

Food Assistance and COVID-19

May 6, 2020

Amidst the current public health emergency, food assistance ensures that people stay as healthy as possible and that economic activity between communities and retailers can continue. The pandemic has left an estimated 117,000 Idahoans without jobs, prompting many to seek support from food pantries and the Supplemental Nutrition Assistance Program (SNAP), formerly known as "food stamps." Given the severity and uncertainty of the pandemic, policymakers have an urgent responsibility to determine whether and how SNAP can be deployed to help meet public health and economic policy goals. State policymakers could consider extending a temporary policy that allows more Idahoans to draw the current maximum level of SNAP benefits. Federal lawmakers could consider an increase to the overall SNAP maximum benefit amount.

SNAP Removes Barriers to Food Security and Boosts Economy Activity

In normal times, SNAP benefits make low wages less of a barrier to food security for Idahoans. During a recession it can also protect people who face a sudden drop in earnings, or whose unemployment persists in the downturn. SNAP can counteract a recession effectively by distributing benefits quickly through an Electronic Benefit Transfer (EBT) card, which is similar to a debit card. The increase in household spending on food sends dollars to local businesses. In 2017, 1,088 Idaho retailers participated in SNAP, redeeming about \$240 million in benefits. The Economic Research Service estimates that every dollar spent on SNAP benefits generates an additional \$1.50 in GDP. Similarly, the Congressional Research Service describes SNAP as having a large "bang for the buck."

Temporary SNAP Changes Removed Additional Barriers to Health and Food Security

The Families First Coronavirus Response Act of March 18th allowed states to temporarily increase the maximum monthly benefit for SNAP recipients using federal dollars. Idaho took up this option for the months of April and May. About 60 percent of households in Idaho receiving SNAP were affected by this change, while 40 percent of households were already receiving the maximum benefit amount. The maximum allotment is between \$146 and \$194 per person per month.⁴

The Act also allowed states greater flexibility in the administration of the program, which Idaho has used to temporarily waive participant recertification. The changes to the SNAP program are subject to expire at the end of the public health emergency declaration, currently set at July 25, 2020. Idaho policy makers have not yet determined if they will extend the maximum monthly benefit beyond May to the end of the emergency declaration. The United States Department of Agriculture approved Idaho for the Online Purchasing Program, which allows SNAP recipients to use their EBT cards at select online retailers. This change to the program, which began on May 4, will protect recipients, especially those who are health compromised, from the risks of in-person grocery shopping.

Looking Ahead

Typically, SNAP enrollment rises at a similar pace or greater than the unemployment rate. SNAP usage in Idaho is rising, but not at the same dramatic rate as unemployment. Since mid-March, SNAP enrollment in Idaho has increased at a relatively moderate rate - about 20-25 percent - compared with the over 1000 percent increase in claims for unemployment in the state.⁷

Restricted eligibility could help explain why SNAP enrollment is lagging. The Coronavirus Aid, Relief, and Economic Security (CARES) Act of March 27th, added a temporary \$600 boost to regular state

unemployment benefits and began including Idahoans in the program who are normally not eligible for unemployment insurance. Even though unemployment benefit boosts are temporary, SNAP eligibility has remained the same: income at or below 130 percent of the federal poverty line *and* household assets – for example, savings accounts – equal to or less than \$2,250 generally and \$3,500 if the family supports an elderly or disabled member. Because unemployment benefits are considered income under SNAP eligibility, this temporary boost could be delaying SNAP uptake. Food assistance will remain an important economic tool as the economic downturn stretches on. During the Great Recession, SNAP participation rose to about 13.5 percent. In 2019, about eight percent of Idaho residents received SNAP benefits.

While the temporary increase in participants receiving the maximum SNAP benefits will ensure households can access food now, benefits are still modest and do not cover all of a family's food needs. In fiscal year 2019, SNAP benefits were about \$1.20 per meal for the average Idahoans enrolled. ¹¹ In 2019, without the temporary boost in place, the average Idahoan received \$109 per month in benefits and with the increase, the benefit amount is now between \$146 and \$194 per person per month. ¹²

When the public health risk eases, the state and thousands of Idahoans will continue to face economic challenges. The Congressional Budget Office recently projected a 10.1 percent average unemployment rate in the United States for 2021. SNAP benefits will play an important role in supporting Idaho families and the economy through the downturn.

To ensure Idahoans are food secure and communities are healthy during the pandemic and beyond, policy makers could consider extending maximum SNAP benefit levels for all recipients beyond May, allowable under the Families First Coronavirus Relief Act and fully funded by federal dollars. Extending the maximum benefit amount would help food insecure Idahoans and in turn assist in the economic recovery, particularly as temporary boosts in unemployment insurance benefits will expire in July. In addition, policymakers could consider raising the overall maximum SNAP benefit. This will provide an additional economic stimulus and help families keep food on the table during the downturn.

¹ Center on Budget and Policy Priorities, "SNAP is an Important Public-Private Partnership," Accessed at https://www.cbpp.org/snap-is-an-important-public-private-partnership#Idaho

² Canning, Patrick and Brian Stacy, "The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier," ERR-265, U.S. Dept. of Agriculture, Economic Research Service, July, 2019. Accessed at https://www.ers.usda.gov/webdocs/publications/93529/err-265.pdf?v=8010.7

³ Congressional Research Service, "Fiscal Policy Considerations for the Next Recession," June 20, 2019, Accessed at: "https://fas.org/sgp/crs/misc/R45780.pdf

⁴ USDA Food and Nutrition Services, "SNAP Eligibility – Frequently Asked Questions," Accessed at: https://www.fns.usda.gov/snap/recipient/eligibility

⁵ Communication with DHW staff.

⁶ U.S. Department of Health and Human Services, "Renewal of Determination That A Public Health Emergency Exists," Accessed at: https://www.phe.gov/emergency/news/healthactions/phe/Pages/covid19-21apr2020.aspx

⁷ Communication with DHW staff.

⁸ USDA Food and Nutrition Services, "SNAP Eligibility – Frequently Asked Questions," Accessed at: https://www.fns.usda.gov/snap/recipient/eligibility

⁹ State Impact NPR, "Understanding Food Stamp Use in Idaho." Accessed at https://stateimpact.npr.org/idaho/2012/09/25/why-idahos-food-stamp-use-continued-its-rise/

¹⁰ Idaho Department of Health and Welfare, "Facts, Figures, and Trends 2019-2020," Accessed at https://healthandwelfare.idaho.gov/Portals/0/AboutUs/Publications/FFT2019-2020.pdf

¹ Ibid.

¹² Ibid. and USDA Food and Nutrition Services, "SNAP Eligibility – Frequently Asked Questions," Accessed at: https://www.fns.usda.gdv/snap/recipient/eligibility