

U.S. Nutrition Assistance Program Responses to COVID-19

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We review the three largest nutrition assistance programs in the United States—SNAP, NSLP, and WIC— and discuss how these programs can help address the food security challenge posed by the COVID-19 crisis. We will also provide a summary of policy changes made to date in these programs, and a snapshot of where policy may be headed. We conclude with some considerations for policymakers on effective policy changes particular for this situation.

The social safety net in the United States is a patchwork of programs, including the main nutrition assistance programs—the Supplemental Nutrition Assistance Program (SNAP—formerly Food Stamps—known as CalFresh in California), the National School Lunch Program (NSLP), and the Special Supplemental Nutrition Assistance Program for Women, Infants, and Children (WIC). The COVID-19 pandemic presents particular challenges for these programs—unprecedented job loss and economic hardship leading to a growing risk of food insecurity combined with challenges to the food system, including shortages of staple items at grocery stores. Below, we outline how these programs address food security needs during the pandemic and offer ideas as to how the programs could be improved.

Food insecurity has increased dramatically since the beginning of the pandemic, reaching 150–200% of levels observed at the height of the Great Recession. The Census Household Pulse Survey, collected May 7–12, finds that 12.5% of households with children do not have enough to eat at least some of the time. Estimates using

the COVID Impact Survey, collected May 4–10, indicate that 33% of households with children and 22% of all households are currently food insecure. These statistics indicate a need to revisit the food assistance landscape in the U.S. during the COVID-19 crisis.

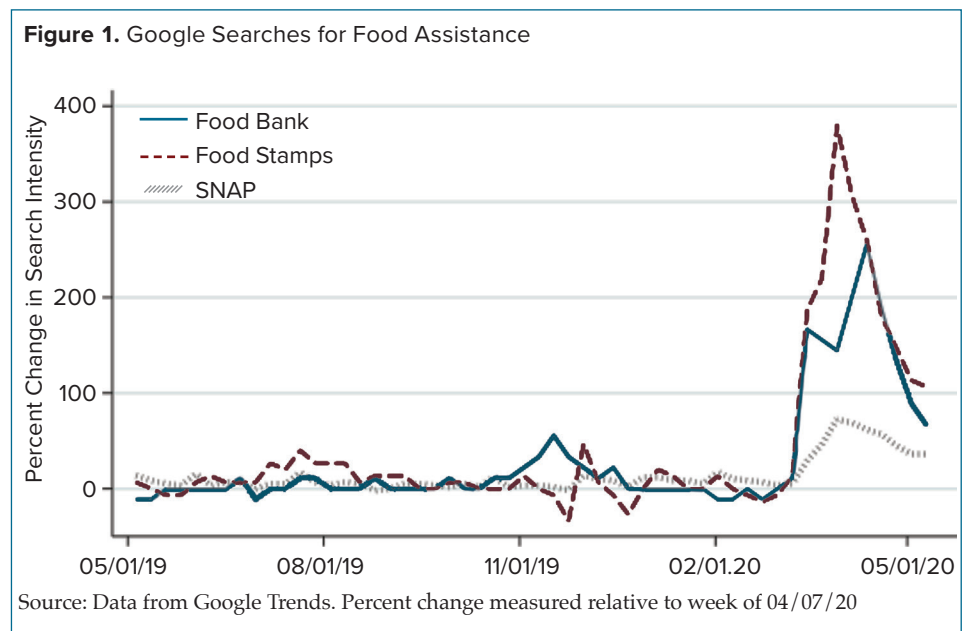
SNAP

SNAP is the largest U.S. nutrition assistance program. It provides a debit card-like instrument for eligible participants to use to purchase food for home consumption from authorized retailers. Eligible individuals are those that satisfy income requirements (generally, less than 130% of the federal poverty level) and an asset test (generally, less than \$2,250 in assets), although the asset test is a more variable requirement across states and categories of participants. In difficult economic times, households turn to SNAP. Figure 1 shows how web searches for food assistance, particularly SNAP, have increased in the current crisis. Google Trends data indicate that searches for “food stamps” and “SNAP” increased at the end of March, meaning that higher

participation and issuance of benefits may not be observable until the middle of April or May.

The most up-to-date evidence is that SNAP is responding. CalFresh applications increased by 60% in the third week of March this year relative to the same week last year. Early evidence from Los Angeles County in April indicates that applications increased 84% from March to 126,875. Notably, 70% of March applications were submitted online (compared to 47% in February and 41% the previous March), indicating that individuals are taking advantage of remote technologies to obtain benefits. An open question is if and how legislators will expand SNAP’s safety net.

