

**USDA RESPONSE ABOUT SNAP SPENDING FROM FEBRUARY 16, 2023,  
SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY  
HEARING ON NUTRITION PROGRAMS**

**SNAP IS THE CORNERSTONE OF THE NATION’S NUTRITION ASSISTANCE SAFETY NET**

SNAP is the Nation’s cornerstone anti-hunger program. In Federal Fiscal Year (FY) 2023, SNAP is helping over 42 million people in the United States afford a nutritionally adequate diet each month. Participants can purchase food at more than 250,000 retailers. This program brings resources into grocery stores, benefiting store employees, truck drivers delivering food, and the farmers and producers who produce the food.

SNAP provides important nutritional support for low-paid working families, low-income older adults and people with disabilities living on fixed incomes, and other households with low incomes. In FY 2020—prior to the pandemic—[over 81 percent of SNAP households](#) had a child, elderly individual, or individual with disabilities. Most SNAP households have monthly income that puts them at or below the Federal poverty level.<sup>1</sup>

As it is designed to do, SNAP participation expanded early in the pandemic in response to sudden increased need. Congress also acted to strengthen SNAP benefits even more by providing a temporary boost to benefits and administrative flexibilities that enabled the program to adapt to evolving and uncertain conditions. As that temporary help and flexibility ends and we return to a new normal, SNAP participants will receive a stronger benefit that has been adjusted to reflect our assessment of the current cost of a budget conscious, healthy diet.

**WHY DID SNAP SPENDING AND PARTICIPATION GO UP?**

**SNAP participation grew during the pandemic in response to the sudden economic hardship faced by families with low incomes.** One of SNAP’s core strengths is its structure, which enables it to adapt as economic conditions change. By design, SNAP participation expands to meet increased need and contracts when the need abates, providing food to people and communities where and when it is needed most.

In 2020, when the number of unemployed individuals rose by 5.5 million, SNAP participation increased by about as many participants. As the economy continues to recover, the Administration expects SNAP participation to begin declining in 2024. This pattern is consistent with participation trends during past economic crises. In 2024, SNAP participation is estimated to decrease by 1.3 million participants, from a projected pandemic high of 43.5 million participants in 2023 to 42.2 million in 2024. Likewise, participation is expected to decline by another 2.4 million over the next 10 years to 39.8 million by 2033. Further declines in participation are possible as temporary operational flexibilities provided in response to the Public Health Emergency are lifted. The Congressional Budget Office (CBO) forecast anticipates even more dramatic declines in SNAP participation over the next 10 years, from 41.4 million in FY 2024 down to 34.4 million by FY 2033. The growth in SNAP during the pandemic and the

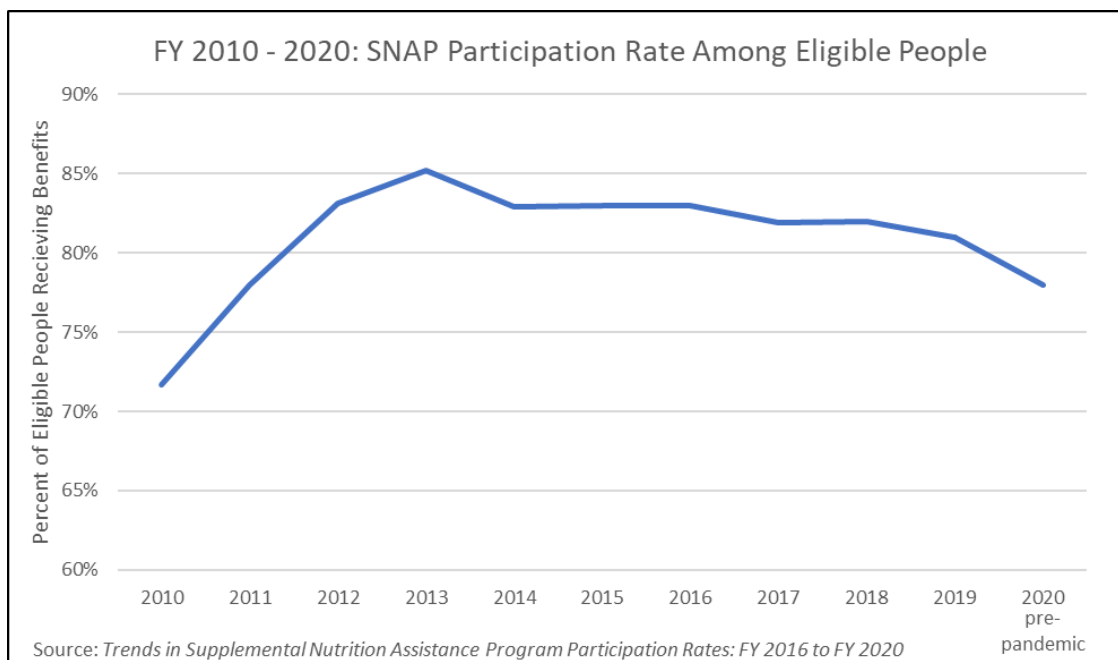
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<sup>1</sup> Annual Update of the HHS Poverty Guidelines, 85 Fed. Reg. 3060 (Jan. 17. 2020).  
<https://www.federalregister.gov/documents/2020/01/17/2020-00858/annual-update-of-the-hhs-poverty-guidelines>

