



# Policy Basics: Supplemental Nutrition Assistance Program (SNAP)

November 2020

All Montanans should be able to access the food and nutrition they need to live a healthy life, but tens of thousands of people across the state face food insecurity. SNAP, the Supplemental Nutrition Assistance Program, formerly known as the Food Stamp Program, is one of the nation's most effective anti-poverty and anti-hunger programs in existence. Each year, the program provides critical food support for more than 100,000 Montanans.

## Overview

The Food Stamp Program originally began in 1939 during the Great Depression and was formalized and expanded in the 1960s. In the 1980s, the program began to include job search assistance and work-related training. In 2008, the name of the program was changed to the Supplemental Nutrition Access Program (SNAP).<sup>1</sup> Throughout its history, SNAP has been one of the nation's foremost programs to counter food insecurity and poverty. It is an effective and efficient program that has improved the lives of millions of Americans.

Today, SNAP provides basic food assistance for individuals and households, whose eligibility is based on income and existing assets, such as a savings account. Assistance is provided monthly, typically through an Electronic Benefits Transfer (EBT) card and can be used to purchase certain food products at eligible stores. SNAP benefits are federally funded, with states and the federal government splitting the administrative costs.

## Determining Eligibility

SNAP eligibility is tied to annual income and determined at the household level. All household members considered for eligibility must be U.S. citizens or legal aliens and must provide or apply for a social security number. People who live together and buy and prepare food together are considered a household. For example, spouses and children under age 22 living with their natural, adoptive, or step-parents must be considered one household.<sup>2</sup>

Expanded Categorical Eligibility (ECE – also known as Broad Based Categorical Eligibility) is a policy allowing states to slightly raise the income and impose less restrictive asset tests for those seeking food assistance. ECE helps households with high expenses and prevents a benefit cliff if income is increased.

Some households are eligible for expedited services, which makes food benefits available within seven calendar days of the application date. Eligible households include:

- households with less than \$150 in monthly gross income and less than \$100 in liquid resources;
- migrant or seasonal farm worker households with less than \$100 in liquid resources; or
- households with combined monthly gross income and liquid resources less than the household's monthly rent (or mortgage) and utilities.<sup>3</sup>

For households with a member over age 60, or a member with a disability, resources cannot exceed \$3,500 (\$2,250 for other households), unless the household qualifies under ECE. Homes, vehicles, tax-

preferred educational and retirement accounts, and combat-related military pay do not count as resources.<sup>4</sup>

SNAP Income Limits				
People in Households	Eligibility for Households		Eligibility for Households under Expanded Categorical Eligibility (ECE)	
	Gross Monthly Income	Net Monthly Income	Gross Monthly Income	Net Monthly Income
1	\$2,128	\$1,064	\$1,383	\$1,064
2	\$2,874	\$1,437	\$1,868	\$1,437
3	\$3,620	\$1,810	\$2,353	\$1,810
4	\$4,368	\$2,184	\$2,839	\$2,184
5	\$5,114	\$2,557	\$3,324	\$2,557
6	\$5,860	\$2,930	\$3,809	\$2,930
7	\$6,608	\$3,304	\$4,295	\$3,304
8	\$7,354	\$3,677	\$4,780	\$3,677
Each additional member	+\$748	+\$374	+\$486	+\$374

Income limits are through September 2021.

### SNAP Work Requirements

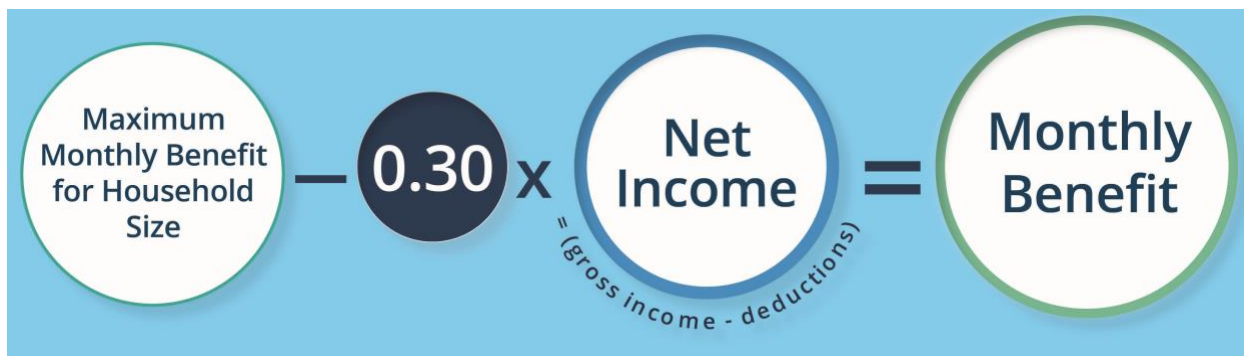
Some individuals on SNAP must meet certain work requirements. Those age 16-59 must work 30 hours a week, unless they are caring for an individual under age 6, are participating in drug or alcohol treatment program, or are in school or a training program at least half-time.<sup>5</sup> If participants fail to meet these work requirements, they are disqualified for receiving SNAP for one month. If participants fail to meet work requirements again, they are potentially disqualified for receiving SNAP permanently.<sup>6</sup>

