



Deep Cuts to SNAP Threatened For Still-Struggling Montanans August 2013

More than 130,000 low-income people in Montana will see their food assistance cut when a temporary boost to the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) expires November 1, new data from the U.S. Department of Agriculture (USDA) show.¹ SNAP benefits will average less than \$1.40 per person per meal after the cut.

The cut will affect all of the nearly 47 million Americans, including 22 million children currently enrolled in the program. For a family of three, that cut will amount to a loss of roughly \$29 a month, the equivalent of taking away sixteen meals a month.² That's a serious loss given SNAP's already low benefit levels and the very low incomes of SNAP participants, as over 80 percent of SNAP households live in poverty.

In Montana, the benefit cut through October 2014 will total \$13 million, slowing economic growth by reducing overall consumption. Nationally, the cut will total roughly \$5 billion in federal fiscal year 2014 and an additional \$6 billion across fiscal years 2015 and 2016. This reduction in funds will be felt in homes and businesses across the nation.

Benefit Increase Designed to Boost Economy and Ease Hardship

Congress enacted the benefit increase as part of the 2009 Recovery Act not only to ease individual hardship, but also because enabling people to buy groceries is one of the most effective forms of economic stimulus. The Recovery Act boosted SNAP's maximum monthly benefits by 13.6 percent beginning in April 2009. Under this legislation, SNAP benefit levels would continue at the new, higher amount until SNAP's regular annual inflation adjustments to the maximum benefit exceeded the Recovery Act amount. This plan would have effectively phased out the cuts without having to reduce benefits. But instead, Congress has since voted to accelerate the sunset of the benefit increase to October 31 of this year, reducing the amount of benefits families receive.

The scheduled benefit cuts are especially painful in light of the inadequacy of existing benefit levels. In Montana, the current average monthly benefit per person is \$127.78. For a family of three, this is less than two-thirds of the Economic Policy Institute's estimated food budget.^{3,4} Further reducing benefits will create even more difficulty for workers to put food on their tables and provide meals for their families.

¹ For more detail on the scheduled cut, see Stacy Dean and Dorothy Rosenbaum, "SNAP Benefits Will Be Cut for All Participants in November 2013," Center on Budget and Policy Priorities, August 2, 2013, <http://www.cbpp.org/cms/?fa=view&id=3899>.

² Based on calculations using the \$1.70 to \$2 a meal in the USDA Thrifty Food Plan

³ United States Department of Agriculture, "Supplemental Nutrition Assistance Program: Average Monthly Benefit Per Person," July 5th, 2013, [http://www.fns.usda.gov/pd/18SNAPavg\\$PP.htm](http://www.fns.usda.gov/pd/18SNAPavg$PP.htm).

⁴ Economic Policy Institute, "Family Budget Calculator," accessed August 6th, 2013. <http://www.epi.org/resources/budget/>

Benefit Cuts Will Increase Hardship

These cuts will likely cause hardship for many SNAP participants, who will include 22 million children in 2014 (10 million of whom live in “deep poverty,” with family incomes below *half* the poverty line) and nine million people who are elderly or have a serious disability. In Montana, 131,000 people participate in the program —thirteen percent of the state’s residents. The percentage of children who rely on food stamps is even higher – one in four of Montana’s children will be affected by these cuts.

The Recovery Act’s increase in benefits had impressive results. USDA found that the benefit boost reduced the number of households in which one or more persons had to skip meals or otherwise eat less because they lacked money — what USDA calls “very low food security” — by about 500,000 households in 2009.⁵ Additionally, more recent research finds that improving SNAP benefits during the summer for households with school-aged children who don’t have access to USDA’s summer food program cut very low food security among these households by nearly 20 percent.⁶

Given this research and the inadequacy of current benefit levels, we can reasonably assume that a reduction in SNAP benefit levels of this size will significantly increase the number of poor households that have difficulty affording meals this fall.

Evidence Doesn’t Support Argument for Cutting SNAP

The Obama Administration and some members of Congress have proposed cancelling or delaying the November 1 cut, but Congress has taken no action on these proposals. Moreover, some in Congress have called for even deeper cuts in SNAP *on top of* the scheduled cut. The House of Representatives, which recently defeated legislation that would have cut \$20 billion from SNAP — eliminating food assistance for nearly 2 million people — could reconsider these or even deeper cuts in the coming weeks.

Supporters of large SNAP cuts claim that because SNAP enrollment hasn’t declined in alongside the unemployment rate over the past few years, the program’s enrollment growth in recent years is largely unrelated to the poor economy. In reality, the recent reductions in the unemployment rate overstate improvements in the job market, as the total employment rate has yet to improve.⁷ Additionally, the number unemployed workers not receiving unemployment benefits, the group most likely to qualify for SNAP, has continued to grow.

Because the historical record shows that declines in unemployment typically come first, followed by declines in poverty and SNAP enrollment, it is necessary to maintain SNAP benefits. Cutting benefits for families who are still climbing their way out of poverty creates undue hardship. Congress must act in order to protect families from facing these unnecessary cuts.

⁵ Mark Nord and Mark Prell, “Food Security of SNAP Recipients Improved Following the 2009 Stimulus Package,” *Amber Waves*, 9(2), June 2011, p. 6, http://www.ers.usda.gov/media/227714/foodsecuritysnap_1.pdf.

⁶ Evaluation of the Impact of Enhancement Demonstrations on Participation in the Summer Food Service Program (SFSP): FY 2011; FNS, USDA, November 2012, http://www.fns.usda.gov/ora/menu/Published/CNP/FILES/SEBTC_Year1Findings.pdf.

⁷ “Bernanke Talks: A Conversation at the NBER,” Real Time Economics, *Wall Street Journal*, July 11, 2013, <http://blogs.wsj.com/economics/2013/07/11/bernanke-talks-a-conversation-at-the-nber/>.