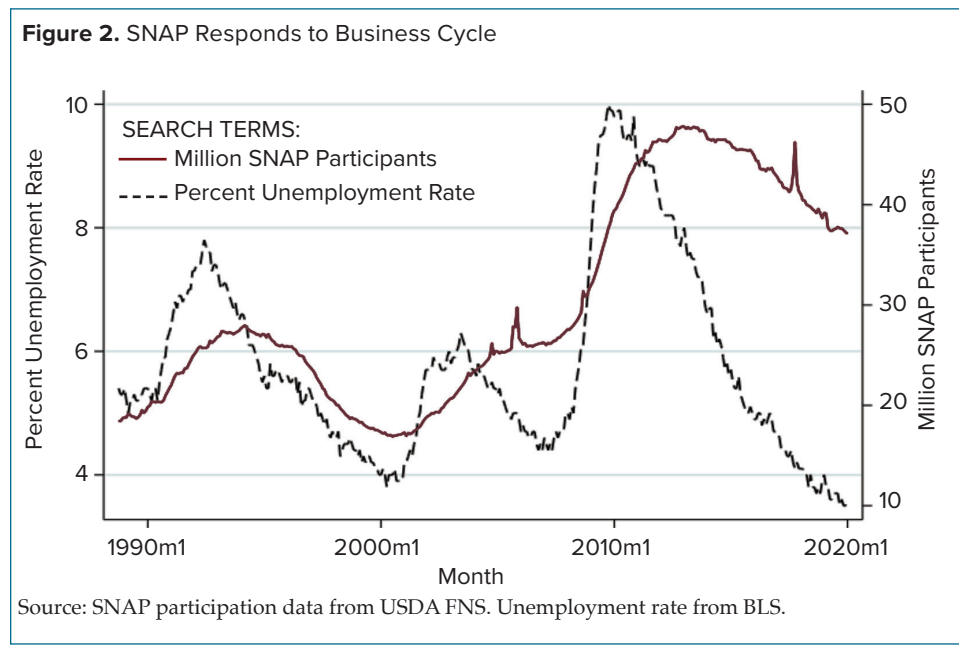
In general, during a recession, one of SNAP’s key benefits is that it is an automatic stabilizer for the economy. Eligibility criteria based on income ensure that the program expands during weak economic times and contracts when the economy is strong. Individuals who lose a job can file for benefits once they can document that they meet gross and net income



thresholds. In other words, the program will expand without legislators needing to enact changes. Households that have lost income as a result of the pandemic will become SNAP eligible, increasing resources to spend on food. SNAP has well documented success at increasing household food expenditure, improving economic and health outcomes, and reducing food insecurity. Figure 2 shows the countercyclical response of SNAP to unemployment. An additional advantage of an entitlement program like SNAP is that during a severe downturn the program can be expanded or modified relatively quickly to respond to the needs of a particular situation.

Examples of recent and ongoing legislation and legislative proposals to address the economic consequences of the pandemic include changes to reduce bottlenecks, such as loosening of interview requirements for new cases and extended certification periods, which reduce the administrative burden from recertification. Early evidence is that this has helped improve timely application processing. The roll-out of online SNAP shopping has been accelerated and is now live in 37 states (including California), meaning individuals more at risk from COVID-19 can shop safely from home. However, SNAP benefits cannot be used to pay delivery fees and delivery is not available in all areas, meaning that the policy alone may not be enough to facilitate online SNAP shopping.

Ongoing and proposed changes seek to increase the availability and generosity of benefits, with the goal to reduce food insecurity and cushioning the pandemic's economic impact. Increases in SNAP benefits will not only draw more people into the program, but also increase food expenditure by households that receive higher benefits. SNAP has a high multiplier effect, meaning that a dollar of SNAP benefits generates more than a dollar in GDP (USDA estimates adding



\$1 billion in SNAP benefits during a recession increases GDP by \$1.5 billion).

A major change to increase SNAP coverage is waiving time limits on participation for unemployed, able-bodied adults without dependents (ABAWDs). Under normal circumstances, ABAWDs may only participate in SNAP for 3 out of 36 months unless they are working at least 20 hours per week. The Families First Coronavirus Response Act suspends ABAWD work requirements from April 1 until the end of the national health emergency for all states. This new policy takes a page from the American Reinvestment and Recovery Act of 2009, passed in response to the Great Recession.

