

SNAP Purchasing Power for Nutritious Food

Background

SNAP provides benefits via an electronic benefit transfer (EBT) card, which participants can use at participating retailers to buy any foods and beverages except alcohol, tobacco products, hot foods, or foods that are “prepared and sold for on-premise consumption”.^{3,4} Each month, roughly 40 million people—nearly half of whom are children—use SNAP benefits to help put food on the table.^{7,8}

SNAP strives to help families afford the nutritious food they need to thrive. Yet six out of 10 people who participate in SNAP point to cost as a major barrier to healthy eating.¹⁰ Through our community engagement work in North Carolina, Iowa, and Massachusetts, people who participated in SNAP say the program is helpful but falls short of offering enough assistance to afford adequate food, especially for families with growing children and people with chronic diseases who require special diets. SNAP participants shared that they stretch their limited benefits by prioritizing cheap food that will last the longest and fill them up most.¹¹⁻¹³

How does SNAP help people afford nutritious food?

SNAP allotments

The Thrifty Food Plan (TFP) serves as the basis for maximum SNAP allotments.¹⁴ The TFP is the lowest cost of four USDA Food Plans and is intended to describe the lowest possible cost of eating a healthy diet that aligns with the Dietary Guidelines for Americans. For the purposes of determining SNAP allotments, households are expected to spend 30 percent of their net income on food. Benefits are calculated by subtracting 30 percent of the households monthly net income from the maximum monthly allotment for their household size.¹⁵

During the COVID-19 pandemic, Congress temporarily increased maximum benefits by 15% through September 2021.^{16,17} Congress also extended “emergency SNAP allotments” — which increased benefits to the maximum for the household size — until the end of the state and/or federal public health emergency, and in April 2021 USDA extended these allotments to the poorest households that were already receiving the maximum amount.¹⁸

USDA announced a more permanent change in August 2021 by updating the TFP to better reflect the cost of a nutritious diet. Before the pandemic, benefits averaged only \$1.40 per person per meal.¹⁹ USDA found that the cost of a nutritious, practical, cost-effective diet is 21 percent higher than the current Thrifty Food Plan.²⁰ The update corresponds to an approximate 27% increase in average SNAP allotments, compared to pre-pandemic levels.²⁰ While a welcome and essential update, benefits will still only average roughly \$1.80 per meal when all temporary pandemic benefit boosts end.

Table 1. SNAP benefit allotments, Fiscal Year 2022^a

Persons in household	Net monthly income (100% of poverty) ¹⁵	Maximum SNAP allotment ¹⁵	Average SNAP allotment estimate ¹⁹
1	\$1,074	\$250	\$175
2	\$1,452	\$459	\$334
3	\$1,830	\$658	\$520
4	\$2,209	\$835	\$638
5	\$2,587	\$992	\$748
6	\$2,965	\$1,190	\$869

SNAP incentives

SNAP incentives are another way to increase purchasing power for people that participate, by effectively reducing the price of fruits and vegetables. SNAP incentives—under the name of the Gus Schumacher Nutrition Incentive Program (GusNIP)—are jointly administered by the U.S. Department of Agriculture's (USDA) National Institute of Food and Agriculture (NIFA) and Food and Nutrition Service (FNS).

SNAP incentive programs vary widely, including in terms of which foods are incentivized and the types of retailers that accept incentives. For example, in one town, somebody that uses SNAP may find that when they use EBT at their farmers market they get a 30% rebate for fruits and vegetables; in another town, somebody using EBT to buy groceries at a grocery store may receive a voucher for up to \$20 in state-grown produce at their nearby supermarket chain.

The history of SNAP incentives dates back to the 2008 Farm Bill, which funded the Healthy Incentives Pilot (HIP), a Massachusetts-based pilot that offered a 30-cent rebate for every SNAP dollar spent on targeted^b fruits and vegetables (F&V).²¹ The 2018 Farm Bill increased mandatory funding for SNAP incentives to \$250 million over five years, made the program permanent, and renamed it GusNIP.²² GusNIP offers grants to organizations that incentivize F&V purchases for people that participate in SNAP. Grants require a 50 percent non-federal match. SNAP incentives are also offered outside of GusNIP, funded by non-federal dollars.

^a Maximum SNAP allotments for the 48 contiguous states and the District of Columbia; Average SNAP allotment estimates do not include temporary pandemic boosts, which remain in effect in most states as of January 2022

^b Fruits and vegetables targeted for purchase in HIP were those allowed by federal regulations for WIC National Fruit and Vegetable Voucher. Most fruits and vegetables are included (dry and canned legumes and juices are not authorized). In general, eligible fruits and vegetables could not have any added sugars, fats, oils, or salt. White potatoes were excluded, but yams and sweet potatoes were allowed.

All SNAP incentives are subject to SNAP equal treatment provisions, which require that participants receive treatment equal to that received by other customers at participating retailers, and prohibits both negative treatment (such as discriminatory practices) and preferential treatment (such as incentive programs).^{23, 24} SNAP incentives can only be offered through GusNIP grants, farmers markets (due to a 2010 blanket FNS waiver), and individual retailer waivers.²⁵

Signs of SNAP benefit and incentive inadequacy

Evidence suggests that SNAP benefits and incentives are inadequate to meet many participants' food needs throughout the month. The following bullets outline some of the evidence.

