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# Why are 47 million Americans on food stamps? It's the recession — mostly.

## By Brad Plumer, Updated: September 23, 2013

There's a fairly basic question at the core of the current food-stamp debate in Congress. Why has the program grown so rapidly over the past few years — to the point where 47 million Americans, one-sixth of the country, now receive food stamps?

Defenders of the program typically argue that enrollment rose because we had a horrific recession and unemployment hit the stratosphere. The Supplemental Nutrition Assistance Program (SNAP) is supposed to kick in to help families hit by economic distress. The program has kept 4.7 million people out of poverty. There's no problem here. And so on.

Some conservatives, meanwhile, have emphasized that a big chunk of the increase is due to policy changes by Washington. In 2008, Congress allowed states to relax their standards for who could join the program. (Jobless adults could stay in the program if they lived in high-unemployment areas, for instance.) Then, as part of the 2009 stimulus bill, Congress temporarily boosted food-stamp benefits — the average benefit was \$133 per month last year, although that increase expires this November.

So which explanation is right? Most evidence suggests that food-stamp enrollment has mainly risen due to the recession — although policy changes have played a smaller role:

1) Back in April 2012, the Congressional Budget Office estimated that about "20 percent of the growth in [food-stamp] spending can be attributed to temporarily higher benefit amounts enacted in the American Recovery and Reinvestment Act of 2009 (ARRA). The remainder stemmed from other factors, such as higher food prices and lower income among beneficiaries, both of which boost benefits."

2) More recently, economists Peter Ganong and Jeffrey B. Liebman took a fresh look at the question in a NBER working paper and came to similar conclusions. They looked at the historical relationship between food-stamp enrollment and the economy prior to the most recent recession. When unemployment rose, food-stamp use always did too. And the current increase in food-stamp enrollment is in line with this historical pattern.

"We find that changes in local unemployment can explain at least two-thirds of the increase in enrollment from 2007 to 2011," they write. Meanwhile, state-level changes that allowed more people to apply for the program explain about 18 percent of the increase. "Total SNAP spending today is 6 percent higher than it would be without these increases in eligibility."

(Note that Ganong and Liebman's conclusion jibes with other work done by the U.S. Department of Agriculture and a recent paper by economists Hilary Hoynes and Marianne Bitler. For a dissenting view, see this post by the University of Chicago's Casey Mulligan.) **3**) Another question, meanwhile, is why food stamp use hasn't fallen after the recession officially ended in 2009. The Center on Budget and Policy Priorities <u>recently argued</u> that this isn't such a big mystery. Unemployment in the United States is still extremely high. And there are still 47 million Americans living in poverty — the highest number in two decades, according to the Census.

What's more, the Congressional Budget Office <u>found</u> that "decreases in [food-stamp] participation typically lagged improvement in the economy by several years." So the current plateau isn't unusual. The Congressional Budget Office expects the number of food-stamp recipients to decline by 14 million, or 30 percent, in the next 10 years as the economy improves:

#### So why does any of this matter?

These numbers are relevant to the ongoing debate in Congress over food stamps. House Republicans recently passed a bill that would tighten many of those relaxed eligibility requirements. The GOP's changes would save \$40 billion over 10 years and push about 3.8 million people out of the program over the coming year.

Republicans, for their part, argue that the changes will give people incentive to get back to work. For example, many states currently allow jobless adults without children to stay on food stamps if they're living in high-unemployment areas. The GOP bill would cut these adults off if they don't find work or enroll in job-training or community service. (This change alone will save \$19 billion over 10 years.) House Majority Leader Eric Cantor's (R-Va.) office has put out an FAQ explaining his rationale for this bill <u>here</u>.

Critics of the food-stamp cuts counter that these changes will only increase hardship. Robert Greenstein <u>argues</u> that many of these adults kicked out of the program are unlikely to find jobs anytime soon, seeing as how the economy is still weak. So, he writes, the cuts are tantamount to to "denying benefits to needy people who try to find jobs but cannot do so and who aren't offered a work program or job training slot."

The Center on Budget and Policy Priorities has two longer briefs <u>here</u> and <u>here</u> arguing that food-stamp enrollment is mainly elevated because unemployment is so high, and the best way to shrink the program would be to figure out ways to improve the economy — rather than the other way around.

### **Further reading:**

-- Here's <u>some research</u> showing that food stamps are particularly effective at stabilizing the economy during a downturn. And here's <u>a paper</u> finding that children's access to food stamps can bolster their health and economic prospects as adults:

-- For those wondering about abuse or fraud in the program, here's a recent U.S. Department of Agriculture <u>report</u> (pdf) on "trafficking" in the food-stamp program. Between 2009 and 2011, about \$858 million worth of food stamps, or just 1.3 percent of all benefits, were traded at a discount for cash.

-- Here's <u>an in-depth narrative look</u> by Eli Saslow at the town of Woonsocket, Rhode Island, where one-third of the population is on food stamps.

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