

Supplemental Nutrition Assistance Program (SNAP)

FACT SHEET

• January 2017

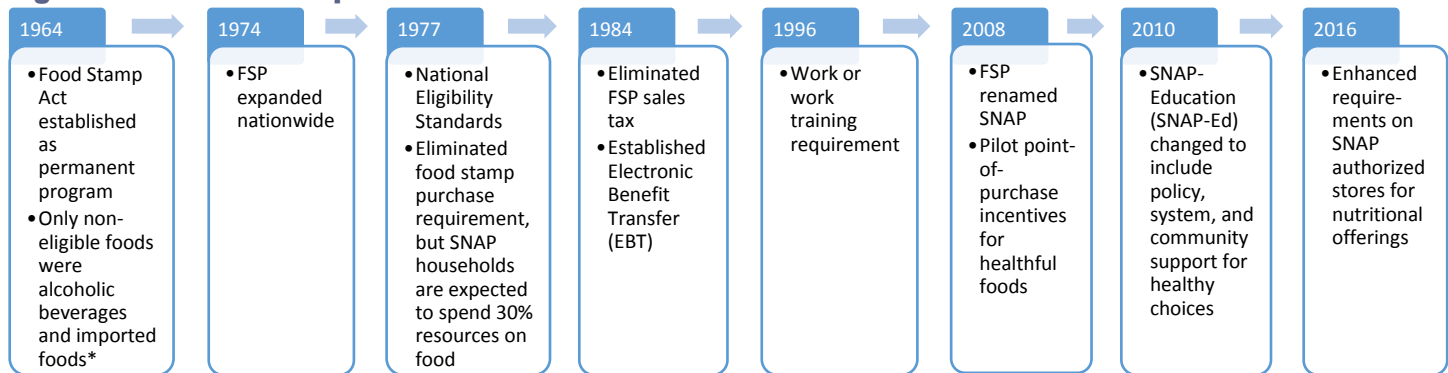
A convergence of actions focus on changing the profile of the Supplemental Nutrition Assistance Program (SNAP) in Arkansas. In 2016, the state declined to continue a waiver for Able Bodied Adults Without Dependents (ABAWD) to participate in SNAP beyond the statutory time limit.¹ Arkansas House Bill 1035 of 2017, the “Healthy Food Improvement Act,” seeks to limit SNAP benefits to only foods and beverages that have sufficient nutritional value based on other federal food program standards.² This fact sheet provides an overview of the development of SNAP, eligibility requirements, participation, benefits, and evidence regarding use of purchasing incentives and disincentives.

FROM FOOD STAMPS TO SNAP

The Supplemental Nutrition Assistance Program (SNAP) is a federal program through the United States Department of Agriculture (USDA) whose goal is to increase food security and reduce hunger. It provides financial support and nutrition education to low-income individuals and families to help them make informed decisions when buying groceries. By assisting individuals with food purchases, SNAP also provides economic benefits to communities and farmers. The federal government pays 100 percent of SNAP benefits and shares administrative costs equally with states.

SNAP, originally called the Food Stamp Program (FSP), had an early trial run from about 1939-1943 following the Great Depression. People on relief (public assistance) bought orange colored stamps that equaled the amount they usually spent on food. As an incentive, they also received blue stamps worth half of the orange stamps. The orange stamps were used to buy any food they wanted, but the blue stamps were limited to “surplus” items as defined by USDA. Nearly two decades later, President John Kennedy, through executive order, initiated food stamp pilot programs that similarly required stamp purchase with the added incentive bonus stamps. The pilot programs did not require stamp use for designated surplus items.³ In 1981, an optional nutrition education component was established. Additional significant changes are noted in Figure 1 (below).

Figure 1. SNAP Development



*The 1964 House version of the legislation would have prohibited the purchase of soft drinks, luxury foods, and luxury frozen foods.

In 2012, the Center for the Study of the Presidency and Congress, recognizing the emerging impact and pervasiveness of the obesity epidemic, released a policy report that provided 10 recommendations to improve SNAP in an effort to address the dual problem of food insecurity and obesity.⁴ Many of these recommendations have been initiated.

- Protect current funding levels for SNAP
- Collect data on SNAP purchases
- Identify strategies to align SNAP with the *Dietary Guidelines for Americans*
- Focus attention on children’s health in SNAP
- Promote innovation in SNAP
- Establish stronger food stocking standards for SNAP retailers
- Provide states with flexibility to evaluate fresh approaches to SNAP
- Use incentives to make fruits, vegetables, and whole grains the easy choice
- Create a partnership to move SNAP towards health
- Establish a national strategy of fresh approaches to strengthen SNAP

Eligibility Requirements and Benefits

SNAP participants must meet eligibility requirements in four areas; income, employment, resources, and deductions. Gross and net monthly income limits are set annually at 130 and 100 percent, respectively, of the federal poverty level for household size, e.g. for a family of two the gross monthly income maximum is \$1,736 and net is \$1,335, and for a family of four the gross monthly income maximum is \$2,633 and net is \$2,025. Participants must work or be in an employment-training program, with exemptions for special groups such as children and seniors. Resources and deductions have multiple components, calculations, and caveats.⁵ Drug felons are disqualified for their lifetime.⁶

SNAP monthly allotments are calculated from the cost of a market basket that is based on the Thrifty Food Plan. SNAP households are expected to spend about 30 percent of their resources on food. This is considered in calculating the monthly benefit.⁷ The 2017 maximum benefit ranged from \$194 for a household of one to \$1,169 for a household of eight. Each additional person adds \$146.

