

# POLICY STATEMENT

MARCH 2017



## FARM BILL POLICY AND THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

### Key Findings from the 2016 White House Report on SNAP

- Nearly one in seven American households experience food insecurity, lacking the resources for consistent and dependable access to food. The SNAP program benefits more than 15 million children who are in one of every two households receiving benefits.
- SNAP benefits support vulnerable populations including children, people with disabilities and older Americans, as well as an increasing number of low-income working families.
- SNAP plays an important role in reducing poverty and food insecurity. SNAP benefits lifted at least 4.7 million people out of poverty in 2014, including 2.1 million children.
- SNAP's positive effects extend across the lifespan. SNAP benefits for expectant mothers can reduce the incidence of low birth-weight babies between five and 23 percent. Receiving SNAP benefits as a child can increase likelihood of completing high school by up to 18 percent. SNAP benefits can also lead to overall health and economic self-sufficiency among women.
- Although essential in addressing food insecurity and nutrition, current SNAP benefit levels are not sufficient to sustain many families through the end of the month. More than half of SNAP households report experiencing food insecurity. Research has shown that exhaustion of SNAP benefits by the end of the month can also decrease test scores and increase disciplinary events among school-aged children. Insufficiency of benefits can cause serious health problems related to diabetes and can lead to costly and avoidable hospitalizations.

### Background

For more than 50 years, the Supplemental Nutrition Assistance Program (SNAP – formerly Food Stamps) has been vital in addressing food insecurity and nutrition in the United States. It has an impact on health, educational attainment and economic self-sufficiency.<sup>1</sup> The program helps more than 45 million Americans struggling through underemployment and low or stagnant wages. The majority of benefits go to households with children, older adults or those with disabilities.<sup>2</sup>

Recently, SNAP participation has dropped, declining in 40 states and the District of Columbia.<sup>3</sup> This is the lowest SNAP participation rate since 2010. It's likely due to the slowly improving economy reducing financial need among some households, but also the strict time limits established by Congress that have led to some jobless adults losing eligibility.<sup>2</sup>

### SNAP and Food Insecurity

Food insecurity and poor nutrition remain problems for millions of American households. Research shows that SNAP benefits are often not adequate to last a family the entire month.<sup>4,5</sup> A 2016 report<sup>3</sup> summarized the important role SNAP plays in addressing food insecurity. Importantly, the majority of SNAP recipients who are eligible for work do so while on the program, underscoring that many recipients are using the program to overcome underemployment or temporary job loss.<sup>6</sup>

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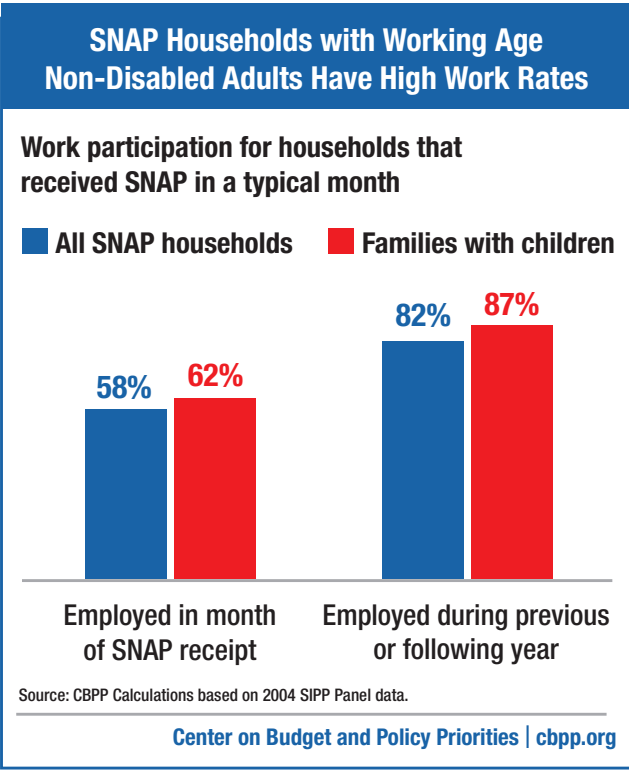
*“We can all agree that no one ought to go hungry in America, and SNAP is essential in protecting the most vulnerable citizens during tough times. For many it is a vital lifeline to keeping food on the table”*

Chairman K. Michael Conaway

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A recent U.S. House of Representatives Committee on Agriculture report<sup>7</sup> affirmed the importance of SNAP, but proposed areas of improvement. These included innovation and flexibility in program delivery, work requirements and SNAP employment and training programs, maintaining program integrity, and improving food access and promoting healthy food.

The American Heart Association will focus on diet quality in the forthcoming reauthorization of The Farm Bill, with the goal of ensuring that low-income Americans have access to healthy foods and beverages.



