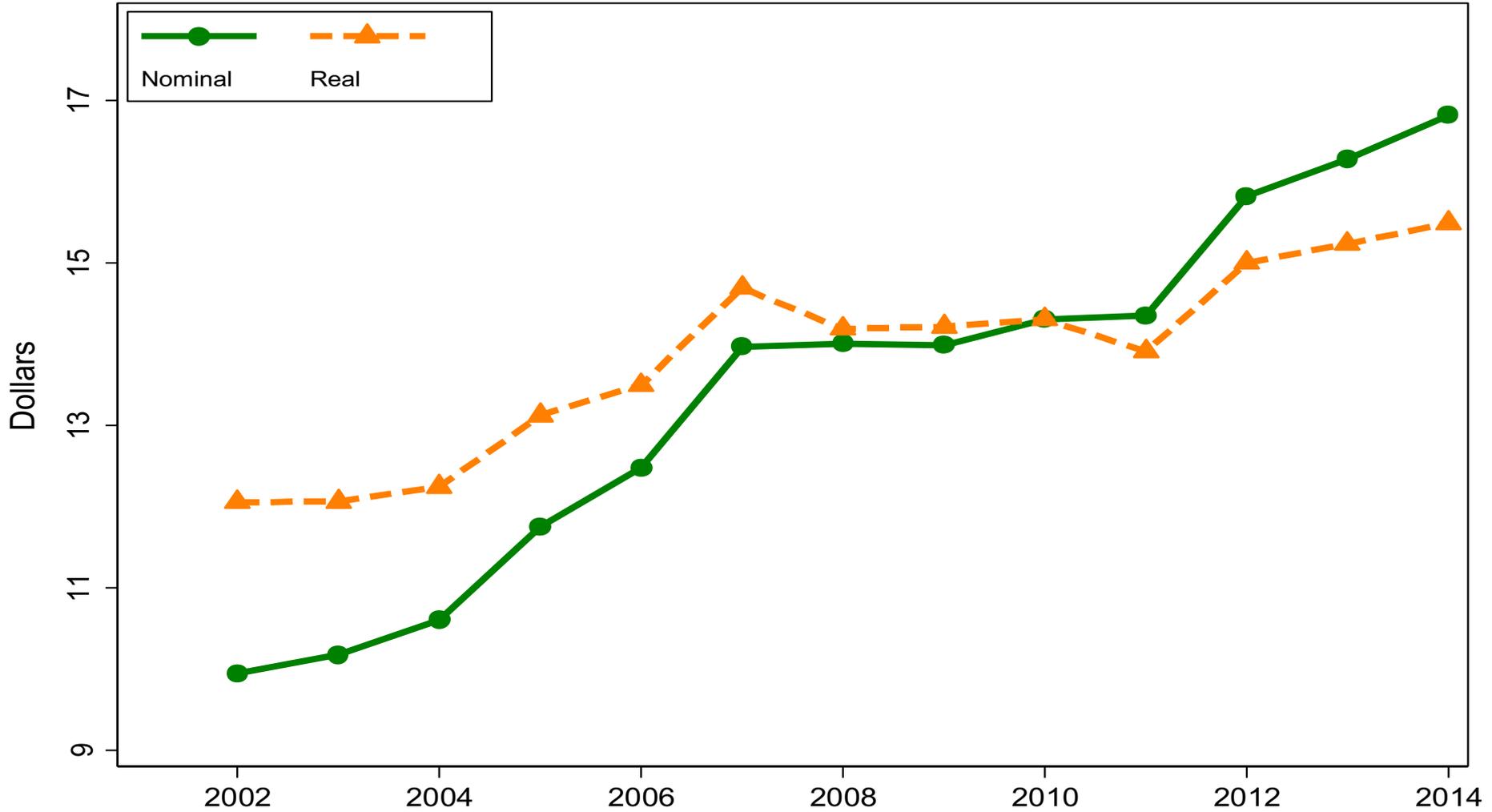
