

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

Hilary Hoynes

Goldman School of Public Policy

University of California Berkeley

# 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)

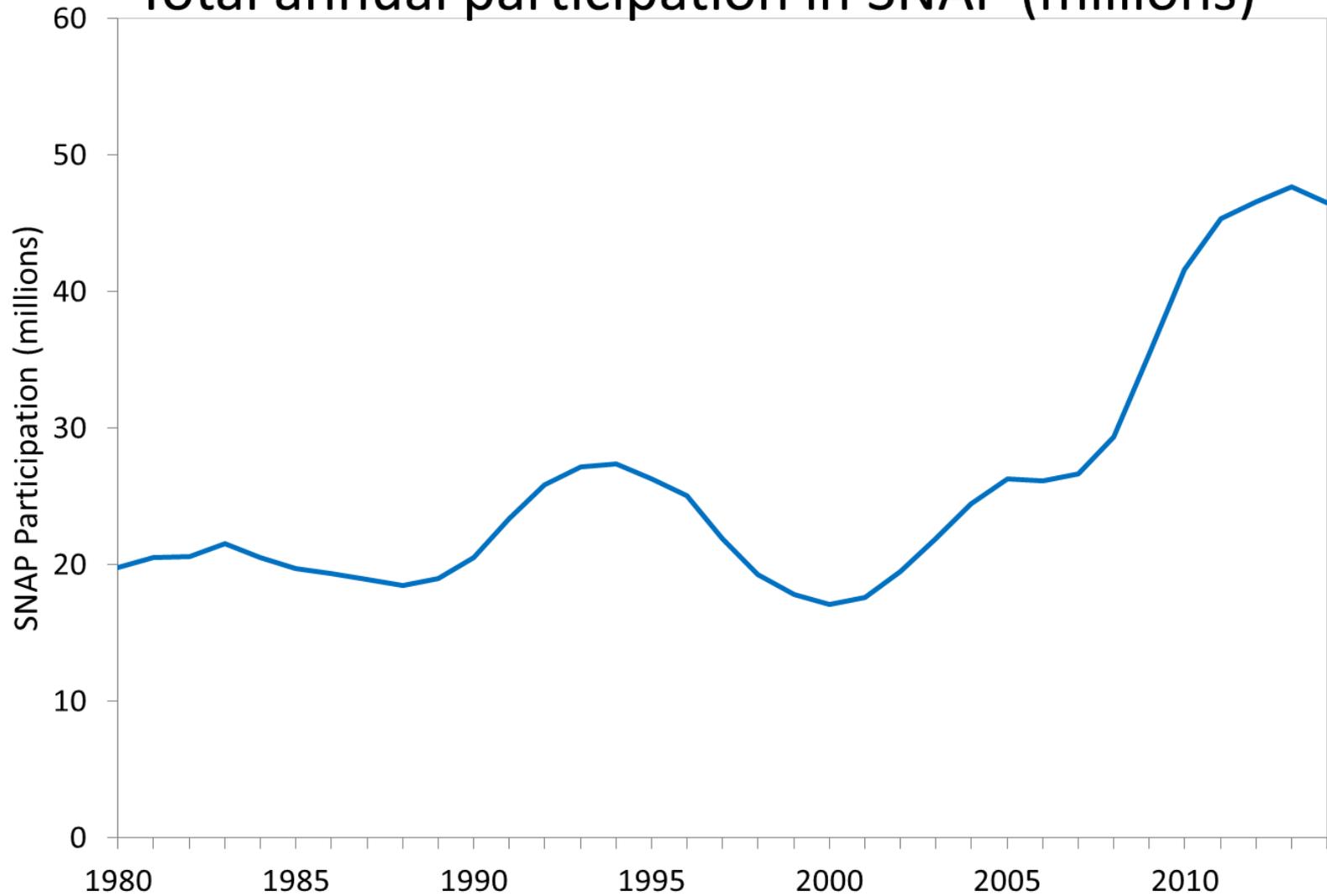
Source: 2014 data from Food and Nutrition Service, USDA