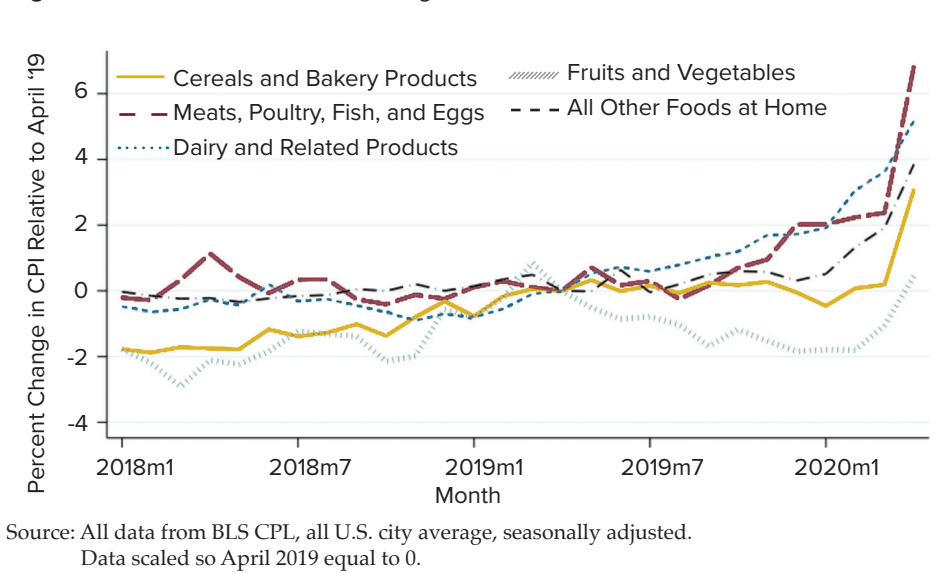
Prior to the recent crisis, work requirement waivers have been contentious. April 1 was the intended start date of a proposed rule to limit states' ability to waive ABAWD work requirements. In normal times, the proposed rule would have disqualified at least 700,000 people from SNAP benefits and would certainly affect more individuals in the present economic situation. The U.S. District Court for Washington DC issued an injunction blocking this rule on March 13; on

May 12, the USDA indicated it would appeal this decision.

Other policy changes in response to COVID-19 make SNAP more generous for some households. All 50 states and the District of Columbia have been issued emergency allotments, which increase the household's benefits received to the maximum level for a household of that size. For the 60% of households who were not already receiving the maximum benefit level (i.e., less disadvantaged households), this will mean an increase in benefits. Reduced administrative burden and higher benefits will likely induce households at the upper end of income eligibility to participate, as the benefit from participating in the program is now higher relative to the costs of entering. However, the 40% of SNAP households who receive the maximum benefit will see no changes in benefits. These are the most disadvantaged households. SNAP researchers and policymakers have called for an increase in SNAP benefits to address this gap.

However, the economic disruptions caused by COVID-19 have some unique features that interact with the SNAP program in unprecedented ways and may call for a rethinking

Figure 3. COVID and Food Price Changes



of current benefit levels. The first is simply that food prices have increased as food-at-home demand has spiked (see Figure 3). Note that the USDA calibrates SNAP benefit levels to the Thrifty Food Plan (TFP). The TFP is a fixed basket of foods that provides a cost minimizing, nutritionally complete diet. As noted in Bruno, Sexton, and Sumner's Mar/Apr 2020 *ARE Update* piece, some food retail prices are rising, and some goods are stocked out. Forty percent of calories in the TFP come from whole grains and legumes—non-perishable staples that media reports suggest have been particularly hard to find.

Implicit in the TFP is the assumption that households have access to the lowest-cost version of all the products in the plan. SNAP participants are on average thrifty shoppers, paying less per unit for food than other shoppers, and paying less per unit as their benefits become scarcer at the end of the month.

However, the shopping behaviors that allow SNAP households to pay less—choosing lower quality or bargain items and shopping at multiple outlets—are not feasible in the face of stockouts and stay-at-home orders. As with any fixed basket, the TFP does not account for the substitutions that

households need to make when facing stockouts. In short, SNAP participants are likely to face higher prices because of a general increase in the price level, and stockouts and stay-at-home orders constrain their choices. This means that SNAP households' existing benefits will not go as far in the current food environment.

National School Lunch Program

Schools are an important source of food for children. With school closures resulting from COVID-19, the 21.9 million children who received free or reduced-price lunches through the National School Lunch Program (NSLP) are not able to access those calories. USDA's Food and Nutrition Service (FNS) has issued a number of nationwide waivers of standard NSLP policies to provide food to children who are not attending school anymore. Parents and guardians can pick up meals for children (without the child needing to be present), for the duration of the federal public health emergency. Meals may be delivered under the guidelines of the Summer Meals Program. Meals may be served in non-traditional settings and outside of designated mealtimes to allow for increased social distancing. The program will not enforce minimum requirements on nutrients

and servings of fruit, vegetables, grains, meat, and milk. Together, these requirements make it easier for children to receive the nutrition from schools that they typically would, even when schools are closed.