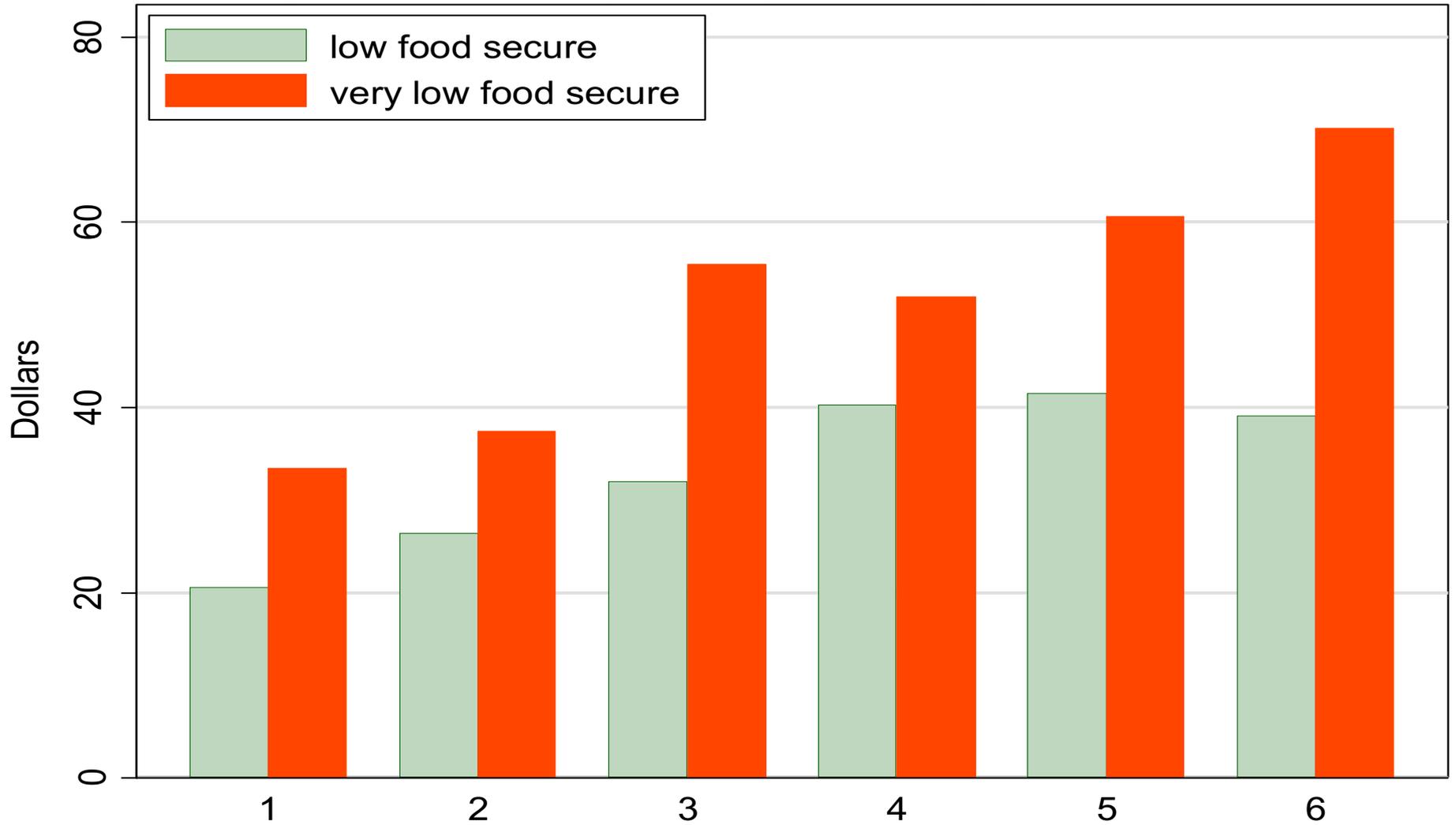