subsequent decline shows that the program is working as it should and not the result of runaway spending.

Congress also took action to temporarily relax eligibility requirements for college students and able-bodied childless adults. When the Public Health Emergency ends so will the expanded eligibility for these individuals which will result in decreased participation. Additionally, the economic hardship of the pandemic likely brought families to SNAP for the first time, and many may continue to need the support of SNAP and will stay on the program beyond the pandemic.

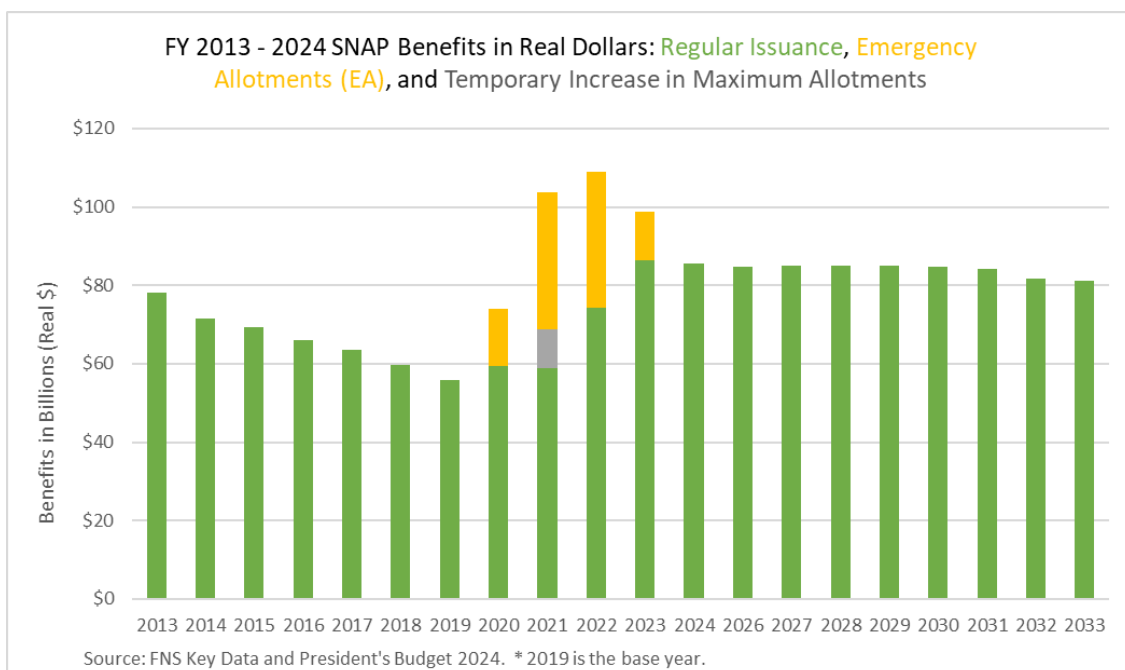
The participation rate is a measure of the share of people who are eligible for benefits that receive benefits. As SNAP serves more eligible families and individuals, SNAP spending rises. The SNAP participation rate rose after the Great Recession then remained steady until declining slightly before the pandemic.<sup>2</sup> In FY 2022, an estimated 21.6 million households, or 41.19 million people, participated in SNAP. [An estimate of the participation rates during the pandemic is not yet available.] The Biden-Harris Administration’s goal is to ensure that the program reaches more eligible households and therefore increase participation rates. USDA is pursuing efforts to conduct outreach to those groups with relatively low participation rates such as the elderly as well as populations of concern, such as households with Veterans. Success on this front would likely slow participation reductions as the program would be serving more eligible households.