In order to help individuals meet the work requirements, Food and Nutrition Services (FNS) provides funding annually to states to operate SNAP Employment and Training (E&T) Programs.<sup>7</sup> The SNAP E&T program assists able-bodied adults without dependents (ABAWDs) with education, training, and employment-related support services. In Montana, however, the SNAP E&T program, funded by a grant with the U.S. Department of Agriculture (USDA) and FNS is only available in Yellowstone, Missoula, and Lewis & Clark counties.<sup>8</sup>

Individuals who are ABAWDs and are age 18-49 are limited to receiving SNAP for three months out of a three-year period unless they are working or in a work-training program for at least 20 hours per week.<sup>9</sup> States may apply for ABAWD work requirement waivers for areas with high unemployment or low job availabilities.

### Benefit Calculation

Benefits are determined through a formula that considers net income and how much households will need to spend on food. On average, SNAP benefits provide \$115 in food assistance a month in Montana.<sup>10</sup> The graphic below explains how benefits are calculated.



Households are expected to contribute 30 percent of their net income after deductions to their food budget. The maximum monthly benefit is determined by the USDA's Thrifty Food Plan, which calculates how much households would have to spend to receive adequate nutrition at minimal cost.<sup>11</sup>

Net income is determined by subtracting certain deductions from a household's gross income. These deductions include:

- 20 percent of the total gross earned income for each household, standard deduction of the net income limit based on household size;
- certain dependent-care costs;
- legally owed and paid child support;
- a percentage of shelter costs (amount at which shelter costs exceed half of net income of other costs); and/or
- medical expense deduction for the portion of non-reimbursable medical expenses for elderly and disabled household members that exceed \$35 per month per household.<sup>12</sup>

## SNAP Helps Address Food Insecurity in Montana

Food insecurity in Montana is below the national average. More than 10 percent of households in the state experience food insecurity, and 3.9 percent experience very low insecurity.<sup>13</sup> Limited access to grocery stores and supermarkets plays a role, as well. In counties with significant American Indian populations, nearly 33 percent of people have low access.<sup>14</sup> Due to barriers to accessing both food and employment, food insecurity on reservations is higher, with some areas facing up to 43 percent food insecurity.<sup>15</sup>

### SNAP Households in Montana

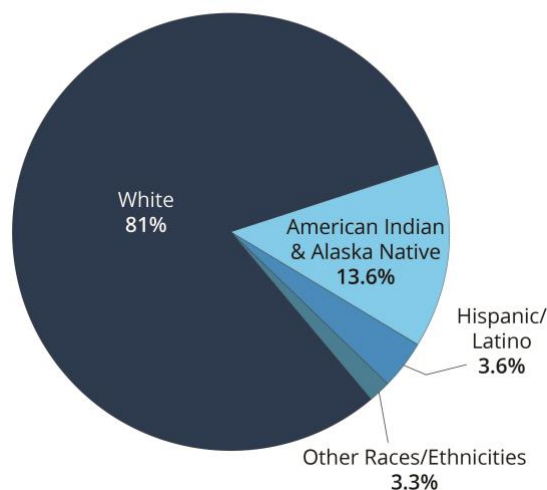
In April of 2020, 108,458 people in 54,374 households participated in SNAP in Montana.<sup>16</sup> The majority of participants are white; however, American Indians are overrepresented due to systemic economic disempowerment.

