

ISSUE BRIEF

SNAP Boosts the Economy, Reduces Hunger, and Improves Health



▲ Schikea Lindsay and her son Amir Shah, 5, shop for vegetables at Grand Price Foodland, a local grocery store providing customers with fresh produce that is scarce in the neighborhood. Robert and Omar Ayar took over the business in 2007 after first working there as bag boys as teenagers. Detroit, MI, Sept. 29, 2023.

Introduction

Every community in every ZIP code should be a place where people can live their healthiest lives, and that starts by ensuring that no one in this country—especially our kids and grandkids—goes hungry. But many people face significant barriers to accessing healthy foods, like where they live and how much money they make, illustrated by the sharply rising rates of food insecurity. In **2023**, 13.5% of all U.S. households—and 8.9% of households with children—were food insecure, meaning they had difficulty providing enough food for their family. This is an increase from 12.8% in 2022 and 10.2% in 2021.¹

The Supplemental Nutrition Assistance Program (SNAP), administered by the U.S. Department of Agriculture (USDA), is the nation's largest food assistance program. Participants can use their benefits to purchase food at grocery stores, convenience stores, farmers markets, and co-op food programs. In November 2024, more than **42 million people** participated in SNAP, receiving an average of roughly \$192 per month, or around \$2 per meal.² **Forty percent** of SNAP participants are children under age 18, and according to census data, **1 in 5** U.S. children receive SNAP benefits.^{3,4}

SNAP improves **children's health** and **academic performance** and encourages healthier purchases and healthier eating habits.^{5,6} In addition to lifting children and families **out of poverty**, SNAP is proven to **boost the economy**.^{7,8} This is especially true during economic downturns, when every \$1 billion in increased SNAP funding **boosts** Gross Domestic Product (GDP) by \$1.5 billion, supports 13,560 jobs, and creates \$32 million in farm income.⁹

SNAP acts as a stabilizer for communities, increasing benefits when unemployment rises and helping families weather financial hardships. It prevents deeper poverty and homelessness by allowing families to use their limited resources on other necessities like housing and

utilities. SNAP relieves pressure on food banks, pantries, and other emergency food providers across the country that may be unable to meet added demand if SNAP is weakened.

However, current SNAP benefit levels are insufficient. In **99% of counties**, they are not enough to cover the cost of a modestly priced meal.¹⁰ Strengthening SNAP will reduce hunger and poverty, boost economic activity, and help children, families, and communities thrive.

1 in 5

U.S. children receive SNAP benefits.

In 99%

of U.S. counties, SNAP benefits do not cover the cost of a modestly priced meal.

GDP increases by

\$1.5B

when an additional \$1 billion is invested in SNAP during economic downturns.

Recent Policy Changes

SNAP was last reauthorized by Congress through the 2018 Farm Bill, in which SNAP (and related nutrition programs) made up **76% of the mandatory spending** authorized by the bill.¹¹ As lawmakers consider funding SNAP and reauthorizing the Farm Bill in 2025, the outcome will significantly impact families' and children's access to healthy, affordable food in every community across the country.

While the Farm Bill is up for reauthorization, it is not clear that Congress will be able to pass a new Farm Bill before current funding runs out on September 30, 2025. Of concern, Congress has not yet begun negotiating a new Farm Bill this year. However, as part of the budget planning process, the U.S. House of Representatives recently approved a budget resolution directing the U.S. House Committee on Agriculture to cut at least \$230 billion from fiscal years 2025 to 2034, primarily targeting SNAP.

Proposed Policy Changes

Halting or Rolling Back Updates to the Thrifty Food Plan

Congress may **cut SNAP funding** as part of the budget reconciliation process by reversing the 2021 Thrifty Food Plan (TFP) update or limiting future adjustments.¹¹ The 2018 Farm Bill required the USDA to update the TFP, which calculates food costs and dietary patterns to help determine SNAP benefit levels. The 2021 update increased average SNAP benefits by 21% compared to 2019 benefit levels, marking the first real boost in participants' purchasing power since 1975.

