Ohhh SNAP: Covid Expansions to SNAP Benefits and Reducing the SNAP Gap

Rebecca Mcdonald, Master of Public Policy Candidate, Michigan State University
May, 2022

Executive Summary

This brief uses recently released data from the Census Household Pulse Survey to map the socio-economic impacts of historic expansions to Supplemental Nutrition Assistance Program (SNAP) benefits in Michigan during Covid-19. The brief highlights the pandemic expansions to SNAP and argues the best way to measure the impacts of these expansions is by looking at the SNAP gap in benefits that participants experience at the end of the month. Ultimately, expansions to SNAP provided temporary relief to families on SNAP but did not completely erase the SNAP gap.

Introduction

When you walk into the grocery store, do you ever get overwhelmed? Even with a list, I wander down every aisle and put random things into my cart. Now imagine going into a grocery store with a set amount of credits to buy food for the entire month, and where you can only purchase pre-approved foods in pre-approved places. Not only do you have to figure out food for yourself, but you have to figure out how to get enough food to last your family for the whole month. These are just some of the challenges low-income families on SNAP face. SNAP is the third-largest social program in the United States that works to alleviate food insecurity in America by subsidizing part of families' food bills. Benefits are calculated by the Thrifty Food Plan (TFP), which is updated every five years. Unfortunately, SNAP benefit levels fail to consider other socio-economic factors low-income families face when getting access to food. Which is why families on SNAP face a gap in benefits where their money for food has to be balanced with other competing expenses.

The SNAP Gap

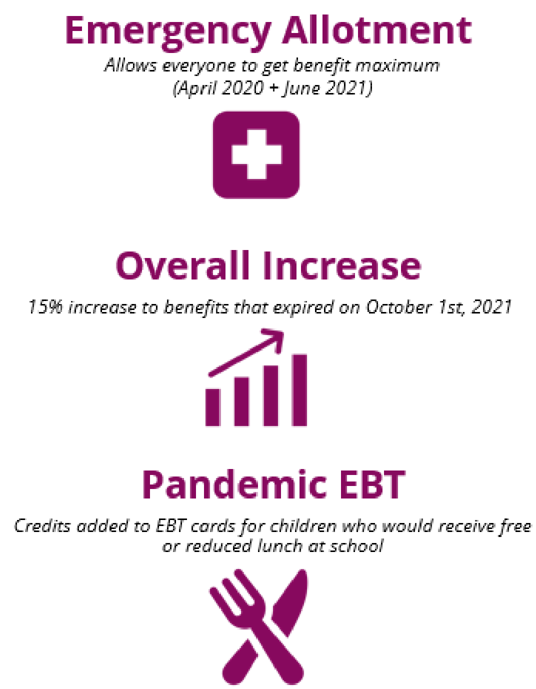
The SNAP Gap describes the depletion of benefits that makes families struggle to find healthy food options that are easily accessible and fit into their monthly food budget while balancing other financial expenses like housing costs.

To counteract the financial impacts of Covid-19, SNAP received one of the only bi-partisan supported expansions to benefits. These long advocated for increases to SNAP benefits create an opportunity for us to study their impacts and future implications for families. This brief uses recently released data to measure the effect of the increase to SNAP benefits on the SNAP gap experienced by many families