Colonialism dismantled the food systems of tribal nations and suppressed economic opportunities for American Indians.<sup>17</sup> Depressed economies create few job opportunities and result in high unemployment.<sup>18,19</sup> These external causes result in high food insecurity rates among American Indian households. American Indians represent 4 percent of all Montana households<sup>20</sup> but comprise 13 percent of those households receiving SNAP benefits. One in three American Indian households participate in the program, compared to one in ten of Montana households overall.<sup>21,22</sup>

The seven highest SNAP participation rates in the state can be found in counties with reservations within their borders. These reservations also experience high unemployment rates.<sup>23</sup> Glacier County, where the Blackfeet Indian Reservation is, for example, sees the highest SNAP participation rate in the state at 34.66 percent. Big Horn County, where much of the Crow and Northern Cheyenne Indian Reservations reside, follows with a rate of 33.49 percent.<sup>24</sup>

Consistent with the national average, an estimated 87 percent of people who are eligible for SNAP in Montana participate in the program. Among people who are eligible for SNAP and live in a household where someone earns wages, participation is slightly lower – 82 percent.<sup>25</sup> Participation for eligible seniors statewide is significantly lower than the national average. Only 33 percent of eligible seniors participate in SNAP, compared to 42 percent nationwide.<sup>26</sup>

**2017 SNAP Households in Montana**



### Most SNAP Recipients Who Can Work, Do Work

Most working-age SNAP recipients who are able to work have jobs, but those jobs are often unstable and low-paying.<sup>27</sup> In Montana, one worker was present in 43.9 percent of households, and 37.3 percent of households had two or more workers present.<sup>28</sup> Only 18.8 percent of SNAP households did not have anyone who worked in the last 12 months. SNAP recipients can experience temporary joblessness, and SNAP serves as an important short-term support. SNAP recipients are more likely to receive SNAP when they are not working than when they are.<sup>29</sup>

SNAP helps families below or near poverty level, with the vast majority of the benefits going to help those below the poverty level. About 92 percent of SNAP benefits go to the 55 percent of people living below the poverty level.<sup>30,31</sup> The median income of SNAP households in Montana was \$19,728.<sup>32</sup> SNAP also disproportionately serves households with children and people with disabilities. Households headed by single mothers have the highest rates of food insecurity.<sup>33</sup>

### SNAP Benefits are Often Inadequate

SNAP has been one of the most effective ways of reducing food insecurity, but benefits are still often inadequate to feed an entire household. Half of SNAP recipients are still food insecure. SNAP benefits are about \$11 short per person per week of the purchase cost of a nutritious meal plan.<sup>34</sup> The average SNAP benefit per recipient in Montana is \$115 a month, 12 dollars less than the national average.<sup>35</sup>

### Impacts of SNAP

The benefits of SNAP extend past increased access to healthy food. In 2016, SNAP lifted 7.2 million people, including 3.3 million children, out of poverty.<sup>36</sup> Children who receive SNAP benefits have better health and perform better in school.<sup>37</sup>

Participation in SNAP also improves outcomes for adults. Access to SNAP may lower health-care costs, with one study finding adults on SNAP incur \$1,400 less in medical care costs than non-participants living on low incomes. They also take fewer sick days and are less likely to forego medical care because they cannot afford it.<sup>38</sup>

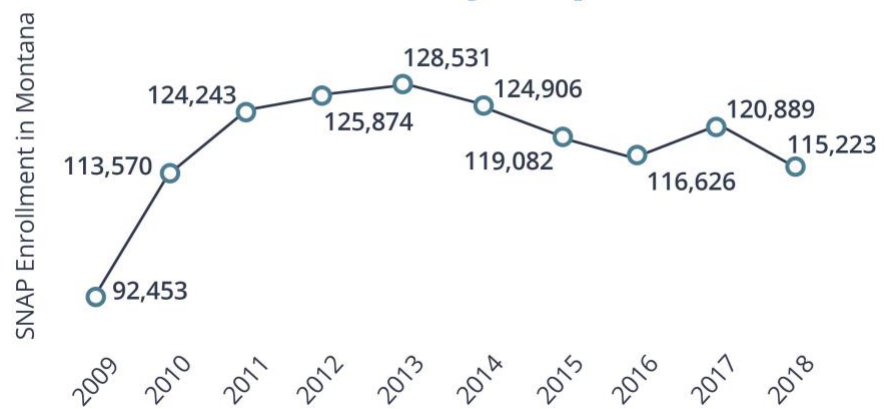
## SNAP and the Economy

SNAP is an important part of Montana's economy. Nationwide, SNAP accounts for 10 percent of the food that people purchase. Not only does SNAP increase food purchases, it frees up funds for households to purchase other important goods like medicine.<sup>39</sup> For every dollar spent in SNAP funding, \$1.80 is generated in economic activity.<sup>40</sup> For every one billion spent in SNAP funding, 13,560 jobs, including 500 agricultural jobs, are created.<sup>41</sup>