# Who is receiving SNAP?

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

Source: 2013 data from Food and Nutrition Service, USDA

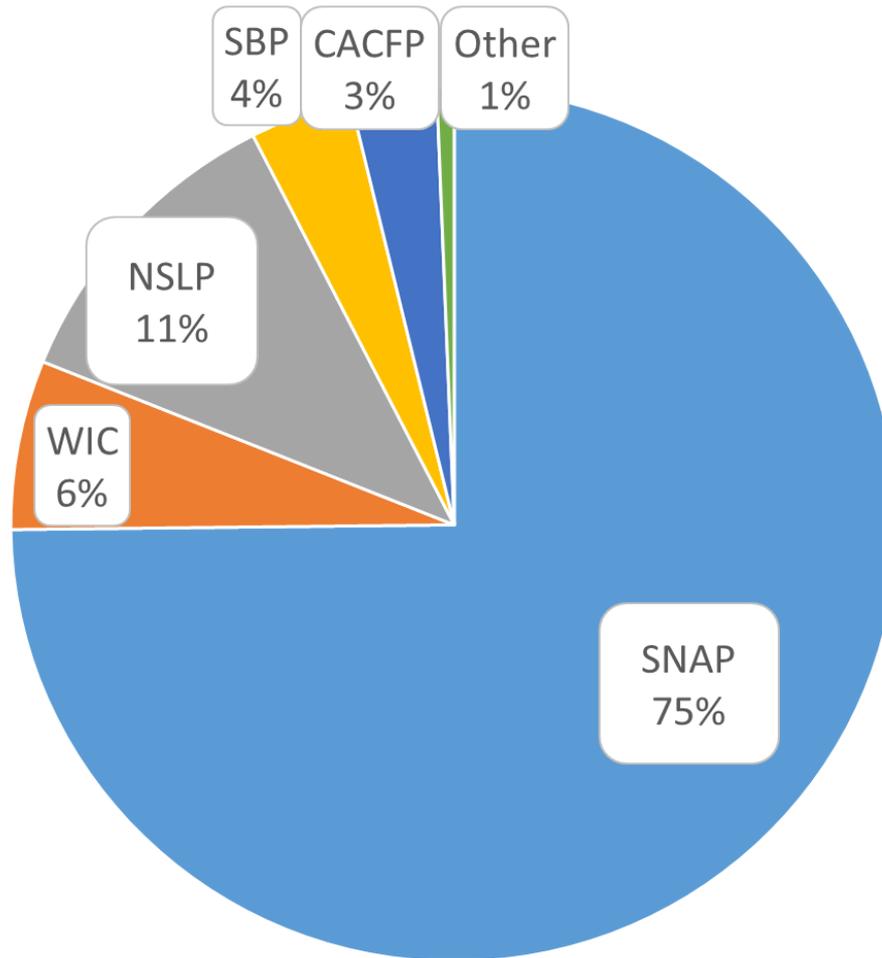
# Total annual participation in SNAP (millions)



How does SNAP fit into the broader social safety net in the U.S.?