**Center on Budget and Policy Priorities**  
<http://www.cbpp.org/research/the-relationship-between-snap-and-work-among-low-income-households>

### SNAP and Healthy Food Access

Although diet quality has been steadily improving in the U.S. during the past two decades, overall dietary quality is still poor. Most significantly, there is a widening gap associated with education and income.<sup>8</sup>

Despite the important role SNAP plays in addressing hunger, additional data indicate that SNAP recipients have worse diet quality than income-eligible non-participants.<sup>9,10,11,12</sup> Although diet quality for low-income consumers tends to be poor overall, one study found that SNAP beneficiaries consumed 39 percent fewer whole grains, 46 percent more red meat, and, in women, 61 percent more sugar-sweetened beverages compared with non-participants.<sup>13</sup>

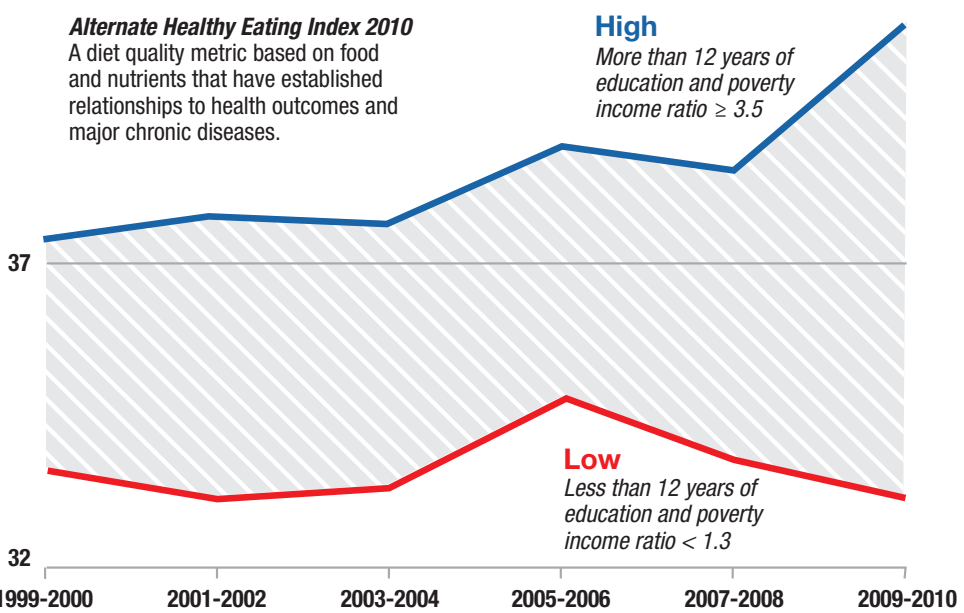
Another study found that sugar-sweetened beverages accounted for 58 percent of refreshment beverages purchased by SNAP households, and SNAP benefits paid for 72 percent of the sugary drinks purchased by SNAP households.<sup>14</sup> In both SNAP and SNAP-eligible households, more money is spent on sugar-sweetened beverages (SSBs) than any other food commodity and SNAP households spend somewhat more on SSBs than non-SNAP households.<sup>15</sup>

Unlike other federal feeding programs like the Women, Infants, and Children Program (WIC) or the Child and Adult Care Food Program (CACFP), which have nutrition standards for foods and beverages that can be served or purchased, the SNAP program does not focus on diet quality.

### The Diet Quality Gap

In the U.S., the gap in the quality of diets has widened between the haves and the have-nots.

#### Diet Quality by Socioeconomic Status



Diet quality scores do not include trans fat component.

National Geographic Staff. Source: Dong D. Wang, et al., Harvard University School of Public Health. <http://news.nationalgeographic.com/news/2014/09/140901-american-diet-obesity-poor-food-health/>



SNAP consumers can buy almost any food or beverage with their benefits. And who bears the economic cost of poor diet quality? Tax payers are footing the bill for unhealthy foods and beverages and bearing the associated subsequent health care costs that are a result of diet-related chronic disease. Lower job productivity, absenteeism and diminished military readiness are also consequences.

There is increasing public support for amending SNAP to add nutrition criteria to use government dollars toward healthful items to improve the health status of those with the greatest health disparities.<sup>16,17</sup> Research has demonstrated that increasing the amount SNAP participants can spend on food does improve diet quality, correlating with increased purchase of fruits and vegetables, whole grains and dairy.<sup>18</sup>

#### Public Support for Addressing Diet Quality in SNAP<sup>13</sup>

- In qualitative research by Leung et al., 82 percent of survey respondents support providing additional benefits to program participants that can be used to purchase only healthful foods.
- A majority of SNAP participants support removing SNAP benefits for sugary drinks.
- Of the 46 percent of SNAP participants who initially oppose removing sugary drinks, 45 percent support removing SNAP benefits for sugary drinks if the policy also includes additional benefits to purchase healthful foods.