Figure 2: Dollars Needed per Week by Food Insecurity Status and Household Size



Caveats about Estimates

- Not proposing that food secure SNAP households should have benefits reduced
- Not all observed characteristics can reasonably be used to direct benefits
- Not proposing asking SNAP recipients how much additional money they would need to be food secure
- Set of observable characteristics in the CPS are not exhaustive

Summary Statistics

- Average weekly dollars to be food secure among SNAP recipients
 - \$41.62 for all households
 - \$45.69 for households with children
- Expressed as ratio to maximum SNAP benefits
 - 0.42 for all households
 - 0.29 for households with children
- Not much difference across characteristics
- Average weekly dollars to be food secure among SNAP non-recipients near eligibility threshold
 - \$30.91 for all households
 - \$39.67 for households with children

Caveats about Impacts and Costs

- Ignoring changes in participation decisions of eligible non-participants.
- In two of three scenarios, there is leakage because some households will receive more SNAP benefits than needed to be food secure
- Food insecurity is measured in the CPS over the previous year but resource gap question is based on the respondent's current perception
 - January to December versus in December
- SNAP participation is underreported in the CPS so total increase in SNAP benefits is understated
- Misreporting of the resource gap introduces unknown biases
- Implicitly presuming that each additional dollar will be used to address the resource gap

Table 7. Impacts and Costs of Increases in SNAP Benefits

	All Households		Households with Children	
	Percent Decline in Food Insecurity Rate among SNAP Recipients	Additional Benefits (Billions of Dollars)	Percent Decline in Food Insecurity Rate among SNAP Recipients	Additional Benefits (Billions of Dollars)
Scenario 1				
Exact dollars to be food secure	100.0	20.1	100.0	12.0
Scenario 2:				
Average dollars to be food secure	61.8	27.0	56.6	16.1
Scenario 3				
Benefits directed by household size	61.7	26.9	58.7	16.3
Benefits directed by household size cat.	60.4	25.2	58.5	14.6

	All Households		Households with Children	
	Percent Decline in Food Insecurity Rate	Additional Benefits (Billions of Dollars)	Percent Decline in Food Insecurity Rate	Additional Benefits (Billions of Dollars)
Scenario 1				
Exact dollars to be food secure	100.0	7.1	100.0	3.5
Scenario 2:				
Average dollars to be food secure	63.5	22.2	58.1	8.7
Scenario 3				
Benefits directed by household size	62.5	20.6	59.3	8.2
Benefits directed by household size cat.	58.3	25.2	60.3	7.3