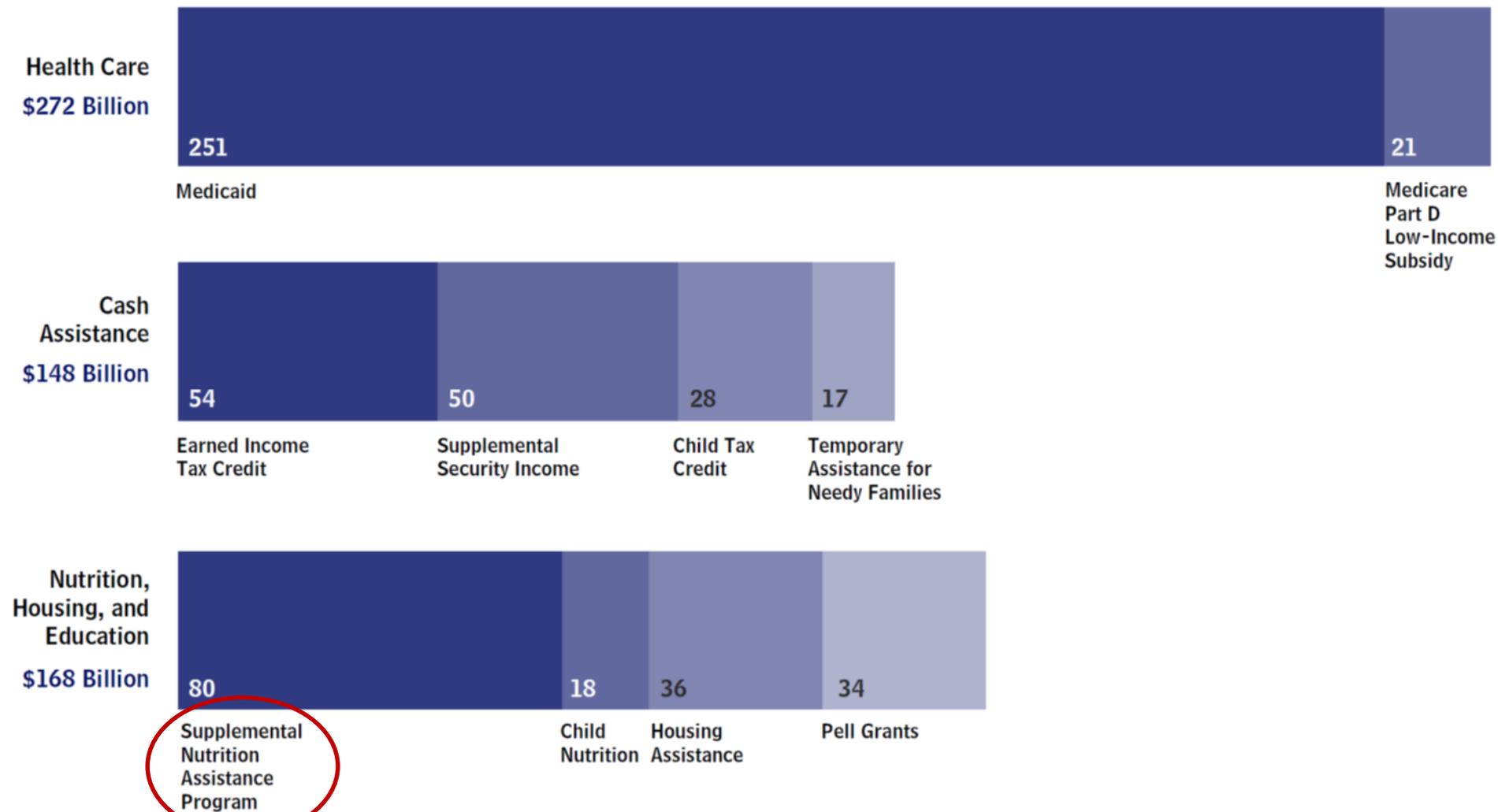
# SNAP is the main FNS program

## Share of spending by program, 2014



# Federal Spending on Selected Means-Tested Programs and Tax Credits, 2012

(Billions of dollars)

