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The Supplemental Nutrition Assistance Program as a Source of Social Welfare – Reflections and Recommendations

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Abstract

This paper discusses the Supplemental Nutrition Assistance Program, which aid those in need via food stamps. First the author introduces the program, including its coverage. Then, the author discusses criticisms of the program—that it has high costs and may reduce incentives for work. Finally, recommendations are given in light of the shortcomings.

Keywords: Supplemental Nutrition Assistance, food stamps, incentives

1. Introduction

Giving food stamps as a source of welfare to those in need has been in practice for many decades in the US. Currently, the Supplemental Nutrition Assistance Program ("SNAP"), administered by the Department of Agriculture's Food and Nutrition Service, is the federal food stamp program¹ in place. ² This is the country's largest program that provides assistance towards hunger relief.³ The Food and Nutrition Service also works with state agencies to more effectively administer the program.⁴

While the current SNAP sufficiently provides for those in need of food assistance, it can be modified and expanded to also provide optional higher-skills training to recipients. Doing so will not only provide for the immediate needs but also help increase the employability of those in need and lift them out of this dependence on welfare measures. In this paper, the author first explains the SNAP program and its current status in providing need-relief. Then, the author discusses some policy considerations and limitations under the current administration. Finally, the author recommends taking the program one step beyond just providing for immediate needs.

2. The Program

The purpose of the federal nutrition assistance program is codified in Title 7 of the U.S. Code:

"It is declared to be the policy of Congress, in order to promote the general welfare, to safeguard the health and well-being of the Nation's population by raising levels of nutrition among low-income households... To alleviate such hunger and malnutrition, a supplemental nutrition assistance program is herein authorized which will permit low-income households to obtain a more nutritious diet through normal channels of trade by

⁴ *Id*.

¹ Hereon "SNAP" used interchangeably with "the food stamp program" and "the program" to refer to the federal food stamp/nutrition assistance program.

² U.S. Dept. of Agriculture, Food and Nutrition Service, Supplemental Nutrition Assistance Program, http://www.fns.usda.gov/snap/supplemental-nutrition-assistance-program-snap (last visited Oct 24, 2018).

³ *Id*.

increasing food purchasing power for all eligible households who apply for participation."5

From the first Section, we see that an overarching goal of the program is to alleviate hunger in low-income households in the US. In order to practically implement the program to achieve these goals, there are requirements in order to ensure that the resources are properly allocated to those in need.

2.1 Sufficiently Assists Those in Need

While the program is administered broadly so that those in need can qualify, it also has barriers to attempt to deter exploitation. There are generally two ways to qualify for the program. The applicants can receive food stamps through qualifying under certain financial requirements.⁶ Or, applicants may receive food stamps categorically if they are recipients of SSI, TANF, or certain state-run assistance programs.⁷

However, states may impose a countable resources requirement on applicants who qualified categorically.⁸ The countable resources requirement may require that the household does not have more than \$2,000 in bank accounts or other countable means.⁹ Through this way of administration, we see that those with needs (for example, those who have demonstrated disability evidenced by their receipt of SSI benefits) will automatically be able to receive nutrition aid. This is in furtherance of the aim to assist those who need help. On the other hand, the resources requirement limits the recipients to those who are in fact needy. Perhaps administrative measures such as these contribute to the sufficiency of the program.

There is strong evidence that the program reaches those who seek its help. According to an article from the Center for Budget and Policy Priorities, in a typical month in 2010, SNAP reached 75% of those eligible. Furthermore, among low-income families, the participation rate was 65% in 2010, compared to a low of 43% from an earlier year. This data does not conclusively determine the success of the program, but is nevertheless evidence of its breadth.

The SNAP program has been generally effective in providing need-based relief. Per a graph comparing number of recipients of food stamps to those of cash welfare, in the aftermath of the 2007 recession, there were drastically more receipts of food stamps compared to those of cash welfare.¹² The rise in food stamps correlates with social economic fluctuations, in this case, the rise in unemployment following the recession. Presumably, in times of unemployment, individuals and families demand more immediate relief, which they seem to be able to receive in the area of nutrition assistance. This graph is evidence that the food stamp system indeed matches the needs in the economic cycle. This is also evidence that the food stamp program responds well to the needs-based immediate relief.

3. Criticism of the Current Program

While the current program is generally successful, there are concerns—mainly: costs and disincentives to long-term employment.

3.1 Costs

There is research that shows the food stamp program, in fiscal year 2012, cost \$78.4 billion. ¹³ This is a tremendous cost in light of the economy in 2011-2012. This figure, combined with the billions of dollars for the other welfare programs, is an astonishing amount to many taxpayers. They then raise the question and concern that too much of their tax dollars are going towards welfare. In either regard, there is certainly a cost to this assistance.

⁸ *Id*.

⁵ Supplemental Nutrition Assistance Program, 7 U.S. Code § 2011.

⁶ Barbara Jones, *SNAP Basics*, 46 Clearinghouse Rev. 236 (2012), *in* JULIET M. BRODIE ET AL., POVERTY LAW, POLICY, AND PRACTICE 246-248 (2014), at 247.

⁷ *Id*.

⁹ Id

¹⁰ Dottie Rosenbaum, SNAP is Effective AND Efficient, Center on Budget and Policy Priorities (2013), http://www.cbpp.org/research/snap-is-effective-and-efficient.

¹¹ *Id*.