Historic SNAP Expansions During Covid-19

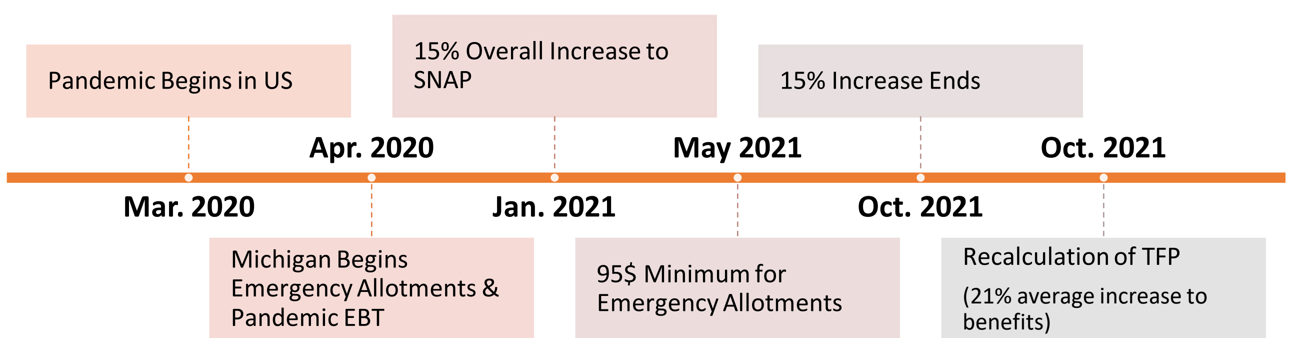
The Families First Coronavirus Response Act passed on March 18, 2020, established the first round of SNAP flexibility and waivers. These were further expanded in the American Rescue Plan, which was passed on January 3, 2021. These bills established that states could apply for certain waivers for their SNAP programs. These waivers included emergency allotments, pandemic EBT, and overall increases in funding for SNAP. Figures One and Two[i] show the type of SNAP waivers available at different times during the pandemic.

Figure One: Covid-19 SNAP Benefits



Covid-19 related increases to SNAP benefits in Michigan have had wide-ranging effects. Since emergency allotments raised every SNAP household's benefits to the maximum level in Michigan in April 2020, 55% of Michigan's 1.2 million SNAP participants received increased benefits[ii]. In May 2021, Emergency Allotments were expanded so that every participant received a $95 minimum raise in benefits. Michigan's DHHS estimated that 700,000 additional households received these increased benefits[iii]. Additionally, Pandemic EBT (P-EBT) credit has been given to families with children since April 2020 and will extend through the 2021-2022 school year. Currently, Michigan gives P-EBT credits to about 111,600 households and has issued more than 7.3 million dollars in P-EBT[iv].

Figure Two: Timeline of SNAP Expansions in Michigan

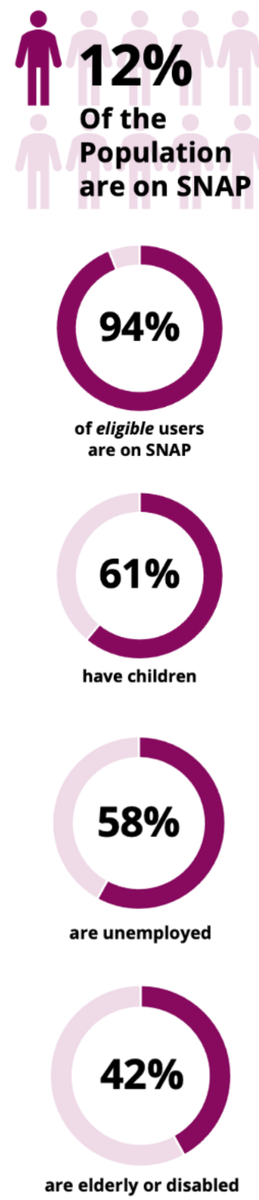


In Michigan, the average benefit issued in 2019 was $111 per person. Figure Three breaks down the maximum benefits participants could receive by household. The table shows the initial Emergency Allotment maximums that went into effect in April 2020. Then it shows the Emergency Allotment maximums with the $95 increase minimum that went into effect in May 2021[v].