Increase in SNAP Benefits
Tied to Additional Dollars
Needed to Purchase TFP

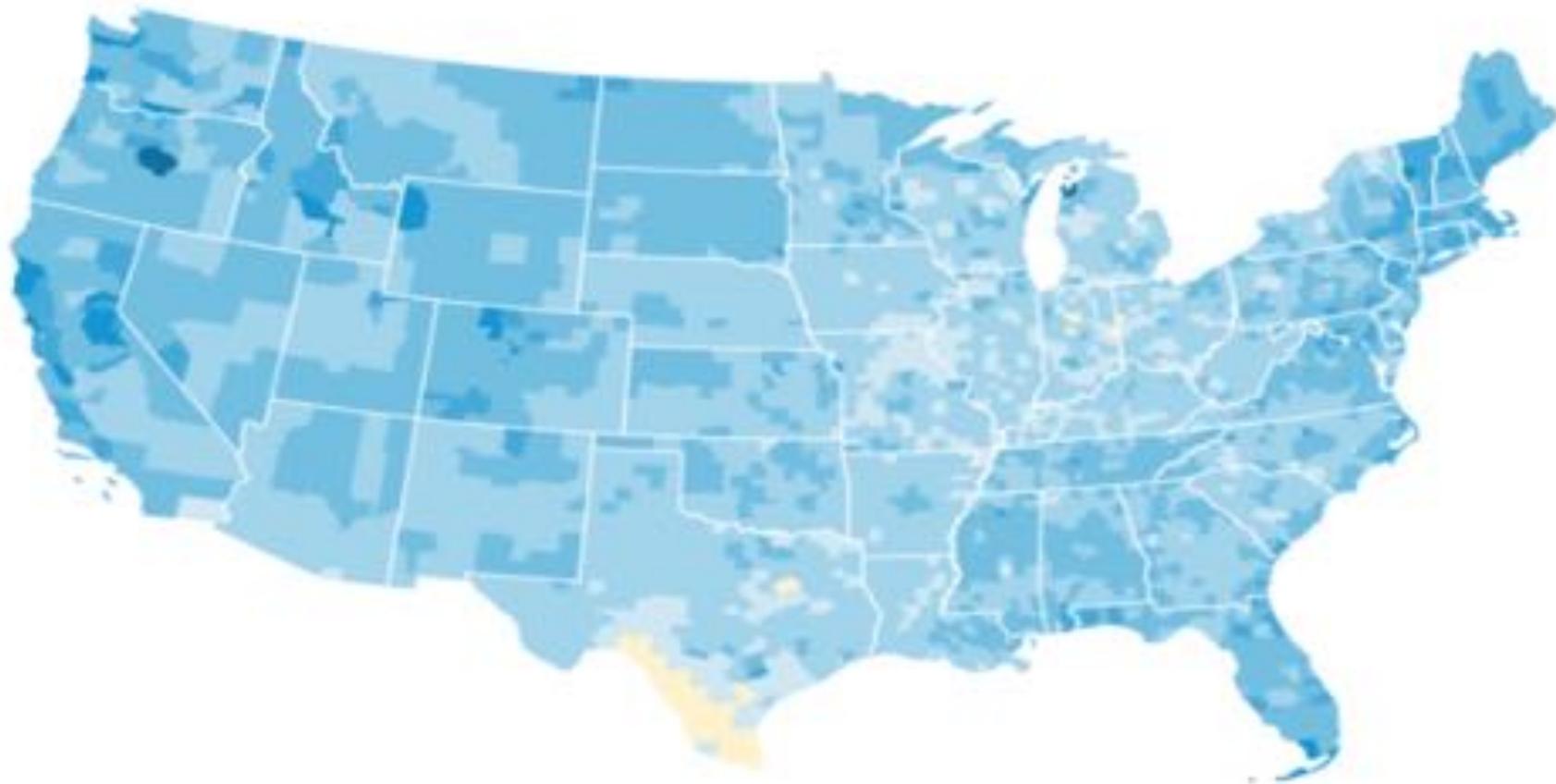
Approach

- Establish the maximum SNAP benefit per meal
 - weighted average of maximum benefits by household size
 - in 2015, the SNAP benefit per meal is \$1.86
- Establish the average cost of a low-income meal in the U.S.
 - CPS data on weekly food expenditures for food-secure individuals with incomes at or below 130 percent of the poverty line
 - multiply by 21 (i.e., 7 days times 3 meals per day)
- Adjust the national meal cost for the variation in local food prices at the county level
 - from information in Map the Meal Gap from county-level data from Nielsen
 - adjusted for state and local food taxes

Results

- The SNAP per meal benefit does not cover the cost of a low-income meal in 99 percent of counties
- Average cost of a low-income meal is \$2.36
 - 27 percent higher than the SNAP maximum
- Monthly shortfall is \$46.50 per person
 - remarkably close to average from Gundersen et al. (2018)

Gap between SNAP benefit and meal cost



Source: Waxman E, Gundersen C, Thompson M. How far do SNAP benefits fall short of covering the cost of a meal? Urban Institute, From Safety Net to Solid Ground. 2018.

Potential Impact on Food Insecurity

- Approach
 - create a distribution of dollars needed (per week) to be food secure for SNAP recipients
 - all food insecure SNAP recipients in the U.S.
 - for each county, calculate percent of food insecure SNAP recipients who would become food secure due to benefits increase
 - some recipients will receive “too much”
 - other recipients will receive “too little”

Potential Impact on Food Insecurity

- Results
 - decline of 50.6% in food insecurity rates among individuals receiving SNAP
 - 10.7 million fewer food insecure SNAP recipients