¹² Jason Deparle, Welfare Limits Left Poor Adrift as Recession Hit, N.Y. Times (Apr. 8, 2012) at A1, in JULIET M. BRODIE ET AL., POVERTY LAW, POLICY, AND PRACTICE 187-190 (2014), at 190.

Allison Linn, Who Uses Food Stamps? MILLIONS OF CHILDREN NBC News (2014), http://www.nbcnews.com/business/economy/who-uses-food-stamps-millions-children-n52931.

3.2 Policy Considerations: Incentives

The other, and perhaps more subjective argument relates to policy. Some say that SNAP does not encourage employment; despite the large amounts of dollars spent on SNAP, work participation is still low. ¹⁴ This may mean long-term dependency on welfare, rather than becoming financially self-dependent through employment.

For example, some studies show that in 2011, of the non-elderly adult participants in the program, 27.7% were employed while 28% were seeking employment, leaving 44% who were unemployed and not seeking work. ¹⁵ While understandably, some of the 44% may be disabled non-elderly adults who cannot easily obtain employment, nevertheless a considerable portion of participants were employable but unemployed. In addition, of adults of working age, childless, and able-bodied, 2 million SNAP households did not have earned income. ¹⁶

4. Employment Status of Beneficiaries under the Current Program

While it has been sufficient at immediate relief efforts, the program as-is does not foster long-term skills development to propel the recipients out of dependence on welfare. Offering a more lasting solution may be beneficial, at least to the claimants who would like to be employed and self-reliant. Moving towards this next step would be a policy choice because it would satisfy those food stamp recipients who want to move out of needs for welfare and become (or return to) self-dependency.

To understand the above proposal, we should first understand the relationship between food stamps and unemployment. There is a misunderstanding the food insecurity is necessarily caused by, or directly related to poverty. However, some reports find that unemployment, compared to poverty, is a stronger predictor of food insecurity.¹⁷ In fact, according to data, food insecurity can be a concern for those above *and* below the poverty line.¹⁸ Therefore, in improving the food stamp program, and important issue that need to be tackled is unemployment.

Currently, there are general work requirements to receive SNAP benefits. These includes applying to jobs, not voluntarily leaving a job, accepting an offer, and participating in states' employment and training programs. ¹⁹ The Food and Nutrition Service's Employment and Training web site provides resources for SNAP participants seeking employment. ²⁰ Many of these resources are job bulletins that one can apply to but does not necessarily provide training. Meanwhile, many of the training programs either have costs associated with them or are geared towards lower-skilled jobs.

While the employment requirements are attempts at addressing the unemployment issue, the training program as it stands is ineffective. In fact, based on the 2011 data, less than half of adults not exempt from work requirements were required to participate.²¹ Furthermore, only 3% voluntarily participated.²² This low participation rate may be due to disbelief that participation will have a material impact, they way the program currently stands.

5 Recommendation: Optional Higher-Skill Work Training Programs

In light of the above, I recommend optional higher-skills training programs for the recipients of SNAP. Giving the recipients the ability to partake in higher-skilled jobs, such as office jobs, can allow them entry into the market that many of them previously cannot. Even for those who are currently employed and receiving food stamps, the training can give them credential to demand higher pay for the higher skills they would have.

For example, someone who is currently employed can be making the minimum wage for a cashier job. Depending on their hours, they likely may still be below the poverty line and in need of support such as food stamps. Acknowledging

¹⁶ *Id*.

¹⁴ MICHAEL TANNER, SNAP FAILURE, THE FOOD STAMP PROGRAM NEEDS REFORM 9-10 (CATO Inst. 2013). Available at: http://object.cato.org/sites/cato.org/files/pubs/pdf/pa738_web.pdf.

¹⁵ *Id*.

¹⁷ Jones, *supra*, at 246.

¹⁸ *Id*.

¹⁹ U.S. Dept. of Agriculture, Food and Nutrition Service, Eligibility, http://www.fns.usda.gov/snap/eligibility (last visited Oct 2,4 2018).

²⁰ U.S. Dept. of Agriculture, Food and Nutrition Service, Employment & Training, http://www.fns.usda.gov/state-et-programs (last visited Oct 24, 2018).

²¹ Tanner, *supra*.

²² *Id*.

this phenomenon, the recommendation therefore focuses on higher-skill training opportunities for someone in this situation.

Under this recommendation, there are costs associated. To administer the current system is already costly, so providing personnel to provide high skill training will be additional costs. While that may be true, there are two main arguments against such critique. The first is a moral argument, that the system is designed to help people, so we should ensure that they are really getting the help they need, rather than providing training that may not affect their employability. Some of these people might want to acquire skills, want to work for themselves but do not have the skills or the opportunity to do so. The other argument is perhaps economic, that as the people who partake in these programs receive better jobs because of their skills, they will not be dependent on food stamps and other forms of welfare and will reduce costs of administering the program in the long run.

6. Conclusion

The analysis of SNAP's current status demonstrates that while the program provides assistance for those in need, it has shortcomings: costs, disincentives, and ineffective work requirements. To address these shortcomings, perhaps the program can be modified to not only provide relief of immediate needs but also help lift those out of the dependency on it. Specifically, this means an optional high-skills training program to those who seek the SNAP benefits. This in turn will provide a sustainable method for those in need rather than simply giving them immediate assistance. Given that an optional higher-skills training program to recipients of food stamps may provide them with financial independence, an implementation of such voluntary program is highly recommended.

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