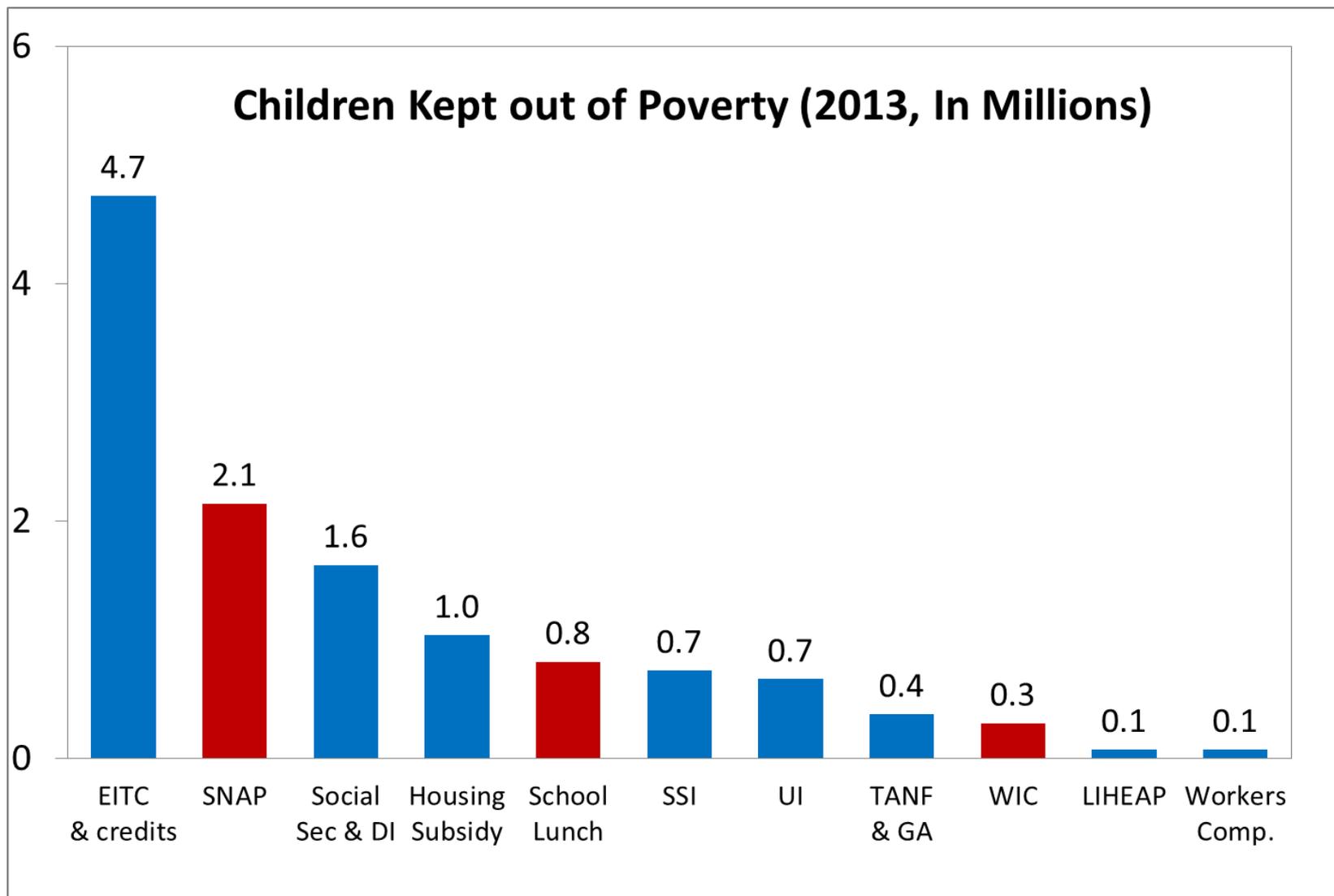


Source: Congressional Budget Office.