The combination of emergency funding and the TFP updates meant SNAP benefit levels reached a high point in late 2021, reducing poverty by **14.1%** and child poverty by 21.8%.¹³ Congressional action to roll back the TFP update and cap future increases would **cut SNAP benefits** from an average of \$6.40 per person daily to \$5.00.¹⁴

COVID-19 Changes Become Permanent

During the height of the COVID-19 pandemic, the federal government infused billions of dollars into SNAP and expanded the program to increase benefit levels and help families avoid hunger during a public health crisis. Though some of these supports expired, other changes became permanent:



All SNAP participants are now able to purchase groceries online from SNAP-authorized retailers. This feature had been available to some SNAP participants prior to the pandemic but was expanded nationwide due to the public health emergency and was kept in place because of its success.



Summer EBT (Electronic Benefit Transfer) provides families with \$120 per child on a card to purchase groceries while school is out over the summer. This program grew out of Pandemic EBT, which was created during the pandemic to provide families with school-age children with additional food assistance benefits during school closures.

Expanding Harmful Work Requirements

SNAP has general **work requirements** for participants between the ages of 16-59, such as registering for work or taking a suitable job if offered, though certain participants are exempt from these requirements.¹⁵ SNAP work

requirements are strictest for able-bodied adults without dependents (ABAWD) between the ages of 18 and 54. These adults can only receive SNAP benefits for three months out of every three years unless they work or participate in a job training program for at least 20 hours per week.

Under the terms of the budget resolution, Congress is considering reducing SNAP funding by **expanding work requirements** further, which would make it even harder for older adults, parents, veterans, people experiencing homelessness, people living in areas with insufficient jobs, and youth in foster care to afford food.¹⁶

Decades of **research** show that work requirements do not increase labor force participation or move people off assistance and into self-sufficiency.¹⁷ Instead, they increase administrative costs, harm health, keep eligible people from obtaining needed assistance, and drive people and families already struggling to make ends meet deeper into poverty.

Shifting SNAP Costs to States

Currently, the federal government funds 100% of SNAP benefits and splits administrative costs with states. Under the terms of the budget resolution, Congress could **direct states** to cover a portion of benefit costs.¹⁴ If that happens, states would likely be forced to significantly cut SNAP benefits, limit eligibility, or both.

One possibility is that states are told to cover 10% of the cost of SNAP benefits. In a state where SNAP benefits total \$1 billion each year, for example, paying for even three-quarters of that new added cost (\$75 million)—still a sizable amount—would likely result in taking away **\$250 million** in food assistance from families, a 25% cut.¹⁸

States are not in a position to take on these substantial additional costs. In fiscal year 2024, **tax revenue fell in 40 states**, and many are projecting budget shortfalls in the short- and long-term.¹⁹ The anticipated impact on state budgets and participants who rely on their current benefit levels would be devastating.

Incentivizing Healthier Purchases

The Gus Schumacher Nutrition Incentive Program (GusNIP) consists of grant programs to encourage healthier purchases, particularly fruits and vegetables, among SNAP participants. Since it was established in 2019, GusNIP has provided over **\$330 million** in funding to various projects.²⁰ It has two main program components:

Nutrition Incentive Program: Provides incentives to SNAP participants at the point of purchase to increase purchases of fruits and vegetables.

Produce Prescription Program: Conducts projects that demonstrate and evaluate the impact of prescribing fresh fruit and vegetables to improve health.

Evaluations of GusNIP have shown it to have a positive impact. A two-year evaluation showed that participants reported eating more fruits and vegetables than the average American and more the longer they participated. In the **fourth year of the evaluation**, September 2022 to August 2023, participants purchased more than \$52 million in fresh fruits and vegetables, generating approximately \$107 million in economic impact.²¹



The combination of **emergency funding and TFP updates to SNAP** reduced poverty by 14.1% and child poverty by 21.8%.



SNAP work requirements significantly reduce program participation, food security, and household income but do not increase employment.

Timeline of Benefits Changes

The table below provides additional details on the SNAP policy timeline between March 2020 and March 2025.