Local retailers also benefit from SNAP. In Montana, 763 retailers accept SNAP benefits.<sup>42</sup> The majority of benefits are redeemed at large superstores and grocery stores; however, 20 percent of benefits go to smaller stores. Participating retailers must meet certain requirements, such as providing access to a variety of goods including perishable foods or receiving 50 percent of retail sales from staple goods.<sup>43</sup>

During a recession, SNAP is an essential form of economic stimulus. During recessions and periods of high unemployment, more people rely on SNAP to meet basic needs. In turn, SNAP benefits help stimulate the economy. SNAP caseloads decrease as the economy improves, typically lagging 2.5 – 3 years after the unemployment rate falls.<sup>44</sup> Montana's caseload rose sharply during the Great Recession but has fallen since its high of 128,531 participants in 2013.<sup>45</sup>

## SNAP Participation Falls as the Economy Improves



## SNAP Helps Reduce Food Insecurity in Montana

SNAP plays an essential role in helping individuals and families access the food they need to maintain healthy lives. Because of the program's importance in not only reducing food insecurity, but also its ability to improve the economy and lift individuals out of poverty, SNAP should be protected and strengthened. In our land of agricultural bounty, no Montanan should worry about where their next meal comes from.

<sup>1</sup> U. S. Department of Agriculture Food and Nutrition Service, "[A Short History of SNAP](#)," accessed Feb. 4, 2020.

<sup>2</sup> Department of Public Health and Human Services, "[SNAP Program Overview](#)," accessed Feb. 4, 2020.

<sup>3</sup> Montana Department of Public Health and Human Services "[SNAP Program Overview](#)," accessed Feb. 4, 2020.

<sup>4</sup> Montana Department of Public Health and Human Services "[SNAP Program Overview](#)," accessed Feb. 4, 2020.

<sup>5</sup> Or earn the equivalent of the federal minimum wage multiplied by thirty hours a week. U. S. Department of Agriculture Food and Nutrition Service, "[SNAP Work Requirements](#)," accessed Jan. 26, 2020.

<sup>6</sup> U. S. Department of Agriculture Food and Nutrition Service, "[SNAP Work Requirements](#)," accessed Jan. 26, 2020.

<sup>7</sup> U. S. Department of Agriculture Food and Nutrition Service, "[Employment and Training](#)," accessed Mar. 3, 2020.

<sup>8</sup> Department of Public Health and Human Services, "[SNAP Program Overview](#)," accessed Feb. 4, 2020.

<sup>9</sup> U. S. Department of Agriculture Food and Nutrition Service, "[SNAP Work Requirements](#)."

<sup>10</sup> Kaiser Family Foundation, "[Average Supplemental Nutrition Assistance Program \(SNAP\) Benefits Per Person](#)," Aug. 2019.

<sup>11</sup> Department of Public Health and Human Services, "[SNAP Program Overview](#)."



