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SNAP: from the Thrifty Food Plan (TFP) to the Low Cost Food Plan (LCFP).

Objectives of the Research Described in this Brief

The objective of the research described in this Brief was to examine, and model using system simulation modeling, the potential effects of policy changes on food insecurity among people in households with children. We focused on changing the basis for determining the maximum SNAP allotment from the Thrifty Food Plan (TFP) to the Low Cost Food Plan (LCFP).

Background

Using 2014 national data¹ we estimated the prevalence of food insecurity in households with children:

- 45.5% among those with incomes <100% of the poverty threshold (12,309,000 people)
- 35.1% among those between 100% and <130% of the poverty threshold (2,779,000 people)
- 30.9% between those with incomes 130% and <185% of poverty threshold (5,149,000 people)
- 8% among those with incomes \geq 185% of poverty threshold (6,171,000 people).

Among food-insecure households with children, some receive SNAP. If accounting for the prevalence of food insecurity among households with children that receive SNAP, prevalences of those under 130% of the Federal Poverty Level are even higher, as follows:

- \approx 61% among those with incomes <100% of the poverty threshold receiving SNAP (7,506,594 people)
- \approx 39.1% among those between 100% and <130% of the poverty threshold (1,086,364 people)
- \approx 6.2% among those with incomes between 130% and <185% of poverty threshold (320,566 people)
- Though there are about 6.2 million food-insecure people in households with children and incomes \geq 185% of the poverty threshold, those households are extremely unlikely to receive SNAP, and were not included in these analyses.

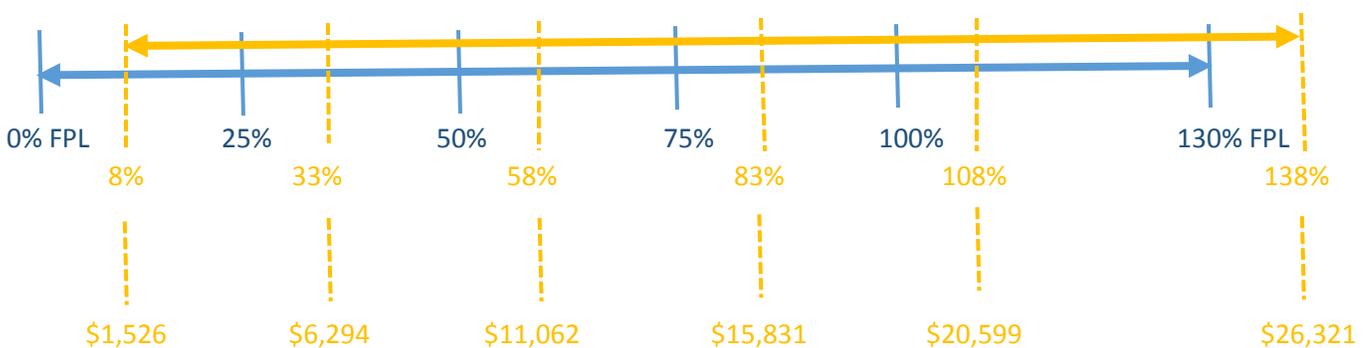
Changing the Basis of SNAP Allotments to the LCFP

Using average differences between the costs of food at home represented by the TFP and the LCFP, for people of different ages and sex, and for different household or family types and composition, we estimated that changing the basis for SNAP allotments (the dollar value of benefits received by participants) to the LCFP would lead, on average, to an across the board increase in the dollar value of benefits to SNAP recipients of approximately 30%.

According to 2014 data on characteristics of SNAP households with childrenⁱⁱ, we focused our analysis on three-person single-adult households based on the higher prevalence of single-adult households (57%). For consistency, we also use the 2014 poverty threshold for an average family of three people with two children (\$19,073/year).

The 30% increase in SNAP benefits to all recipients would be experienced as an increase in purchasing power, as their actual incomes would remain unchanged. Each category of poverty threshold would experience a different amount based on the percent of the maximum benefit. Using the average plan costs for different compositions of families composed by one adult and two children, the maximum SNAP allotment would increase by \$1,547/year, which is approximately 8% of the 2014 poverty threshold for the average family of three (\$19,073/year). In other words, all SNAP recipients would experience around 8% increase in food purchasing power, as described in Figure 1.

Figure 1: Percent of Food-Insecure SNAP Recipients by Gross Countable Income as a Ratio of the Poverty Threshold.



