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The Food for Families in Crisis Act

*Reforming SNAP to Automatically Respond to Deteriorating Economic Conditions,
Including During and After the COVID-19 Crisis*

Background: The Supplementary Nutrition Assistance Program (SNAP) provides electronic benefits to low-income households for food purchase. SNAP is the largest program for food assistance in the country, reaching 1 in every 9 Americans.¹ 44% of SNAP recipients are children, making it one of our most well-targeted programs at alleviating child hunger.²

In addition to being one of the nation's most successful social assistance programs, SNAP is one of its most effective stimulus programs during recessions. SNAP recipients use their benefits quickly, spending 80% within just two weeks of receipt, and 97% within one month.³ A [study by Moody's Analytics](#) found that every dollar increase in SNAP benefits during the Great Recession generated roughly \$1.70 of economic activity.⁴ SNAP benefit increases can also be administered easily through recipients' Electronic Transfer Benefits ("EBT") cards.

The American Recovery and Reinvestment Act (ARRA) increased the maximum monthly SNAP benefit by 13.6% beginning in 2009.⁵ This increase provided a significant level of economic security, and total SNAP expenditures continued to rise through 2013 in order to meet the needs of American families recovering from the downturn.⁶ However, the increases came later than necessary to provide assistance and boost the economy, instead of scaling up automatically when the economy began to deteriorate.

Summary of Proposal

During economic downturns, critical safety net programs like SNAP need to expand quickly and automatically in order to support those most in need. By automatically increasing SNAP benefits and suspending restrictions in the program as soon as the unemployment rate rises by 0.5 percentage points within a 12-month period, the Food for Families in Crisis Act will ensure that families receive support and food security when the economy first shows signs of strain. For example, had the SNAP expansion in this proposal been law prior to the Great Recession, benefits would have increased automatically in April 2008, a full nine months before Congress increased SNAP benefits through ARRA.⁷

Automatic Increases in Recessions: The proposal would use a national unemployment trigger, known as the Sahm Rule, to automatically expand SNAP benefits and eligibility during economic downturns. When

¹ [CBPP A Closer Look at Who Benefits from SNAP](#)

² [CBPP SNAP Helps Millions of Children](#)

³ [Recession Ready](#) (223)

⁴ [CBPP SNAP Policy Basics](#)

⁵ [CBPP SNAP Benefit Boost in 2009 Recovery Act Provided Economic Stimulus and Reduced Hardship](#)

⁶ [Recession Ready](#) (30)

⁷ [Recession Ready](#) (44)

unemployment rises by 0.5 percentage points in a 12-month period, the proposal will:

1. Increase the maximum SNAP benefit by 15% and set the minimum benefit at \$30;
2. Suspend work search requirements until the economy recovers; and
3. Provide additional funding for the Food Distribution Program on Indian Reservations.

The benefits increase and suspended work requirements would continue until unemployment falls to pre-downturn levels. SNAP benefits would automatically increase the following month if this proposal were enacted today and continue until the economy returns to near pre-crisis levels of unemployment.

Permanent Modernization of SNAP: The proposal would also modernize SNAP permanently by ensuring that all states use broad-based categorical eligibility to increase eligibility nationwide for SNAP benefits. In other words, people who qualify for other programs targeted toward low-income households would be categorically eligible for SNAP, without having to file additional burdensome paperwork.

Detailed Proposal

I. Improving SNAP as an Automatic Stabilizer

1. **Implement an Economic Trigger to Jumpstart Automatic Stabilizers:** Often, Congress is too slow to act to counter a recession. In the last recession, the major economic support package that included increases in SNAP benefits did not pass until February 2009, more than a year after the Great Recession had officially begun. The delay increased economic hardship for millions of families and lengthened the economic downturn.

- **Proposal:** The Bennet proposal uses an “elevated unemployment period” to trigger an expansion of the SNAP.
 - **Elevated Unemployment Periods (EUP):** This trigger, based on what is popularly known as the “Sahm Rule,” is met when the 3-month moving average national unemployment rate is 0.5 percentage points or more above its lowest level in the previous 12 months. The national trigger was met in every recession since the 1970s within 3 to 5 months after the recession began and virtually never outside of a recession. In contrast, currently, official announcements of a recession usually occur up to a year late. The EUP trigger is a reliable and timely indicator that the economy is in a downturn. In our proposal, the Bureau of Labor Statistics would publish whether the EUP trigger was met in its monthly employment situation reports. Upon an EUP trigger, the Bennet proposal would automatically expand SNAP benefits and eligibility. Furthermore, the period would continue until the following three conditions are met:
 - i. **Unemployment is Falling:** The 3-month moving average of the national unemployment rate has declined for two consecutive months since the trigger on occurred;
 - ii. **Unemployment is Below 5.5%:** The 3-month moving average of the national unemployment rate is below 5.5%; and
 - iii. **Unemployment is Less Than 1.5 Percentage Points above the month before the EUP triggered on:** The 3-month moving average national

unemployment rate is within 1.5 percentage points of its level in the month prior to the start of the Elevated Unemployment Period.

2. **Increase Benefits:** Recessions have an especially harsh impact on the working poor, many of whom receive SNAP benefits. Reductions in hours and job losses increase food insecurity for our nation's most vulnerable, particularly children.
 - **Proposal:** The Bennet proposal would increase the maximum SNAP benefit by 15% until the three economic conditions above indicating a recovery are met. The proposal would also increase the minimum benefit amount to \$30.
3. **Suspend Work Requirements:** Currently, the SNAP program requires certain individuals ("able bodied adults without dependents") to work a minimum number of hours to receive benefits. These rules deny many individuals and families access to benefits even if they are aggressively seeking a job, but cannot find one during a recession.
 - **Proposal:** The Bennet proposal suspends all work requirements that limit eligibility until the economy recovers.
4. **Increase Funding for Administration of the Food Distribution Program on Indian Reservations (FDPIR):** During the Great Recession, the American Recovery and Reinvestment Act increased funding for the FDPIR by \$5,000,000 for facility improvements and equipment upgrades.
 - **Proposal:** Our proposal would allocate an additional \$7,000,000 for equipment upgrades and facility improvements during recessions.

II. Permanent Changes to the SNAP Program

1. **Require the Use of Broad-Based Categorical Eligibility:** Currently, certain households are "categorically eligible" for SNAP based on their participation in Supplemental Security Income (SSI), state-run General Assistance (GA) programs, or if they receive Temporary Assistance for Needy Families (TANF) cash assistance. States can also use "broad-based categorical eligibility" (BBCE),⁸ to provide SNAP eligibility to households receiving non-cash benefits and other services funded by the TANF block grant. Many low-income families receive other kinds of TANF assistance but are not eligible for SNAP under its gross-income limit of 130% of the federal poverty line, or its asset test, which discourages even modest savings among vulnerable families. BBCE allows expanded SNAP eligibility, and also reduces burdensome paperwork requirements for many vulnerable families.
 - **Proposal:** The Bennet proposal would ensure the use of BBCE in all states in order to expand SNAP's reach and ensure proper nutrition to even more struggling families.

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⁸ CRS Report: [SNAP: Categorical Eligibility](#) (1).