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- <sup>12</sup> Department of Public Health and Human Services, "[SNAP Program Overview](#)," accessed Jan. 26, 2020.
- <sup>13</sup> U. S. Department of Agriculture Economic Research Service, "[Household Food Security in the United States in 2018](#)," accessed Jan. 26, 2020.
- <sup>14</sup> MBPC calculations using U.S. Department of Agriculture, "[Food Environment Atlas, Mar. 27, 2018, data download](#)," downloaded on Jan. 2, 2020, on file with author.
- <sup>15</sup> Journal of Hunger and Environmental Nutrition, "[Food Insecurity among American Indians and Alaska Natives: A National Profile using the Current Population Survey – Food Security Supplement](#)," Oct. 25, 2016.
- <sup>16</sup> Department of Public Health and Human Services, "[Public Assistance Dashboard](#)," accessed June 2020.
- <sup>17</sup> Echo Hawk Consulting, "[Feeding Ourselves: Food access, health disparities, and the pathways to healthy Native American communities](#)," 2015.
- <sup>18</sup> Echo Hawk Consulting, "[Feeding Ourselves: Food access, health disparities, and the pathways to healthy Native American communities](#)."
- <sup>19</sup> Department of Labor & Industry, "[Fact Sheet: Reservation Unemployment Rates](#)," accessed Sept. 2020.
- <sup>20</sup> U.S. Census Bureau, "[FOOD STAMPS/Supplemental Nutrition Assistance Program \(SNAP\) 2013-2017 American Community Survey 5-Year Estimates](#)," accessed Jan. 26, 2020.
- <sup>21</sup> U.S. Census Bureau, "[ACS Demographic and Housing Estimates, 2013-2017 ACS 5-year survey, 2013-2017](#)," accessed Mar. 3, 2020.
- <sup>22</sup> U. S. Department of Agriculture Food and Nutrition Service. "[Supplemental Nutrition Assistance Program: Number of Households Participating](#)," data as of Jan. 3, 2020 and United States Department of Agriculture Food and Nutrition Service. "[Supplemental Nutrition Assistance Program: Number of Persons Participating](#)," data as of Jan. 3, 2020.
- <sup>23</sup> Department of Labor and Industry, "[Montana Labor Market Information](#)," Dec. 2019.
- <sup>24</sup> Department of Public Health and Human Services, "[Statistical Report State Fiscal Year 2018](#)" July 2017. Counties with reservations in their borders can be seen here: <https://tribalnations.mt.gov/tribalnations>.
- <sup>25</sup> U.S. Department of Agriculture, "[Reaching Those in Need: Estimates of State Supplemental Nutrition Assistance Program Participation Rates in 2016](#)," Mar. 2019.
- <sup>26</sup> Food Research And Action Center and AARP Foundation, "[SNAP Matters for Seniors: Montana](#)," Feb. 2019.
- <sup>27</sup> Keith-Jennings, B. and Chaudhry, R., Center on Budget and Policy Priorities, "[Issue Brief: Most Working-Age SNAP Participants Work, But Often in Unstable Jobs](#)," Mar. 23, 2018.
- <sup>28</sup> U. S. Department of Agriculture Food and Nutrition Services, "[Profile of SNAP Households in 2017](#)," Aug. 2019.
- <sup>29</sup> Keith-Jennings and Chaudhry, "[Issue Brief: Most Working-Age SNAP Participants Work, But Often in Unstable Jobs](#)."
- <sup>30</sup> Center on Budget and Policy Priorities, "[Policy Basics: The Supplemental Nutrition Assistance Program \(SNAP\)](#)," June 25, 2019.
- <sup>31</sup> U. S. Department of Agriculture Food and Nutrition Services, "[Profile of SNAP Households in 2017](#)," Aug. 2019.
- <sup>32</sup> U. S. Department of Agriculture Food and Nutrition Services, "[Profile of SNAP Households in 2017](#)," Aug. 2019.
- <sup>33</sup> U. S. Department of Agriculture Economic Research Service, "[Food insecurity rates are highest for single mother households and households with incomes below poverty line](#)," Sept. 12, 2019.
- <sup>34</sup> Carlson, S., Center on Budget and Policy Priorities, "[More Adequate SNAP Benefits Would Help Millions of Participants Better Afford Food](#)," July 30 2019.
- <sup>35</sup> Kaiser Family Foundation, "[Average Supplemental Nutrition Assistance Program \(SNAP\) Benefits Per Person](#)," Aug. 2019.
- <sup>36</sup> Center on Budget and Policy Priorities, "[Chart Book: Economic Security and Health Insurance Programs Reduce Poverty and Provide Access to Needed Care](#)," Dec. 11, 2019.
- <sup>37</sup> Center on Budget and Policy Priorities, "[SNAP Helps Millions of Children](#)," Apr. 26, 2017.
- <sup>38</sup> Carlson, S. and Keith-Jennings, B., Center on Budget and Policy Priorities, "[SNAP Is Linked with Improved Nutritional Outcomes and Lower Health Care Costs](#)," Jan. 17, 2018.
- <sup>39</sup> Wolkomir, E., Center on Budget and Policy Priorities, "[SNAP Boosts Retailers and Local Economies](#)," Apr. 6, 2018.
- <sup>40</sup> U. S. Department of Agriculture, "[50 Years of SNAP](#)," Nov. 2014.
- <sup>41</sup> U. S. Department of Agriculture Economic Research Service, "[Economic Linkages: Supplemental Nutrition Assistance Program \(SNAP\) Linkages with the General Economy](#)," Aug. 20, 2019.
- <sup>42</sup> Center on Budget and Policy Priorities, "[SNAP Is an Important Public-Private Partnership](#)," accessed Sept. 2020.
- <sup>43</sup> Wolkomir, "[SNAP Boosts Retailers and Local Economies](#)."
- <sup>44</sup> U. S. Department of Agriculture Economic Research Service, "[Economic Linkages: Supplemental Nutrition Assistance Program \(SNAP\) Linkages with the General Economy](#)," Aug. 20, 2019.
- <sup>45</sup> Kids Count Data Center, "[Number of participants in the Supplemental Nutrition Assistance Program in Montana](#)," Aug. 2019.