Figure Three: Average Maximum SNAP Benefit by Household Size

Household Size	Emergency Allotment	$95 Increase Emergency Allotment
1	$194	$234
2	$355	$430
3	$509	$616
4	$646	$782

SNAP Gap in Michigan

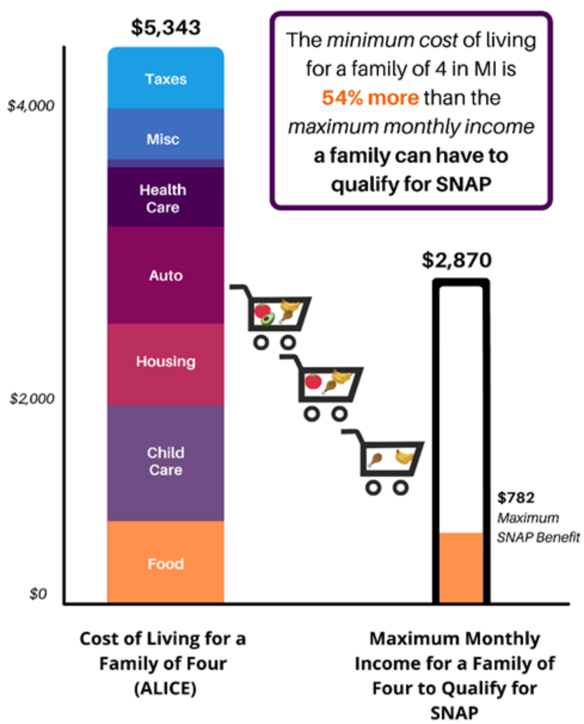


SNAP was originally founded with the intent to balance food security in America and provide subsidized food and nutrition options to low-income individuals. SNAP has been critiqued for failing to provide adequate support to participants. Demographics from 2019 show that eligible households in Michigan are actively enrolling in SNAP, and most of these families are balancing other things like joblessness and children[vi].

While SNAP has had widespread positive effects on poverty rates and food insecurity, the impacts are uneven. Numerous studies show that individuals on SNAP are forced to make trade-offs at the end of the month and lower their food intake for other bills[vii][viii][ix][x]. These trade-offs mean that SNAP participants are more likely to skip a meal or have decreased caloric intake at the end of the month, leading to higher rates of food insecurity and adverse health outcomes.

Traditional income and poverty measures like the SNAP formula systematically underestimate the actual cost of basic needs because they conceptualize an ideal person and fail to consider the intersection of socio-economic considerations that affect their survival. The ALICE Report for Michigan provides research-based information on the most vulnerable populations. ALICE has developed an essential index that measures the income needs a family has to live and work in modern society[xi]. As of 2021, the ALICE Report calculated that a family of four would need $5,343 a month or $65,208 a year to survive and have adequate access to housing, food, healthcare, transportation, childcare, and pay taxes.

Figure Four: The SNAP Gap



This is 54% more than the maximum income to qualify for SNAP. Figure Four depicts the monthly expense budget estimated by ALICE compared to the qualifying income for a four-person household on SNAP. The graphic highlights that SNAP benefits are given to families with an income well below what they need to survive. They have to use half the estimated ALICE budget to cover food, housing, childcare, and healthcare expenses.

Even the ALICE budget does not consider other compounding factors for people on SNAP. Like access to transportation and the ability to get to EBT accepting stores. Access to food storage and kitchens. Having the financial skills and knowledge to budget monthly and having another supplemental income to cover other expenses. As well as dealing with other societal issues like racism, classism, and ageism that can impact the access participants have to supportive networks and resources.

