

JOINT ECONOMIC COMMITTEE

CONGRESSWOMAN CAROLYN MALONEY, VICE CHAIR



The Supplemental Nutrition Assistance Program

August 31st marked the 55th anniversary of the signing of the 1964 Food Stamp Act, which had its roots in a program that was created to address hunger and support farm prices during the Great Depression. The 1964 law was an important part of President Lyndon Johnson’s War on Poverty, alongside initiatives to improve education, economic opportunity and long-term economic security for all Americans. It was later renamed the Supplemental Nutrition Assistance Program (SNAP), and today is America’s most effective anti-hunger program.

SNAP is an important part of the safety net

In 2018, nearly [40 million individuals benefitted](#) from SNAP, with an average benefit of \$127 per person each month of participation. In the same year, the program [lifted 3.1 million people out of poverty](#), including 1.3 million children. In 2017, the last year for which such detailed data are available, [two-thirds](#) of SNAP participants were either children, elderly or had some form of disability.

The economic benefits of SNAP

Safety-net programs like SNAP also play an important macroeconomic function, promoting consumer spending, supporting businesses, helping create jobs and cushioning the economy during recessions.

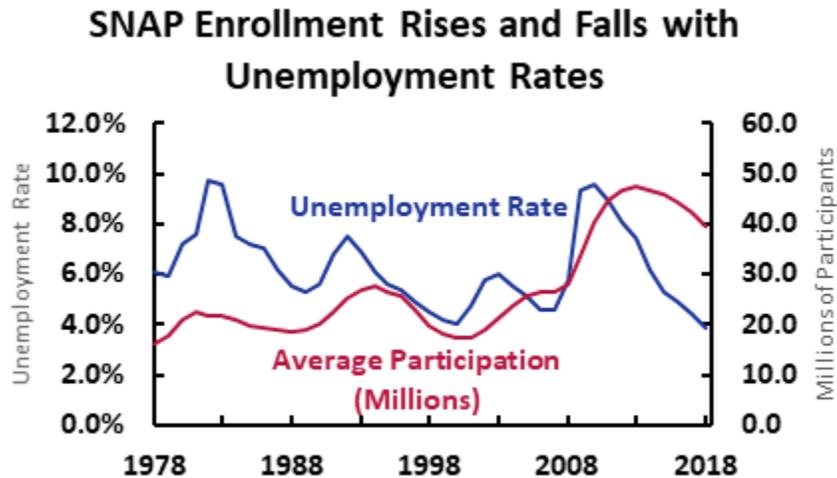
These programs are effective in part because they targets low-wealth and low-income families who [spend a greater proportion of their incomes](#) than wealthy families. In economic terms, they have a higher “marginal propensity to consume.”

The macroeconomic effect is felt quickly. Because SNAP beneficiaries typically spend all of their benefits before the end of a month, the money goes directly back into the economy. It is estimated that for every \$1 billion the government spends on SNAP benefits, GDP [increases by \\$1.54 billion](#). In 2018, [the federal government spent \\$68 billion on SNAP](#), only 2.7 percent of the non-discretionary federal budget.

Spending on SNAP benefits [creates jobs across the American economy](#), particularly in trade, transportation, and agriculture. These include jobs in trucking and at food wholesalers and groceries. Small-scale farmers have benefitted from the SNAP program in recent years through initiatives to make SNAP benefits useable at [farmers markets](#).

SNAP works as an “automatic stabilizer”

SNAP and other automatic safety net programs [stabilize the economy](#), helping to soften the blow of recessions. When a recession occurs and unemployment rates rise, affected workers have less money to spend, so their reduced consumption further slows economic growth. SNAP enrollment and benefits rise when these workers lose their jobs, helping low-income families sustain food spending and keeping economic activity from slowing more severely. No additional legislation is needed for SNAP and other automatic stabilizer programs like unemployment insurance to take effect.



Source: JEC Democratic Staff calculations using USDA and BLS data

Work requirements instituted in 1996 with the Personal Responsibility and Work Reconciliation Act lessen this protective effect. Those beneficiaries who are not disabled and have no dependents are subject to [work requirements](#) and limitations on benefits. Research shows that these [restrictions do little to encourage employment](#), but significantly reduce the number of people who take advantage of the SNAP program. This [undermines SNAP’s effectiveness as an automatic stabilizer](#).

SNAP has long-term effects on health and economic stability

SNAP [reduces food insecurity for families](#) and has both short-term effects on the health and economic stability of children and long-term effects as they grow into adults. When benefits were increased temporarily in response to the Great Recession, food insecurity (having difficulty at some time during the year providing enough food for a household) [fell for households that were eligible for SNAP](#), yet rose for households just above the SNAP income limit.

A study published in 2016 showed that children who gained access to SNAP benefits either *in utero* or in early childhood [were healthier as adults](#). Women who got access as children achieved greater economic self-sufficiency later in life (better educational outcomes, lower rates of poverty, increased likelihood of employment and a reduced need of government assistance).