That said, these changes to NSLP will not be feasible for all families, and still require families or school representatives to physically move food around, increasing their exposure to COVID-19. Families receiving NSLP will still have to shop for groceries. Providing the cash value of missed school meals on an electronic benefits transfer (EBT) card, which can only be used to purchase food for at-home consumption, reduces excess viral exposure. SNAP uses the same method to dispense benefits. If states can link students receiving free and reduced-price lunches to SNAP recipient households, the household can simply receive the additional value on their SNAP benefits card. Delivering benefits by EBT decreases virus transmission risk relative to pick up or drop off and gives families flexibility in preparing meals together at home. USDA FNS is allowing states to apply to implement this school meal replacement system, known as Pandemic EBT or P-EBT. As of May 21, 34 states have been approved for P-EBT. The HEROES Act recently introduced in the House of Representatives would extend P-EBT until schools reopen.

WIC

The last large nutrition assistance program is WIC, the Special Supplemental Nutrition Assistance Program for Women, Infants, and Children. WIC provides infants, children under 5, and pregnant and post-partum women with a bundle of nutritious foods. In general, WIC provides a specific set of foods—for instance, a 16-oz loaf of whole wheat bread of certain brands. Typically, WIC participants cannot use their benefits if the WIC-prescribed item is not available.

For the duration of the COVID-19 crisis, FNS is allowing states to apply for waivers to substitute items in food packages if availability is limited. As of May 21, all state agencies except Kentucky, Mississippi, New York, Oklahoma, and West Virginia have approved food package substitution waivers. Twelve states waived the minimum stocking requirements for WIC-authorized retailers.

WIC operates as a block grant, meaning that a fixed budget is set aside for the program each year so that the program cannot expend more than its block allowance (SNAP's funding structure allows it to grow without having to authorize additional funds). To fund additional participants, FNS has allocated \$500 million of funding for WIC, a 10% increase on FY19 program expenditure. The HEROES Act, as initially proposed, would increase that funding by a further \$1.1 billion.

To limit the potential spread of COVID-19 between WIC participants and WIC staff, households can enroll or re-enroll in WIC without visiting a clinic and receive benefits without a clinic visit in all states.

Food Banks

The programs described above do not cover all individuals whose food security has been impacted by the 2019 novel coronavirus. Legal immigrants who have been in the U.S. less than 5 years and undocumented immigrants will not be able to receive SNAP in most states. People marginally above income cutoffs—approximately 130% of the federal poverty level, or \$2838/month for a family of four—will, in general, not be eligible for SNAP (there are exceptions: California allows SNAP eligibility up to 200% of the poverty level). For these individuals, food banks generally become the food provider of last resort. Food banks report substantially increased demand over the past two months. In California, food bank demand has

increased by 73% on average since the middle of March. Food banks are serving not only individuals who have lost income, but also those who may not be able to access food at stores because of stockouts.

Policy Suggestions

Participants in federal nutrition assistance programs face unprecedented economic hardship due to the COVID-19 pandemic. A consequence of the pandemic is that SNAP benefits simply don't go as far as they used to—food prices are up 4.1% year-over-year in April. This is likely a lower bound on the true cost increases faced by SNAP households. In addition to higher retail prices, stockouts and lockdowns mean that the components of a cost-minimizing basket of foods may not be accessible, leading to higher costs to achieve the same nutritious diet. While policymakers have responded by allocating the maximum benefit amount to all households, this leaves out the 40% of households—those with the lowest incomes—who already receive the maximum.

The proposed HEROES Act, passed by the House of Representatives as of this writing, raises SNAP benefits for all participants, citing the rising cost of the Thrifty Food Plan. The Act would raise benefits by 15%, compared to the 13.6% increase mandated during the Great Recession. Evidence suggests the benefit increase during the Great Recession was an effective policy response and led to a decline in food insecurity, an increase in food spending, and an increase in calories consumed. Increasing benefits at least as much as during the Great Recession is warranted given the structural challenges facing food assistance programs and severe economic distress caused by the COVID-19 crisis. Benefit increases in WIC and P-EBT, which cover women and children experiencing the highest rates of food insecurity during the pandemic, would mitigate the shock to nutrition.

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For additional information, the authors recommend:

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