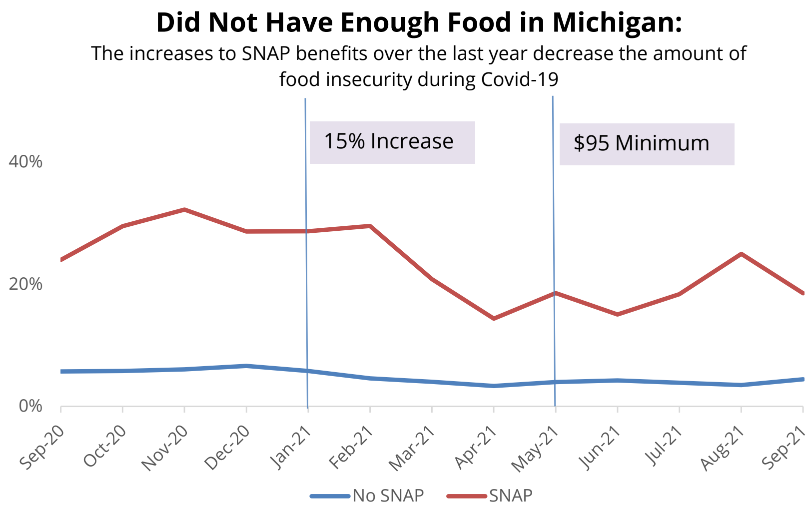
Measuring the SNAP gap in Michigan is more than looking at the rate of SNAP benefits, it is understanding the real trade-offs families have to make each month to leverage their benefits and survive. It is also an understanding that despite increases to benefits, SNAP, in its current structure, will never offset the other demands and needs a family has during the month. Therefore, a more accurate picture is to look at increases to SNAP benefits compared to other household expenses.

SNAP Data in Michigan

A limited number of complete data sources look at SNAP participants during Covid-19 because each state runs SNAP differently. In addition, data collection was stalled in many ways during the pandemic to reduce the administrative burden on state and local governments in administering aid. Beyond survey data, no central source combines SNAP participants' information with other lifestyle and economic insights. This research relied upon the Census Household Pulse Survey (CHPS)[xii], created by the Census to measure the impacts of Covid-19. The survey collects rapid data and asks participants biweekly what types of government assistance they receive and measures food insecurity, household expenses, childcare, and more.

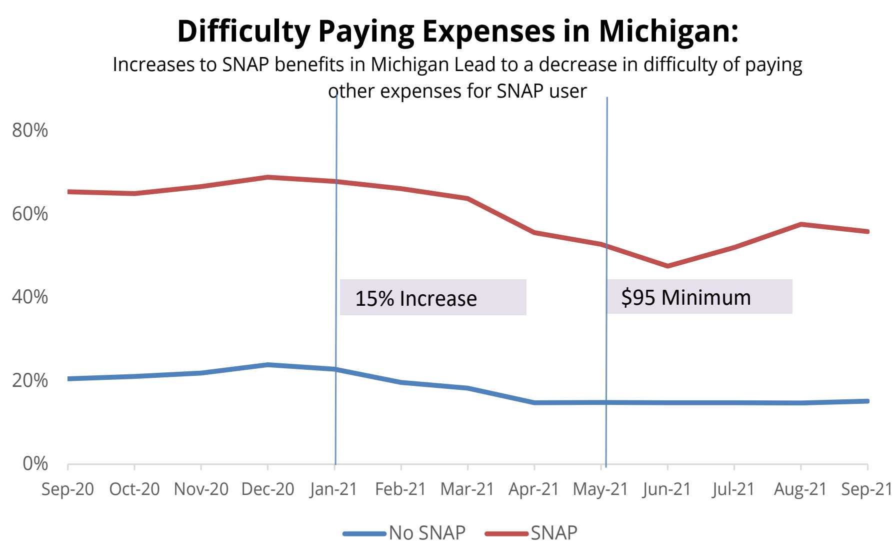
Increases to SNAP Benefits Provided Relief

The graph below shows the percentage of people on SNAP who struggled with food sufficiency in Michigan. About 30% of SNAP participants had difficulty finding enough food from September 2020 until January 2021, when SNAP benefits received a 15% increase and the percentage declined steadily.



The second graph outlines the percentage of SNAP participants who had trouble paying other expenses in the last year. There is a similar trend where about 65% of SNAP participants reported having difficulty paying other expenses until January 2021. After another round of benefits increase, the percentage declined to around 50%. These graphs show that benefit increases relieved some of the burdens families on SNAP face.