Conceptually, shifting the distribution of food purchasing power among food-insecure SNAP recipients in households with children means that 8% of 7,506,594 food insecure people in families with incomes $\leq 100\%$ of poverty, or 600,528, would meet the food purchasing power characteristics of people in households with incomes between 100% and $< 130\%$ of poverty threshold. And this increase in food purchasing power would potentially enable some proportion of the 600,528 food-insecure people to achieve food security.

Similarly, 8% of the 1,086,364 people with incomes between 100% and $\leq 130\%$ of poverty threshold would enjoy the characteristics of people in households with incomes $\geq 130\%$ of poverty threshold. Likewise, 8% of the 320,566 food-insecure SNAP recipients with incomes $\geq 130\%$ of poverty and receiving benefits for special reasons (e.g., disabilities of special health care needs), or 26,645 food-insecure people, would also enjoy greater food purchasing power. These people whose food purchasing power is “shifted” into the next higher poverty threshold would form a pool of people who could become food secure.

Results of Simulating the Change in Basis for Maximum SNAP Allotments to the LCFP

As groups of food-insecure SNAP recipients from each poverty threshold enjoy the greater food purchasing power characteristic of the next higher threshold, they are also, on average, subject to the food insecurity prevalence of those in the higher income to poverty category. Given that, the 600,528 people who just shifted from the category of income less than 100% of the poverty threshold to the 100%-130% category will also be subject to the lower prevalence rate of food insecurity (from 44.5% to 35.1%), in terms of purchasing power. Following the same rationale, the 86,909 people with previous incomes 100%-130% of poverty threshold, but now enjoying the food purchase power of the $\geq 130\%$ of

poverty threshold, will also be subject to the lower prevalence rate of food insecurity (from 35.1% to 30.9%), in terms of purchasing power. Finally yet importantly, 25,645 of those with incomes who just leveraged to $\geq 185\%$ of poverty threshold will be subjected to the lowest prevalence of food insecurity (8%).

These simulated changes in food insecurity attributable to changing the basis for maximum SNAP allotments from the TFP to the LCFP are summarized in Table 1. It is important to note, however that these numbers are estimates based on the prevalence of food-insecure households with incomes below 185% of the poverty threshold who received SNAP within the 30 days prior to the 2014 CPS December supplement. Different proportions of food-insecure households may have received SNAP at some time prior to that during the year. Perhaps even more relevant than the numbers in Table 1, however, is that **5.31% of the total 8,913,524 food-insecure SNAP recipients in families with children became food secure** in our simulation.

It is even more important to point out that those people whose food purchasing power moves from one food insecurity prevalence category to the next higher are not the only persons benefitting from the increase in SNAP allotments. The increase applies to all people receiving SNAP. Having their food purchasing power increased by 8% per year will benefit all recipients, even if they are not moved into food security in the first simulation year.

Table 1: Changes in Food Insecurity Resulting from Shift to the Low Cost Food Plan for SNAP Participants

Basis for Change SNAP allotments' increase by 30%, increases food purchasing power:	Number of people elected for change to Food Security (8%)	Number remaining Food Insecure After Change	Number Newly Food Secure	% of Those Elected for Change Becoming Food Secure
From that of $\leq 100\%$ of poverty to that of $100\% - \leq 130\%$; Food Insecurity prevalence changes from 45.5% to 35.1%	600,528	210,785	389,742	5,19%
From that of $100\% - \leq 130\%$ of poverty to that of $130\% - \leq 185\%$; Food Insecurity prevalence changes from 35.1% to 30.9%	86,909	26,855	60,054	5,53%
From that of $130\% - \leq 185\%$ of poverty to that of $> 185\%$; Food Insecurity prevalence changes from 30.9% to 8%	26,645	2,052	24,513	7,36%
Totals	713,082	239,692	474,390	5,31%

ⁱ Alisha Coleman-Jensen, Matthew P. Rabbitt, Christian Gregory, and Anita Singh. *Household Food Security in the United States in 2014*, ERR-194, U.S. Department of Agriculture, Economic Research Service, September 2015.

ⁱⁱ U.S. Department of Agriculture, Food and Nutrition Service, Office of Policy Support, *Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2014*, by Kelsey Farson Gray and Shivani Kochhar. Project Officer, Jenny Genser. Alexandria, VA, 2015.