**Spending also went up as a result of Congressional action to provide temporary SNAP benefit increases.** The temporary boosts to SNAP benefits that Congress put in place during the pandemic account for more than a quarter of total benefits in fiscal years 2020-2023 and will end

<sup>2</sup> Vigil, Alma, (2022). Trends in Supplemental Nutrition Assistance Program Participation Rates: Fiscal Year 2016 to Fiscal Year 2020. Prepared by Mathematica for the U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support. <https://www.fns.usda.gov/snap/trends-fiscal-year-2016-to-2020>

in 2023. Emergency allotment (EA) payments (yellow bars), authorized in the Families First Coronavirus Response Act (FFCRA) provided an estimated \$104 billion in supplemental benefits to families during the pandemic crisis. As part of this pandemic spending, USDA reconfigured EA payments beginning in April 2021 so that households that had not received at least \$95 per month in increased benefits during the pandemic – because they were already at or close to receiving the current maximum benefit – would now receive a minimum of \$95 per month. This change provided \$1 billion per month in additional food assistance to an estimated 25 million people. All EA payments sunset after the February 2023 issuance. Congress also raised SNAP maximum allotments by 15 percent from January to September 2021 (gray bars), accounting for an additional \$10.5 billion in benefits that year. Due to both the projected decline in participation as the economy recovers and the ending of these supplemental benefits, SNAP outlays are expected to decrease by \$10.7 billion in 2024.

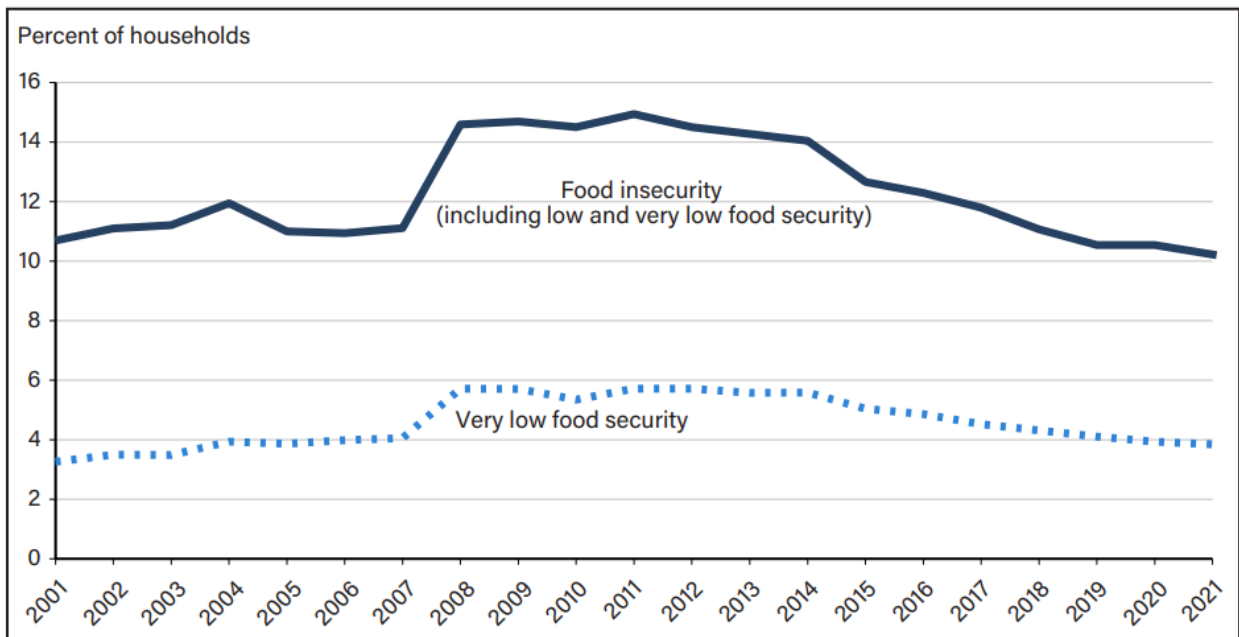


**Finally, SNAP benefits increased as a result of USDA’s reevaluation of the Thrifty Food Plan (TFP), the basis for SNAP benefits.** The 2018 Farm Bill directed USDA to reevaluate the TFP by 2022 with four specific criteria in mind: current food prices, what Americans typically eat, dietary guidance, and the nutrients in food items. USDA’s reevaluation concluded that the cost of a nutritious, practical, cost effective diet was 21 percent higher than the prior TFP. As a result, the average SNAP benefit – excluding additional funds provided as part of pandemic relief – increased by \$36.24 per person, per month, or \$1.19 per day, in FY 2022. This was the first increase in purchasing power in the program in over 45 years. A modernized TFP ensures families with low incomes have access to a healthy diet that helps prevent disease, supports children in the classroom, and reduces health care costs. The additional money families spend on groceries helps grow the food economy, creating thousands of new jobs along the way.

