

PolicyPennings by Daryll E. Ray & Harwood D. Schaffer

SNAP program debates center on effectiveness and cost

In our previous column, we summarized a United States Department of Agriculture (USDA) analysis of the five major nutrition programs they fund: the Supplemental Nutrition Assistance Program (SNAP), Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), National School Lunch Program, School Breakfast Program, and Child and Adult Care Food Program. According to the USDA, benefits from these five programs along with 10 other nutrition programs were received by one-quarter of the US population.

Even with these programs, nearly 1 in 6 US residents live in households that are classified by USDA as either food insecure or very low food secure. According to Feeding America, they provided “emergency food assistance to an estimated 37 million low-income people annually, a 46 percent increase from 25 million since...2006” (www.feedingamerica.org). Using a tool on the Feeding America website, we were able to see that in our own state of Tennessee, 17.6 percent of the population is food insecure with the child food insecurity rate reaching 25.1 percent. The statistics for other states are easily available on Feeding America’s website.

These statistics underline the importance of nutrition programs in the US. So as the US Congress tackles budget issues, these 15 programs have come under the scrutiny of legislators seeking to reduce the deficit, underscoring the importance of identifying ways to increase the effectiveness of these programs.

One of the suggestions for increasing the effectiveness of SNAP is to limit the food choices that recipients can make when they use their benefits. At present SNAP benefits can be used to purchase any food or food product for home consumption excluding alcoholic beverages, tobacco products, hot food, and any food sold for on-premises consumption.

Given the obesity epidemic and the call for deficit reduction, the question has been raised as to whether or not the federal government ought to add sugary drinks, chips, and similar foods with low nutrition levels to the list of exceptions. After all programs like WIC and the school nutrition programs have nutritional restrictions/guidelines on the foods that are a part of those programs, so why not SNAP?

Attempts to add products like sugary drinks and snack foods to the exclusion list have run into resistance from the industries that produce those items. One of the arguments against the exclusion of these items is that people will use other sources of income to purchase those items, resulting in little change in the food items actually purchased.

Another argument is that having to separate out food purchases made with SNAP from food purchased with other income will stigmatize these families, though it must be noted that WIC purchases must be separated out from other food and household item purchases. (Economists often point out that any restrictions on purchases reduce recipients’ total utility, as they put it. This line of thinking ultimately leads to a “just give them money” approach and let recipients decide how to spend it to maximize benefits as they see fit.)

Even if these foods are added to the exclusion list, starchy foods—breads, potatoes, pasta—that are a part of a normal diet can still contribute to the obesity epidemic if they form an outsized portion of what a person eats. Perhaps increasing the money spent on nutrition education and ways to prepare appetizing, nutritious meals on a limited budget should be considered as a part of any move to increase the exclusions on food purchases.

Another way some in Congress are trying to reduce the cost of the SNAP program is to reduce or eliminate what is called categorical qualification. While most people qualify for SNAP benefits through an income verification process, some who qualify for other programs are considered eligible for SNAP benefits as well.

The rationale for allowing for categorical qualification is that it saves administrative costs because most of the people who use these other programs would also qualify through the income verification process.

So which is it? Does use of categorical qualification reduce or increase the cost of the SNAP program? More specifically, does the cost of the additional paperwork—when categorical qualification is not used—exceed the additional costs incurred by people whose income would otherwise exclude them from participating in SNAP? Or not? If the issue is one of dollars and cents, it is a researchable problem, as economists like to say.

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