The Covid-19 pandemic has been going on for over two years in Michigan and has created countless challenges for families. It is hard to attribute changes in a family's behavior to just one thing. Instead, data allows us to see the trends for specific populations. By isolating the periods of policy change for SNAP, we can get a closer look at the specific relief increases to SNAP provided. Ultimately decreases to food insufficiency and difficulty paying bills were statistically significant, meaning that decreases observed in these graphs are not just by chance.



Despite Increases to Benefits Families on SNAP Were…

12.3% more likely to experience food insufficiency

Additionally, the risk of food insufficiency rose to 14.8% if the person did not work, 16% if the person had children at home, and 32.6% if the person did not have adequate access to health insurance.

47.6% more likely to experience difficulty paying household expenses

Additionally, experiencing difficulty paying bills rose to 52% if the person did not work, 55.7% if the person had children at home, and 74% if the person did not have adequate access to health insurance.

20.8% more likely to experience difficulty making rent or mortgage payments

Additionally, experiencing difficulty paying rent rose to 26% if the person did not work, 26.2% if the person had children at home, and 44.8% if the person did not have adequate access to health insurance.

27.8% more likely to reduce or forego expenses for necessities (like food and healthcare) to pay other household bills

Additionally, the risk of forgoing food and medical expenses rose to 27.9% if the person did not work, 35% if the person had children at home, and 55.7% if the person did not have adequate access to health insurance.

These measures were statistically significant, meaning that the effects families on SNAP face are not just by chance. These estimates showcase that having additional insecurities compounds the effects of the SNAP gap. Specifically, having children raises the reported amount of insecurity in every measure, despite the implementation of P-EBT. In Michigan, over 61% of SNAP participants have children and face a higher risk of insecurity. Additionally, not having a job makes people on SNAP even more likely to experience struggles when attaining basic needs. In 2019, 58% of adults on SNAP did not have jobs, which rose harshly with the pandemic as childcare needs, sickness, and layoffs rose. Finally, not having adequate access to health insurance dramatically increases the risk for people on SNAP in every measure. Access to food, adequate housing, and healthcare are all social determinates of health and have staggering impacts on the generational wellbeing of families.

Limitations

These results only show a small slice of the estimated effects SNAP has in Michigan, as it only controls for factors like access to food, steady income, and healthcare in a select time period of the ongoing pandemic. These models do not allow us to consider other impacts on the SNAP gap, like the intersectionality of racism, housing inequalities, and disability status, which would all have huge effects on one's ability to get food. Yet, the results indicate that historic increases to SNAP benefits helped struggling families, but more investment in the program is needed to help fill the SNAP gap.

Future Implications

Governor Whitmer just announced that Michigan is extending SNAP waivers into April 2022[xiii], but it is unclear how much longer the federal government will offer SNAP waivers and flexibility. Yet, the Thrifty Food Plan, the formula used to calculate the maximum SNAP benefit, was recalibrated at the Federal level. The recalculated maximum for the 2021-2022 fiscal year brings the maximum average benefit to similar levels to expanded SNAP benefits during Covid-19. This means that the data shared here is even more important to consider. The data estimates that increases to SNAP benefits to these averages do provide relief to families on SNAP. Still, more increases will be needed to further counteract the SNAP gap.

Overall, the data from CHPS supports that families on SNAP in Michigan are facing increased food insufficiency and difficulty paying bills during Covid-19 compared to more affluent families. Households on SNAP are more likely to experience hardships when benefits run out at the end of the month. These challenges are more complex for people on SNAP with children, even when receiving P-EBT. Further logistical modeling and specification of subpopulations continued to show that increases to SNAP benefits did help alleviate some of the SNAP gap but did not erase it completely. Here, we have witnessed historic increases to SNAP benefits that lack a universal and easy way to measure impacts on a state or local level. To inform future changes to SNAP, more data needs to be intentionally gathered to look at the socio-economic impact of SNAP benefits and changes in the SNAP gap.