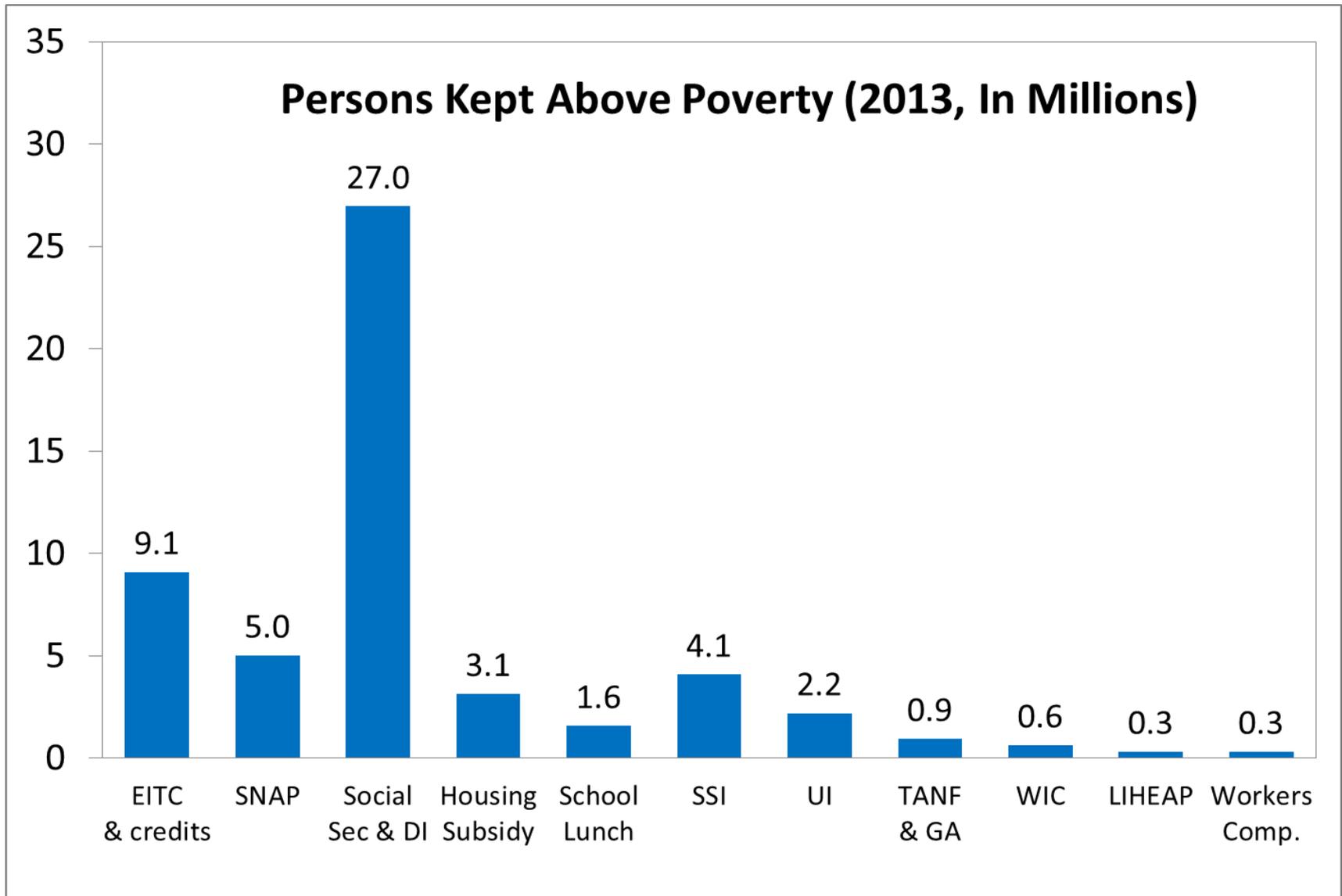
Why is SNAP is a central element of the  
safety net

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*



Source: Calculations based on *Supplemental Poverty Measure, 2013* (Kathleen Short), U.S. Department of Census, Current Population Report P60-251.



Source: Calculations based on *Supplemental Poverty Measure, 2013* (Kathleen Short), U.S. Department of Census, Current Population Report P60-251.