## WHAT WAS THE IMPACT OF INCREASED SNAP SPENDING?

**SNAP’s ability to expand automatically when need rises and the boost in benefit levels helped ensure that overall rates of food insecurity did not rise during the pandemic.** The robust response by Congress during the pandemic, including additional food assistance benefits, helped hold the level of food insecurity constant in the U.S. from 2019 to 2021 despite the economic and health challenges faced by many households with low incomes. In 2021, 10.2 percent of households were food insecure. The 2021 prevalence was not significantly different from the 10.5 percent in both 2019 and 2020. This trend is unlike during the Great Recession when food insecurity rose to record levels over 14 percent when Congress did not provide as much additional support for food assistance.<sup>3</sup>

### Trends in the prevalence of food insecurity and very low food security in U.S. households, 2001-21



Source: USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of the Census, Current Population Survey Food Security Supplements.

**SNAP spending increased during the pandemic, and it was a key support for families with low incomes.** A recent study estimated that SNAP emergency allotments kept 4.2 million people out of poverty in the fourth quarter of 2021, reducing poverty by 9.6 percent in states with emergency allotments. Child poverty was reduced by 14.0 percent in states with emergency allotments and was reduced most among Black, non-Hispanic children, falling by 18.4 percent.<sup>4</sup>

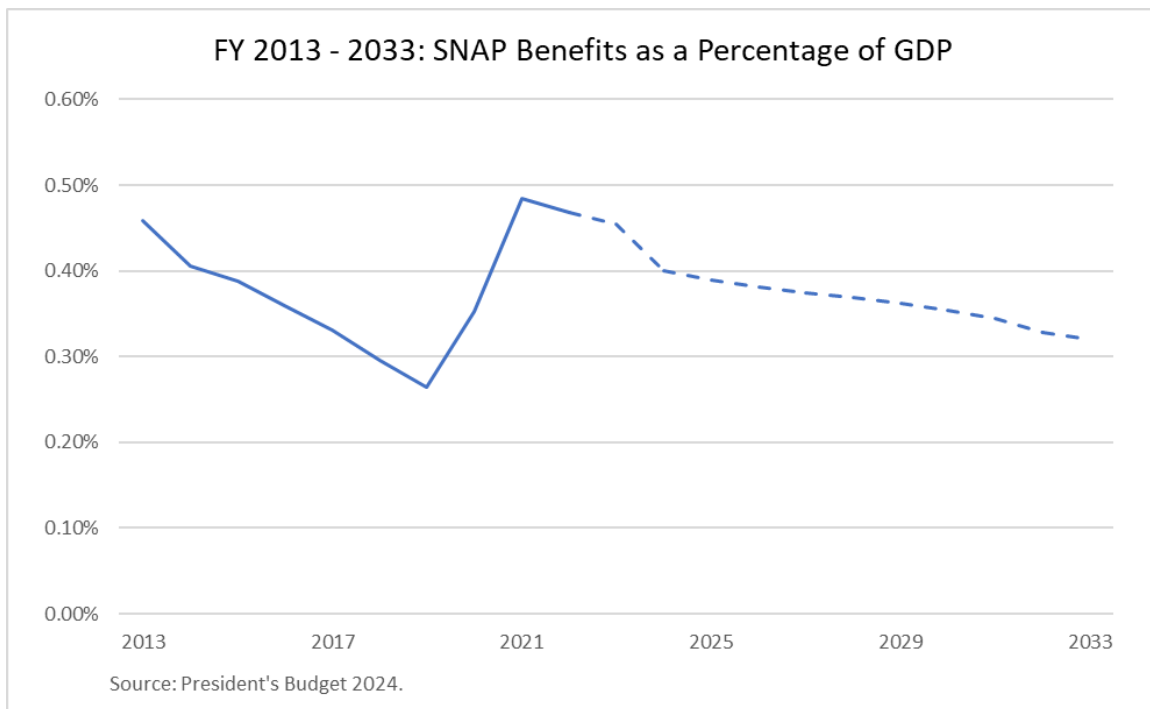
<sup>3</sup> Coleman-Jensen, Alisha, Matthew P. Rabbitt, Christian A. Gregory, Anita Singh, September 2022. *Household Food Security in the United States in 2021*, ERR-309, U.S. Department of Agriculture, Economic Research Service. <https://www.ers.usda.gov/webdocs/publications/104656/err-309.pdf?v=278.4>

