SNAP: Overview and relationship to the labor market and the U.S. safety net

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A quick snapshot of SNAP
SNAP: where is the program today? (2014 averages)

- 47.5 million people in 23 million households
- Average monthly benefit $257 per household, $125 per person
- About $4.20 per person per day
- Total program cost, $70 billion dollars
- Error rates 3.2% in 2013 (mostly overpayments to eligible people)

Source: 2014 data from Food and Nutrition Service, USDA
### Who is receiving SNAP?

<table>
<thead>
<tr>
<th>Description</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share with children</td>
<td>45</td>
</tr>
<tr>
<td>Share with elderly members</td>
<td>17</td>
</tr>
<tr>
<td>Share no elderly, no kids, no disabled</td>
<td>25</td>
</tr>
<tr>
<td>Share with gross monthly income below poverty</td>
<td>82</td>
</tr>
<tr>
<td>Share with no cash income</td>
<td>20</td>
</tr>
<tr>
<td>Share with any earnings</td>
<td>31</td>
</tr>
<tr>
<td>Multiple program participation; share with income from:</td>
<td></td>
</tr>
<tr>
<td>AFDC/TANF</td>
<td>7</td>
</tr>
<tr>
<td>General Assistance</td>
<td>3</td>
</tr>
<tr>
<td>SSI</td>
<td>20</td>
</tr>
<tr>
<td>Social Security</td>
<td>23</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>5</td>
</tr>
<tr>
<td>Veterans Benefits</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: 2013 data from Food and Nutrition Service, USDA
How does SNAP fit into the broader social safety net in the U.S.?
SNAP is the main FNS program
Share of spending by program, 2014

- SNAP: 75%
- NSLP: 11%
- WIC: 6%
- SBP: 4%
- CACFP: 3%
- Other: 1%
Federal Spending on Selected Means-Tested Programs and Tax Credits, 2012

(Billions of dollars)

Health Care
$272 Billion

Medicaid
251

Medicare Part D
Low-Income Subsidy
21

Cash Assistance
$148 Billion

Earned Income Tax Credit
54

Supplemental Security Income
50

Child Tax Credit
28

Temporary Assistance for Needy Families
17

Nutrition, Housing, and Education
$168 Billion

Supplemental Nutrition Assistance Program
80

Child Nutrition
18

Housing Assistance
36

Pell Grants
34

Source: Congressional Budget Office.
Why is SNAP is a central element of the safety net
1. SNAP is one of the largest anti-poverty programs in the U.S.
2. It played a big role in protecting families in the Great Recession
3. In the post-welfare reform era, it is THE fundamental safety net in the U.S.
SNAP provides important anti-poverty effects

Children Kept out of Poverty (2013, In Millions)

- EITC & credits: 4.7
- SNAP: 2.1
- Social Sec & DI: 1.6
- Housing Subsidy: 1.0
- School Lunch: 0.8
- SSI: 0.7
- UI: 0.7
- TANF & GA: 0.4
- WIC: 0.3
- LIHEAP: 0.1
- Workers Comp.: 0.1

SNAP is the closest thing the U.S. has to a “universal safety net”

- Eligibility is virtually universal (some restrictions for able bodied recipients without dependents)
- Eligible depends on need (income and asset requirement)
- Entitlement, not block granted, so responds to need; automatic stabilizer role
SNAP played a big role in protecting families in the Great Recession

• In the depth of the Great Recession, SNAP kept 5.3 million persons or 2.4 million children from poverty
Annual SNAP Expenditure Per Capita (real $2014) with U.S. Unemployment Rate

SNAP Expenditures Per Capita ($)

Year

U.S. Unemployment Rate

SNAP Expenditure  Unemployment Rate
Why is SNAP particularly important in these times?
Wages declines, or lack of gains for less skilled workers

Changes in real wage levels of full-time U.S. workers by sex and education, 1963–2012

Real weekly earnings relative to 1963 (men) A

Real weekly earnings relative to 1963 (women) B

Fig. 6. Change in real wage levels of full-time workers by education, 1963–2012. (A) Male workers, (B) female workers. Data and sample construction are as in Fig. 3.

David Autor, Science.
• The implication is an increasing need to supplement earnings with social safety net to maintain family income levels.

• SNAP and the Earned Income Tax Credit are central here
Today’s conversation

• Bring our ideas and experiences together: researchers, policy makers, folks working in the community
  – What we know? What do we need to know?
  – What SNAP elements are critical?
  – What changes do we favor?
  – What are possible threats on the horizon?