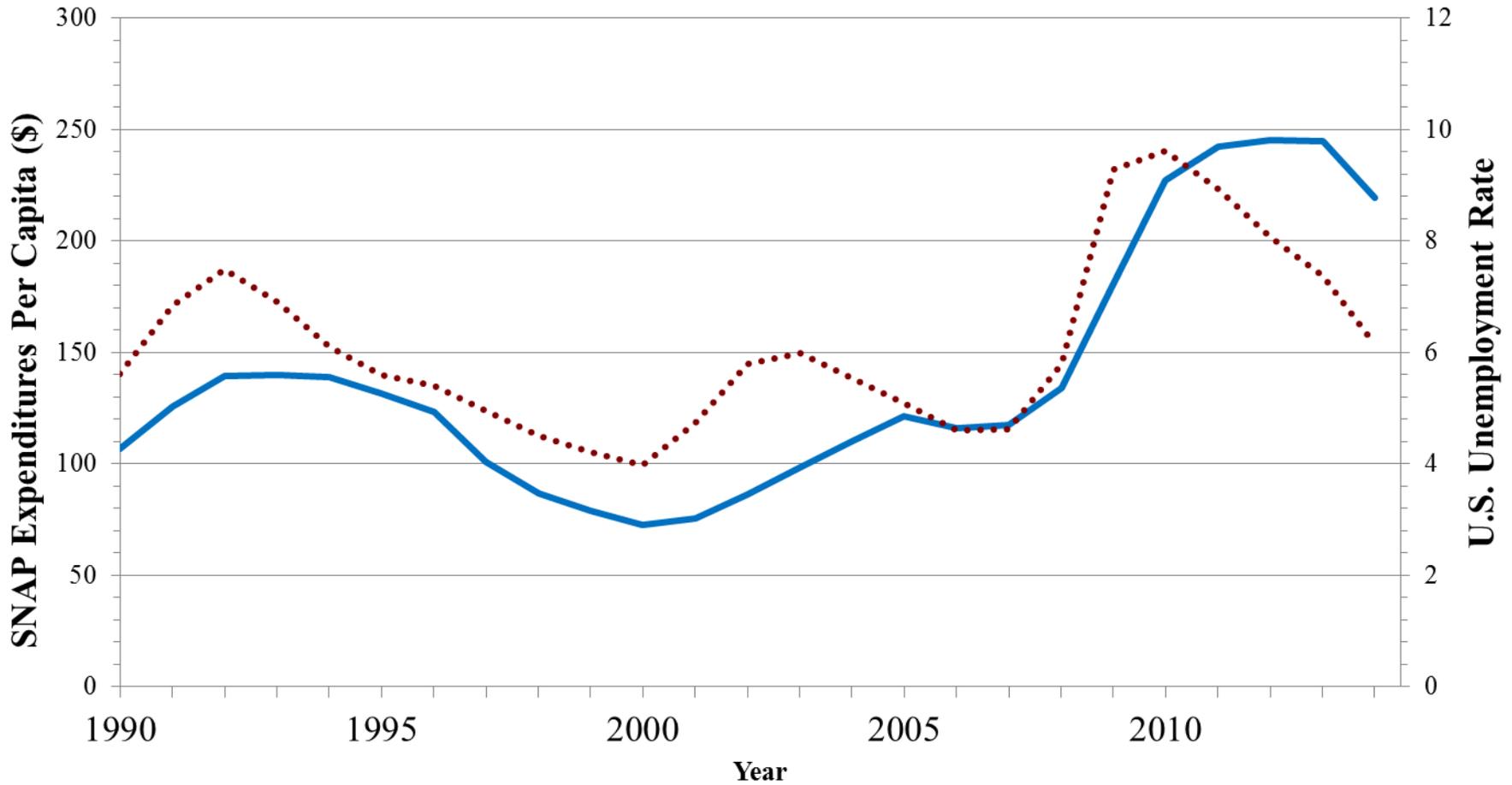
*SNAP is the closest thing the U.S. has to a “universal safety net”*