2020

FEB **Avg Benefit Per Person Per Month: \$121.13**

MAR USDA increased SNAP benefits with **emergency allotments**, thanks to a provision in the Families First Coronavirus Response Act.²² As reference, **in New Jersey**, this initial emergency allotment amounted to an extra \$166 for each participating household per month. This Act also suspended time limits on participation for some adults.²³

DEC The Consolidated Appropriations Act (CAA) of 2021 **increased** the maximum SNAP benefit by 15% through June 30, 2021.²⁴

2021

FEB The CAA also initiated some exemptions to allow **more students** to participate in SNAP.²⁵

APR **USDA authorized** additional monthly benefit payments of \$95 to those households that did not receive earlier pandemic-related boosts because they were already at or near the maximum benefit.²⁶

MAY **Avg Benefit Per Person Per Month: \$249.56**

OCT USDA began implementing the updated Thrifty Food Plan, which set baseline benefit amounts. It **resulted in an average increase** of \$36.24 per person per month.²⁷

2022

OCT USDA implemented its annual **cost-of-living adjustment**, which increased benefits amid widespread inflation and high food prices.²⁸

NOV **Avg Benefit Per Person Per Month: \$259.52**

2023

MAR Pandemic-related emergency allotments ended in remaining participating states as the COVID-19 health emergency waned, resulting in benefits cuts for most participants. Roughly **32 million people received smaller** monthly benefit payments.²⁹

APR **Avg Benefit Per Person Per Month: \$181.72**

MAY The Public Health Emergency ended, terminating various SNAP flexibilities and expansions to eligibility, meaning fewer participants receiving less in benefits.

JUN Exemptions that supported additional student participation expired.

OCT The Fiscal Responsibility Act **expanded work requirements** for ABAWD up to age 52, making it more difficult for people to be eligible to receive SNAP benefits.³⁰

2024

NOV **Avg Benefit Per Person Per Month: 192.82**

DEC Congress passed the American Relief Act of 2025, which **extended** the 2018 Farm Bill for one year. The extension will keep the Farm Bill in effect through September 30, 2025.³¹

2025

FEB The U.S. House of Representatives passed a budget resolution that instructs the House Committee on Agriculture **to cut at least \$230 billion** from programs under its jurisdiction, most or all of which is expected to come from SNAP cuts.³²

Conclusion

SNAP is one of the most effective tools we have to combat poverty and build stronger, more resilient communities. By providing families with the resources they need to afford nutritious food, SNAP ensures that struggling households can get back on their feet.

Congress' plan to cut SNAP would jeopardize the health, education, and future of millions of children and families. The cuts would have widespread effects on communities—deepening inequality and weakening the foundation of local economies. Expanding on recent improvements to SNAP, rather than rolling them back, would help families thrive.

RECOMMENDATIONS

Administration

- Maintain the federal government's responsibility to fund 100% of current SNAP benefit levels.

Work Requirements

- Permanently eliminate work requirements for SNAP participants.
- Expand voluntary SNAP job training programs.

Benefits

- Increase SNAP benefits to cover the cost of a modestly priced meal in every U.S. county.
- Expand programs that incentivize SNAP participants to purchase healthier foods, such as GusNIP.

Eligibility

- Streamline eligibility and enrollment processes and focus enrollment efforts on communities with low participation, including immigrants, people of color, and rural residents.
- Broaden SNAP eligibility to cover more college students, unemployed adults without children, and lawfully residing immigrants.
- Eliminate the lifetime ban on SNAP participation for people with felony drug convictions

Additional Reading

For more information on the benefits and impacts of SNAP, see:

- [How Would SNAP Benefit Cuts Affect Your Community?](#)
(Urban Institute, March 2025)
- [Imposing SNAP Food Benefit Costs on States Would Worsen Hunger, Hurt States' Ability to Meet Residents' Needs](#)
(Center on Budget and Policy Priorities, March 2025)

For more information on the shortcomings of work requirements across programs, see:

- [Work Requirements: What Are They? Do They Work?](#)
(RWJF, May 2023)

Endnotes

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