References

[i] Food and Nutrition Service. (2021, September 24). *Michigan: Covid-19 waivers & flexibilities*. USDA. Retrieved October 5, 2021, from https://www.fns.usda.gov/disaster/pandemic/covid-19/michigan.

[ii] Wheaton , B. (2020, March 27). *Additional food assistance for 350,000 Michigan families approved in response to covid-19 emergency; SNAP work requirements also temporarily waived*. Michigan.gov. Retrieved October 5, 2021, from https://www.michigan.gov/coronavirus/0,9753,7-406-98158-523398--,00.html.

[iii] Johncox, C. (2021, June 11). *Michigan households receiving food assistance to get extra $95 in June*. WDIV. Retrieved November 15, 2021, from https://www.clickondetroit.com/news/michigan/2021/06/11/michigan-households-receiving-food-assistance-to-get-extra-95-in-june/.

[iv] USDA. (2021, October 13). *SNAP Data Tables*. SNAP Data Tables | Food and Nutrition Service. Retrieved November 15, 2021, from https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap.

[v] USDA. (2020). *Estimated Increase in SNAP Benefits* . United States Department of Agriculture. Retrieved October 5, 2021, from https://fns-prod.azureedge.net/sites/default/files/media/file/Increase-Benefits-State-15-percent.pdf.

[vi] Center on Budget and Policy Priorities (CBPP). (2021, January 15). *Michigan Food Assistance Program*. Retrieved October 3, 2021, from https://www.cbpp.org/sites/default/files/atoms/files/snap_factsheet_michigan.pdf.

[vii] Hamrick, K. S., & Andrews, M. (2016, July 13). *SNAP participants' eating patterns over the benefit month: A Time Use Perspective*. PLOS ONE. Retrieved October 7, 2021, from https://journals.plos.org/plosone/article?id=10.1371%2Fjournal.pone.0158422.

[viii] Kinsey, E. W., Oberle, M., Dupuis, R., Cannuscio, C. C., & Hillier, A. (2019, March 28). *Food and financial coping strategies during the monthly Supplemental Nutrition Assistance Program cycle*. SSM - Population Health. Retrieved October 7, 2021, from https://www.sciencedirect.com/science/article/pii/S2352827319300114?via%3Dihub.

[ix] Seligman, H., Bolger, A., Guzman, D., Lopez, A., & Bibbins-Domingo, K. (2014, January 1). *Exhaustion of food budgets at month's end and hospital admissions for Hypoglycemia: Health Affairs Journal.* Health Affairs. Retrieved October 7, 2021, from https://www.healthaffairs.org/doi/10.1377/hlthaff.2013.0096.

[x] Gundersen, C., & Ziliak, J. (2015, November 1). *Food insecurity and Health Outcomes*. Health Affairs. Retrieved October 10, 2021, from https://www.healthaffairs.org/doi/10.1377/hlthaff.2015.0645.

[xi] ALICE. (2021, March 15). *ALICE in Michigan: A Financial Hardship Story*. Michigan Association of United Ways. Retrieved November 15, 2021, from https://www.uwmich.org/alice.

[xii] Census Bureau. (2021, October 12). Household pulse survey: Measuring social and economic impacts during the coronavirus pandemic. Census.gov. Retrieved October 27, 2021, from https://www.census.gov/programs-surveys/household-pulse-survey.html.

[xiii] Executive Office of the Governor. (2022, April 19). *Whitmer announces Michiganders to receive additional assistance to lower the cost of groceries*. SOM - State of Michigan. Retrieved April 26, 2022, from https://www.michigan.gov/whitmer/news/press-releases/2022/04/19/whitmer-announces-michiganders-to-receive-additional-assistance-to-lower-the-cost-of-groceries