Some experts have urged the U.S. Department of Agriculture (USDA) to pilot SNAP purchasing restrictions to support a healthier dietary pattern. Some states and large municipalities have applied for waivers to disallow sugary drinks or foods with little or no nutritional value. Until this time, the USDA has rejected these applications saying this differentiation would be too difficult to implement in retail environments. Now there is indication that the USDA would be more responsive to applications from certain states that included both an incentive for healthy food purchases combined with restricting certain unhealthy foods or beverages.

And the Healthy Incentives Pilot Program (as described below) and other initiatives have demonstrated that it is very feasible to implement incentives and restrictions within the program.<sup>19</sup> Some research has estimated that banning sugary drink purchases using SNAP benefits could avert 510,000 diabetes person-years and 52,000 deaths from heart attacks and strokes over the next decade, with a cost-savings of \$2,900 per quality-adjusted life years (QALY) saved.<sup>20</sup> One QALY represents one year in perfect health and is an economic measure that captures the value of investment for quality and quantity of life lived.

The federal government spends millions of dollars each year on the purchase of sugary drinks and other unhealthy foods that contribute to poor health outcomes and result in higher health care expenditures and diminished quality of life.<sup>21,22</sup>

These drinks are the leading single source of added sugar in the American diet. The food industry and retailers, who are the ultimate beneficiaries of SNAP dollars, have consistently and openly opposed adoption of any nutrition standards in SNAP.<sup>23</sup> The hunger community has expressed concerns of embarrassment, stigma, potentially reducing SNAP participation and unfair targeting of low-income consumers if there were restrictions on SNAP purchases.<sup>24</sup> These concerns are understandable and valid and underscore the importance of addressing the overall diet quality of SNAP participation, combining incentives with disincentives or restrictions to increase healthy food and beverage purchasing within the program. There is also a need for continued research to further assess the impact on participation and population health while being sensitive to the real issues surrounding stigma, education and ease of check-out.

#### Current or past programs addressing diet quality in SNAP

##### *Healthy Incentives Pilot (HIP) Program<sup>14</sup>*

The Food, Nutrition, and Conservation Act of 2008 authorized \$20 million for pilot projects to evaluate health and nutrition promotion in SNAP to determine if incentives provided to SNAP recipients and point-of-sale increased the purchase of fruits and vegetables. Under HIP, 7,500 households in Hamden County, Massachusetts were randomly selected to receive a financial incentive for purchasing fruits and vegetables, while the remaining 47,595 households continued to receive SNAP benefits as usual. Overall, HIP participants purchased and consumed more fruits and vegetables. Retailers found the program easy to administer and they increased shelf space or display for fruits and vegetables in store. Specific results were:

- HIP participants (respondents 16 and older) consumed almost a quarter of a cup (26 percent) more targeted fruits and vegetables per day than did nonparticipants.
- HIP households spent more SNAP benefits on targeted fruits and vegetables than non-HIP households in participating supermarkets and superstores – \$12.05 versus \$10.86 on average each month – an increase of \$1.19 or 11 percent.
- HIP survey respondents reported spending \$78.17 each month on all fruits and vegetables, \$6.15 more than non-HIP households. This includes spending with Electronic Benefits Transfer (EBT) and other forms of payment in both participating and nonparticipating retailers.
- Two-thirds of HIP households said they bought larger amounts and a greater variety of fruits and vegetables because of HIP.
- Three-quarters of HIP households felt that fruits and vegetables had become more affordable due to HIP.
- HIP participants were more likely to have fruits and vegetables available at home during the pilot.
- Awareness and understanding of HIP increased over time.



- Most retailers did not find HIP difficult to operate. More than 90 percent of participating retailers reported no change in check-out time, and only 15 percent indicated that HIP purchases were hard to process.
- More than half of participating grocery stores received more shipments from a supplier, increased the frequency of restocking the display floor or increased shelf space for fruits and vegetables.
- Participating retailers without integrated electronic cash registers were more likely to report negative effects on store operations.
- Total costs for implementing HIP, including the \$263,043 in incentives earned by HIP participants, were \$4.4 million. The largest share of costs (55 percent) were incurred for system design, development and testing for EBT and retailer systems changes, which are largely one-time costs.
- The estimated total cost for implementing HIP nationwide is approximately \$90 million over five years, including costs for modifying EBT and retailer systems and state agency costs.

Estimates for annual incentive costs range from \$825 million to \$4.5 billion, depending on assumptions about retailer participation and fruit and vegetable spending. Forthcoming

modeling studies will estimate the health care cost savings of implementing nutrition standards for SNAP.