<sup>4</sup> Wheaton, Laura, and Danielle Kwon. 2022. "Effect of the Reevaluated Thrifty Food Plan and Emergency Allotments on Supplemental Nutrition Assistance Program Benefits and Poverty." Washington, DC: Urban Institute. <https://www.urban.org/research/publication/effect-reevaluated-thrifty-food-plan-and-emergency-allotments-supplemental>

**Increased SNAP spending also helped to provide economic stimulus.** Not only does SNAP help households put food on the table, but it has a multiplier effect that is powerful and proven. SNAP benefits are used at more than 200,000 retailers across the country helping to support all of the players in the food supply chain, including: the employees who stock the shelves, the drivers who deliver the products to the stores, the food producers and manufacturers who create the products, and of course the hard working farmers who grow the food. A 2019 USDA study found that in an economic downturn, every dollar in additional SNAP benefits leads to an increase of \$1.54 in gross domestic product.<sup>5</sup> That’s why so many economists value SNAP as an economic stimulus tool.

**A strong SNAP Program was especially important given all of the other challenges families were facing.** From lagging wage growth to increasing housing costs, many households with low income are struggling. SNAP helps to meet their needs. Families with low incomes must spend a higher share of their resources on essentials such as food, housing, and utilities compared to families with higher incomes and have less ability to weather an economic change in their household circumstances. Their limited choices, such as forgoing medical visits or cutting back on nutritious food, could have long-term negative consequences for those families’ health and well-being.<sup>6</sup>

### WHAT IS THE IMPACT OF INCREASED SNAP SPENDING GOING FORWARD?



<sup>5</sup> Canning, Patrick, and Brian Stacy. 2019. “The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier.” USDA, Economic Research Service, ERR-265. <https://www.ers.usda.gov/publications/pub-details/?pubid=93528>

<sup>6</sup> Wheaton, Laura, and Gregory Acs. 2023. “Inflation, Public Supports, and Families with Low Income.” Washington, DC: Urban Institute. <https://www.urban.org/research/publication/inflation-public-supports-and-families-low-incomes>

**SNAP spending as a share of the economy is projected to fall going forward.** To assess whether a program is contributing to the growth of the Federal deficit, it is useful to compare program costs to the U.S. Gross Domestic Product (GDP) over time. SNAP as a share of the GDP grows during an economic downturn and shrinks as the economy recovers. Both the Administration and CBO estimate SNAP benefits as a share of GDP are forecast to decline in future years and return to a level seen before the pandemic indicating that SNAP is not contributing to the long-term deficit.

**Projected SNAP spending does not divert funding away from farm programs.** SNAP spending does not crowd out funding for other Farm Bill priorities. The SNAP “baseline” is a projection of the cost to serve eligible low-income families seeking benefits under current program rules established by previous Farm Bills. Like other mandatory programs, SNAP’s baseline may grow or shrink over time based on economic conditions without impacting funding for other Federal programs. Under Federal scorekeeping rules, the SNAP baseline is budget neutral to Congressional authorizers, meaning a simple extension of authorization for SNAP would not limit Congressional discretion to consider important investments across all Farm Bill priorities. The cost of the other programs funded by the Farm Bill are determined by numerous factors, such as commodity prices and trade and conservation policies, but not projected current law SNAP spending.

**While emergency allotments ended in all States with February issuance, the boost in SNAP benefits to better reflect the cost of healthy diet will continue to help families with low incomes.** The same study estimated that the increase in SNAP benefits from the reevaluated Thrifty Food Plan (TFP) kept nearly 2.3 million people out of poverty in the fourth quarter of 2021, reducing poverty by 4.7 percent. Child poverty was reduced by 8.6 percent, and the greatest decrease was among Black, non-Hispanic children for whom poverty fell by 12.2 percent. The combined effect of the reevaluated TFP and emergency allotments reduced poverty by 14.1 percent in states with emergency allotments and reduced child poverty by 21.8.<sup>7</sup>

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<sup>7</sup> Wheaton, Laura, and Danielle Kwon. 2022. “Effect of the Reevaluated Thrifty Food Plan and Emergency Allotments on Supplemental Nutrition Assistance Program Benefits and Poverty.” Washington, DC: Urban Institute. <https://www.urban.org/research/publication/effect-reevaluated-thrifty-food-plan-and-emergency-allotments-supplemental>