

SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

Food Vouchers for Low-income Households

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Social-insurance Undergraduate Research Fellowship



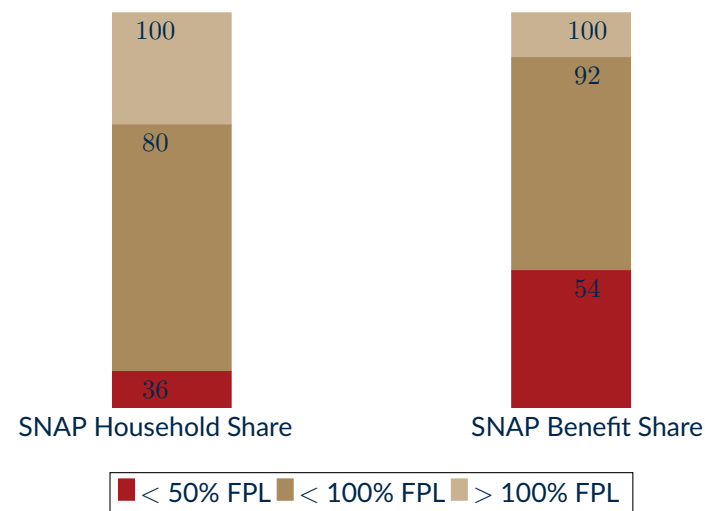
SNAP is a means-tested transfer program providing food vouchers to low-income households.

ELIGIBILITY

- Gross monthly income \leq 130 percent of FPL or Net monthly income \leq 100 percent of FPL
 - Net income is gross income net deductions for earned income, shelter, other
- Assets $<$ \$2,500 (\$3,750 if age \geq 60 or disabled (2022))
- Time-limited (3 months) for able-bodied adults without dependents (ABAWD)
- Most college students and undocumented immigrants are ineligible

BENEFICIARIES

In 2019, 4 out of 5 SNAP households lived below the poverty line and received 92% of SNAP benefits



BENEFITS

- SNAP benefit based on the Thrifty Food Plan (TFP): expected cost of a minimal food basket necessary to afford an adequate diet
- Assumes households should contribute 30% of income towards the TFP, SNAP provides the remaining difference
- Benefits vary by household size. Maximum monthly benefit for a 3-person unit: \$658. Minimum benefit: \$15 (2022)
- The average SNAP recipient received \$216 a month (2021)
- SNAP benefits are redeemable for food (excludes prepared food, alcohol, tobacco, or non-food grocery items)

HISTORY

- Food Stamp Program began in 1964, national roll-out by 1974
- 1996: time limits for ABAWDs, eligibility reduction for immigrants
- Renamed SNAP in 2008
- 2009-2013: Benefits increased during Great Recession
- 2021: TFP amount increased by 21%
- Enrollment expands when the economy weakens (e.g., Great Recession, COVID-19 recession) and contracts when the economy improves

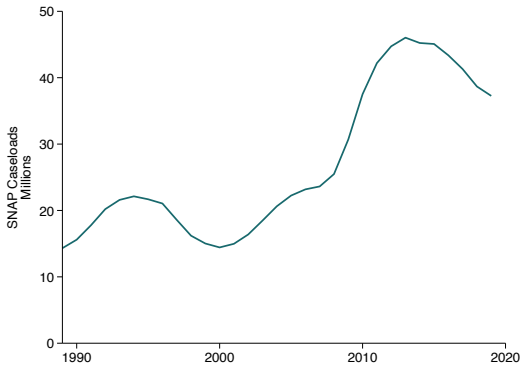
EXPENDITURES

- The federal government pays full cost of SNAP benefits
- Program administered by states
- SNAP expenditures \$75 billion (2020)

EFFECTIVENESS

- SNAP increases total food expenditures (Hoynes and Schanzenbach AEJ:AE 2009).
- Food stamps during childhood improves health and increases economic self sufficiency (Hoynes, Schanzenbach, Almond AER 2016)
- Removing SNAP work requirements for ABAWDs decreases hours worked (WP Lippold and Levin 2020)

PARTICIPATION



SOME POLICY QUESTIONS

- How much does SNAP distort consumption decisions (food vs other goods)?
- How discouraging are SNAP administrative burdens?
- Does SNAP (combined with other programs) reduce labor supply?
- Does SNAP affect food insecurity?

BENEFIT FUNCTION