#### ***Food Insecurity Nutrition Incentives (FINI)***

The Agriculture Act of 2014 authorized the USDA to provide Food Insecurity Nutrition Incentives (FINI) grants to eligible organizations to design and implement projects to increase produce purchases among low-income consumers participating in SNAP by providing incentives at point of purchase. As part of this work, the USDA's Food and Nutrition Service is collecting information to measure changes in fruit and vegetable purchases and consumption, food insecurity, perceived diet quality and health status among SNAP participants who receive incentives at point of purchase.

#### ***Nutrition Education (SNAP-Ed)***

SNAP is supplemented by the SNAP Education (SNAP-Ed) program,<sup>25</sup> which together mitigate the effects of poverty on food insecurity. SNAP-Ed addresses nutrition education, physical activity and obesity prevention and aims to increase the likelihood that SNAP-Ed household will make healthy diet and physical activity choices with a limited budget. A recent evaluation framework has outlined 51 key indicators that can be used to consistently evaluate the effectiveness of the program.

### **Policy Recommendations for the Upcoming Farm Bill**

The Farm Bill is a comprehensive multi-year bill that addresses agricultural and nutrition policy issues. It is typically renewed every five years and is scheduled to be reauthorized in 2018. Outlays for nutrition are about four-fifths of the full cost of the legislation and include SNAP and other nutrition programs. SNAP itself has an annual cost of approximately \$74 billion.<sup>26</sup> With the improving economy, the Congressional Budget Office projects that SNAP spending will continue to fall as a percentage of GDP, even if there are no cuts in the Farm Bill legislation.<sup>26</sup>

#### **SNAP**

The work on SNAP will require significant coordination between federal and state advocacy efforts. There is opportunity to approach changes in the program at the state level by submitting optimal waiver applications to the USDA to improve healthy food and beverage purchasing.

It will be necessary to protect funding and access for the program, while at the same time addressing diet quality. The primary goal will be optimizing federal spending to provide healthy food and beverage access to low-income beneficiaries. Recent research has shown greater effectiveness of combining an incentive and disincentive approach to improve healthy eating and diet quality in federal nutrition programs. Specifically, the association will advocate for:

- Keeping SNAP (and all of Title IV) together as one comprehensive Farm Bill and not separated into different legislation.
- Protecting SNAP benefits, increasing benefits to help close the monthly gap and helping ensure diet quality.
- Creating an enhanced pilot program within SNAP that assesses the outcome of fruit and vegetable incentive purchasing combined with removal of sugary drinks to evaluate the effects on consumer purchasing, healthy food and beverage consumption, short-term health outcomes and retailer implementation.
- Asking for report language that directs the USDA to invite applications from states to pilot approaches to increase access to healthy foods and beverages and improve the diet quality for SNAP participants coupled with robust evaluations.
- Increasing funding for SNAP-Ed and continue support of innovative nutrition education.
- Expanding the Food Insecurity Nutrition Incentives (FINI) grants that provide resources to eligible organizations to design and implement projects that improve healthy food purchasing within SNAP. Expansion should include grants that allow for both fruit and vegetable incentive purchasing and removal of sugary drinks and should be effectively evaluated.
- Protecting the standards for authorized SNAP retailers to offer a larger inventory and variety of healthy food options.



- Expanding SNAP EBT at farmers' markets, farm stands, green carts and other non-traditional food retailers.
- Create market capacity, tools and infrastructure to implement incentives/disincentives. Possible avenues are healthy food financing, social impact bonds and the Farmers Market Promotion program.

### Fresh Fruit and Vegetable Program

The Fresh Fruit and Vegetable Program (FFVP) operates in selected low-income elementary schools in the 50 states, the District of Columbia, Guam, Puerto Rico and the Virgin Islands. It currently provides \$158 million in assistance to state agencies.<sup>28</sup> States select schools to participate on the basis of criteria in the law, including the requirement that each student receives between \$50 and \$75 worth of fresh produce over the school year.<sup>28</sup>

Depending on enrollment and the allotment for each child, the USDA estimated that the expanded assistance helped schools serve an additional 600,000 to 950,000 students in the 2011-12 school year.<sup>28</sup> Research has shown that the FFVP increases fruit and vegetable consumption of all forms in children<sup>29,30</sup> and can decrease obesity in participants.<sup>31</sup> An independent evaluation found that the Fresh Fruit and Vegetable Program increased students' average fruit and vegetable consumption by 15 percent in participating schools but did not increase overall caloric intake, suggesting that children replaced less healthy foods in their diets with fruits and vegetables.<sup>32</sup> The American Heart Association will advocate for:

- Maintaining funding for the FFVP
- Preserving the program's integrity.

The Policy Research Department links scientists, clinicians and policymakers to improve cardiovascular health and decrease heart disease and stroke mortality. For more information, visit <http://bit.ly/HEARTorg-policyresearch> or connect with us on Twitter at @AmHeartAdvocacy using the hashtag #AHAPolicy.

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