- A plethora of research documents exhausted SNAP benefits and decreased food spending, food intake, diet quality, and chronic disease management towards the end of the monthly SNAP benefit issuance cycle.²⁶⁻³³ For example, in fiscal year 2017, the average household redeemed nearly 78% of its monthly benefit by day 14.³⁴ And in a study of low-income women participating in SNAP in Central Texas, overall diet quality was significantly lower towards the end of the benefit distribution period, and the decline in diet quality scores were independent of food security status.³⁵ Finally, one study found an increase in ER usage among older recipients at the end of the benefit month.³²
- In a nationally representative survey of SNAP participants conducted in 2018, 61% of participants said that a major barrier to achieving a healthy diet was the affordability of those foods.¹⁰
- Even with the 2021 TFP update, SNAP benefits fall short of the cost of a meal in 21% of US counties. Counties with largest remaining gaps between the cost of a meal and the maximum value of SNAP benefits include both the most rural and most urban counties.³⁶
- When participants in Iowa and North Carolina were asked to consider SNAP strategies that would improve their ability to eat healthfully, a top recommendation was more resources for fruits and vegetables. Yet in focus groups, many people had not heard of incentives. Participants wished there was more outreach, that they could use incentives at more stores (including large grocery stores and superstores), and that incentives would cover more types of healthy foods, such as whole grains and lean proteins.^{11, 13} These findings are backed by additional evidence that program awareness is low.³⁷

Benefits of adequate SNAP allotments and incentives

Further research indicates the many public health and economic benefits of providing adequate SNAP benefits and incentives. The following bullets outline some of the evidence.

- Increasing SNAP benefits may help spread food intake out over the month and is linked with improved food security and other positive health outcomes. For example, a temporary 14% SNAP benefit boost during the American Recovery and Reinvestment Act of 2009 was associated with smaller reductions in food intake over the course of the month, improved food security, and reduced Medicaid cost growth.^{38, 39}
- Incentivizing fruits and vegetables through SNAP is associated with increased purchases and consumption of targeted foods.⁴⁰ For example, in the HIP randomized control trial, participants that received a 30% fruit and vegetable rebate consumed nearly a quarter of a cup more targeted fruits and vegetables per day than did nonparticipants, closing roughly 20% of the gap relative to dietary recommendations.⁴¹ And incentives delivered electronically—as compared to physically (i.e. via a coupon)—are more likely to be associated with increased purchases, sales, and consumption of healthy foods.⁴²
- SNAP benefit boosts and incentives also offer a powerful return on investment for families, grocers, and farmers, as well as more broadly for state economies. Every \$1 in federal SNAP spending generates at least \$1.50 in economy activity during economic downturns.^{43, 44} And economic modeling suggests that every \$1 invested in a healthy food incentive program could generate up to \$3 in economic activity.⁴⁵

Policy Opportunities

- Federal policymakers
 - Congress can decide to use a more generous USDA food plan—such as the Low-Cost Food Plan—as the basis for SNAP benefit allotments.
 - USDA can continue to improve upon TFP calculations in future updates, including by updating beyond just adjusting for inflation, considering increased food needs as children grow, and accounting for prices of food sold online.
 - Congress can increase GusNIP funding to reduce or eliminate the match requirement, expand to more supermarkets where most participants shop, and encourage technology updates to integrate incentives on to EBT cards. And USDA can target funding to support and advance equitable grantmaking.
 - USDA can consider ways to ensure GusNIP funds are distributed equitably.
 - Congress and USDA can consider options to increase the healthy food purchasing power of SNAP by allowing more avenues for nutrient-dense hot foods to be purchased with EBT.
- State policymakers
 - States can use their own funds to increase SNAP benefits, including by increasing maximum and minimum allotments.

For example, in 2015 Maryland passed a state law to raise the minimum benefit level from \$16 to \$30 for people 62 and older.¹

- States can pilot increasing the frequency of SNAP benefit issuance (known as “split issuance”) to help smooth the reductions in food spending, diet quality, and chronic disease management towards the end of a long benefit issuance cycle.²⁶⁻³³
- State funds can be used to expand SNAP incentives, including by establishing a state SNAP incentive program, helping to meet federal GusNIP match requirements, expanding the list of eligible incentive foods, funding communications efforts, and simplifying program infrastructure and technology.

Examples of state incentive innovations:

MA funds their own Healthy Incentives Program (HIP) that allows all SNAP participants to use their EBT cards to earn a dollar-for-dollar match on a range of healthy foods at participating farmers markets.²

In 2018, CA established the California Fruit & Vegetable EBT Pilot Project to explore technology solutions to providing participants an efficient statewide method for earning incentives on their EBT cards.^{5,6}

In 2020, the New England Nutrition Incentives Collaborative implemented a digital promotions campaign, finding an increase in SNAP transactions and new SNAP customers associated with social media and app ads promoting incentive programs.⁹

For more information, please contact the Center for Science in the Public Interest at policy@cspinet.org.

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