- 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



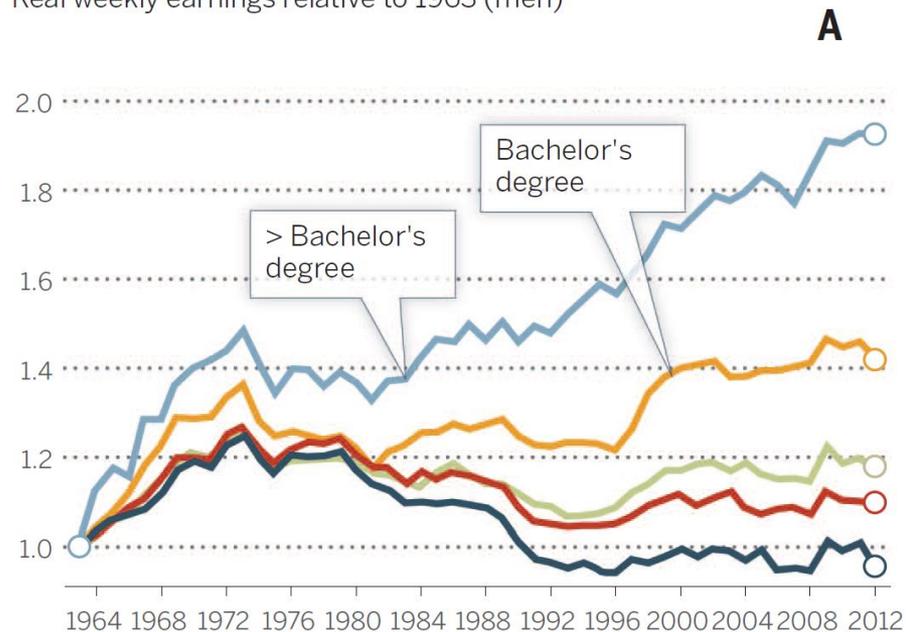
— SNAP Expenditure      ..... Unemployment Rate

Why is SNAP particularly important in these times?

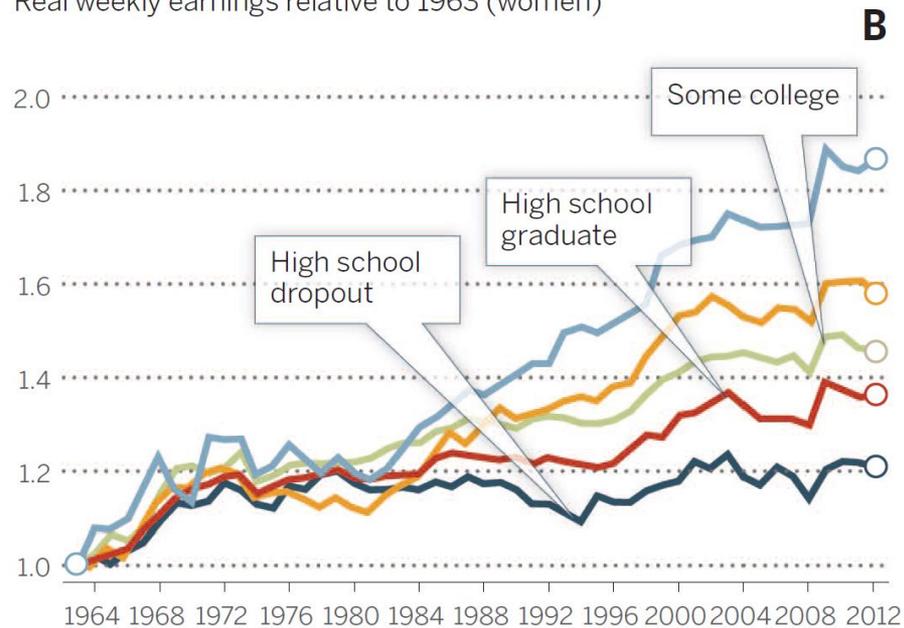
# Wages declines, or lack of gains for less skilled workers

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

Real weekly earnings relative to 1963 (men)



Real weekly earnings relative to 1963 (women)



**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.

- 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?