SNAP PARTICIPATION

Along with changes in program expansion, content, and standards, participation has seen cyclical growth. Average U.S. participation in 1969 was about 2.9 million. In 2013, the program provided benefits to 47.6 million individuals, declining to 44.2 million in 2016.⁸ Data for Arkansas show 227,330 individuals in 1989 rising to 504,621 in 2013 and dropping to 426,069 in 2016.⁹

In 2015, 46 percent of participating households in Arkansas included children, 16 percent had elderly individuals, and nearly 26 percent had non-elderly individuals with disabilities.¹⁰

The racial breakdown of SNAP participants in Arkansas included 57 percent White and 36.5 percent Black. Race data for 6.5 percent were other or missing/unknown.¹⁰

Table 1 (below) reveals that more Arkansans participating in SNAP were below the federal poverty rates than were participants nationally.¹⁰

	50 percent or less	51 to 100 percent	101 percent or more
United States	42.2	40.3	17.5
Arkansas	44.4	45.1	10.5

Analyses of National Health and Examination Survey (NHANES) data has shown a positive association between SNAP participation and obesity, though a causal effect has not been delineated.¹¹ Among food insecure people, SNAP participation was shown to buffer against poor dietary quality and obesity.¹²

SNAP ALLOWABLE FOOD PURCHASES

Eligible food is any food or food product for home consumption as well as seeds and plants, which produce food for consumption by SNAP participants. Items not allowed include alcoholic beverages, tobacco products, hot food, and any food sold for on-premises consumption. Nonfood items such as pet foods, soaps, paper products, medicines and vitamins, household supplies, grooming items, and cosmetics, are also ineligible for purchase with SNAP benefits.¹³

Purchasing Patterns

Differences in the food spending patterns of SNAP and non-SNAP households in the U.S. are minimal. Nearly 40 cents of each SNAP dollar goes toward staples such as bread, milk, eggs, meat, fruits, and vegetables. Another 40 cents covers items like pasta, cereals, cheese, yogurt, beans, rice, prepared food, coffee, and tea. About 20 cents is spent on sweetened beverages, desserts, salty snacks, candy, and sugar.¹⁴

A comparison of the percent of expenditures on the top ten food categories for SNAP and non-SNAP households is summarized in Table 2 (next page).

Table 2: Percent Expenditure of Top Food Categories by SNAP and Non-SNAP Households¹⁴

Food Category	SNAP Household Expenditures		Non-SNAP Household Expenditures	
	Rank	Percent of Expenditures	Rank	Percent of Expenditures
Meat, Poultry, Seafood	1	19.19%	1	15.92%
Sweetened Beverages	2	9.25%	5	7.10%
Vegetables	3	7.19%	2	9.12%
Frozen Prepared Foods	4	6.92%	8	5.05%
Prepared Desserts	5	6.90%	6	6.41%
High Fat Dairy/Cheese	6	6.50%	3	7.88%
Bread and Crackers	7	5.39%	7	6.28%
Fruit	8	4.68%	4	7.21%
Milk	9	3.54%	9	3.84%
Salty Snacks	10	3.43%	10	3.08%

Incentives and Disincentives

Evidence shows that incentives in the form of additional SNAP spending power have improved the diets of program participants with increased intake for fruits and vegetables.¹⁵ Combining a financial incentive for fruit and vegetable purchases along with a restriction on sugar-sweetened beverages, sweet baked goods, and candy has been shown to improve the quality of participants' diets along with reducing non-nutritious caloric intake. That study showed that restrictions alone have limited effect.¹⁶

The USDA Food Insecurity Nutrition Incentive (FINI) program provides grants to local and state organizations that help SNAP participants increase fruit and vegetable purchasing power. The programs are often called "Double Up Food Bucks."¹⁷ The incentive program is in Arkansas at 21 locations.^{18,19}

Waiver Requests

The criteria for SNAP purchases are USDA policies. If a state or city wishes to add their own restrictions, they must submit a waiver application to USDA. Several states and at least one city have introduced legislation that would restrict the purchase of various food and beverage items with SNAP benefits.²⁰ The proposed limits have varied from sugar-sweetened beverages, energy drinks, luxury food items, or healthy foods, to foods that contribute to diseases such as heart disease and diabetes. The USDA has not approved any restriction requests.²¹

CONCLUSION

Arkansas faces dual challenges of high rates of hunger and an epidemic of obesity. The federally-funded, state-administered SNAP program represents an important support program for low-income individuals to meet nutritional needs. Recognizing that the program has evolved since its inception, future state or national modifications should include considerations of individual and community food access and availability and mechanisms to educate and appropriately influence purchasing behavior.

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