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USDA Announces Important SNAP Benefit Modernization

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The U.S. Department of Agriculture (USDA) announced August 16 that it has updated the Thrifty Food Plan (TFP), which is used to set the amount of food assistance people participating in the Supplemental Nutrition Assistance Program (SNAP) receive, to more accurately reflect the cost of a healthy diet. Congress directed USDA to undertake this science-driven update to the TFP in the bipartisan 2018 farm bill. This long-overdue update is an important step toward better aligning SNAP benefit levels with the program’s mission of increasing food security and reducing hunger.¹

Until now, the Thrifty Food Plan had been adjusted only for inflation since the 1970s, even as our understanding of what constitutes a healthy diet changed. That’s left SNAP benefits badly out of line with the most recent dietary recommendations and the economic realities most struggling households face when trying to buy and prepare healthy foods. This revision, however, established a plan that meets current dietary guidelines and reflects a variety of foods that are commonly consumed by U.S. households while still requiring households to economize on their food purchases. The result is a Thrifty Food Plan that includes a greater variety of fruits, vegetables, lean meats, and seafood than in the past, which costs more than prior highly unrealistic food plans.

The update to the TFP will increase maximum SNAP benefits by 21 percent, raising average benefits per person per day by about \$1.20 to about \$5.45 in fiscal year 2022 — a modest but meaningful increase to SNAP benefit levels for millions of participating households.² The updated TFP will lift 2.4 million SNAP participants — including over 1 million children — above the poverty line and will improve food security and promote children’s health.³

While the increase in SNAP benefits resulting from the revised TFP will make benefits more adequate going forward, SNAP households will see a smaller immediate increase in their benefits

¹ See Steven Carlson, Joseph Llobrera, and Brynne Keith-Jennings, “More Adequate SNAP Benefits Would Help Millions of Participants Better Afford Food,” CBPP, updated July 15, 2021, <https://www.cbpp.org/research/food-assistance/more-adequate-snap-benefits-would-help-millions-of-participants-better>.

² The figures do not include the temporary, pandemic-related SNAP benefit increases that are now in place but expire in the coming months.

³ CBPP analysis using the Supplemental Poverty Measure and Census data for 2017, with adjustments for underreporting from the Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM). See footnote 15.

when the change takes effect in October. That's because a temporary 15 percent increase in SNAP benefits established by the December 2020 COVID-19 relief bill and extended by the American Rescue Plan is slated to expire at the end of September.

What Is the Thrifty Food Plan?

The TFP, established by USDA in 1975, is a set of foods designed to provide a nutritionally adequate diet consistent with the Dietary Guidelines for Americans that low-income households can purchase and prepare, assuming they take significant steps to stretch their food budget by purchasing foods that are higher in nutritional quality and lower in price. The cost of the TFP is the lowest cost of USDA's four food plans (the others being the Low-Cost Plan, Moderate-Cost Plan, and Liberal Plan) and is the basis for SNAP benefit levels. The TFP is generated by a data-intensive mathematical technique that uses validated data and scientific evidence on food prices, nutritional content of food, nutritional requirements, dietary guidelines, and typical food consumption patterns. Separate plans are generated for 15 groups of men, women, and children of different ages (age-sex groups), reflecting differences in their dietary requirements.

USDA conducted reevaluations in 1983, 1999, and 2006.⁴ But in those revisions USDA held the TFP to the same very low-cost constraint first used in the 1962 Economy Food Plan (adjusted only for inflation), resulting in SNAP benefits that have increasingly failed to keep up with changes in dietary guidance, food prices, food consumption patterns, and broader economic realities that time-strapped families face when trying to buy and prepare healthy food.⁵ Until this latest revision, the TFP grew more out of sync with what households really eat, essentially assuming consumption of large amounts of certain foods, like dried beans and milk, and lesser variety and amounts of other healthy foods.

This new revision, by contrast, sought to establish a Thrifty Food Plan that meets current dietary guidelines and reflects a variety of foods that are commonly consumed by U.S. households while still requiring households to economize on their food purchases. The result is a Thrifty Food Plan that includes a greater variety of fruits, vegetables, lean meats, and seafood, which costs more than the prior highly unrealistic food plans.

Why Did USDA Reevaluate the TFP?

It's been 15 years since USDA last reevaluated the TFP and nearly 60 years since it reexamined the real purchasing power of the TFP. Scientific evidence now emphasizes the importance of eating a broad range of somewhat more costly foods, including more whole grains, red, orange, and leafy green vegetables, lean proteins, and seafood. To prepare a healthy diet, families must have enough

⁴ Richard Kerr *et al.*, "USDA 1983 Thrifty Food Plan," *Family Economics Review*, 1985, <https://agris.fao.org/agris-search/search.do?recordID=US8530634>; Center for Nutrition Policy and Promotion, "The Thrifty Food Plan, 1999 Administrative Report," USDA, October 1999, https://fns-prod.azureedge.net/sites/default/files/usda_food_plans_cost_of_food/FoodPlans1999ThriftyFoodPlanAdminReport.pdf; Andrea Carlson *et al.*, "Thrifty Food Plan, 2006," Center for Nutrition Policy and Promotion, USDA, April 2007, https://fns-prod.azureedge.net/sites/default/files/usda_food_plans_cost_of_food/TFP2006Report.pdf.

⁵ The first version of the TFP was released in 1975, replacing the 1962 Economy Food Plan. The cost of the 1975 TFP was set to the cost of the 1962 Economy Food Plan, adjusted for inflation. Before the release of the 2021 TFP, the real purchasing power of the TFP had not been adjusted in nearly 60 years. See U.S. Department of Agriculture, "Thrifty Food Plan, 2021," August 2021, <https://FNS.usda.gov/TFP>.

money to buy ingredients, as well as the time needed to plan meals, buy and prepare food, consume meals, and clean up. With the increase in women’s labor force participation since the 1970s, and with many parents working multiple jobs, many families lack this time for food preparation.⁶

To stay cost-neutral over the years, the TFP has relied on a limited set of less-expensive foods, has assumed that families can spend a considerable amount of time preparing meals mostly from scratch, and has not accounted for varying family types and dietary needs.⁷ As a result, SNAP benefits have fallen short of what many people need to buy and prepare healthy food. Without the update, SNAP benefits would have averaged only \$4.25 per person per day in fiscal year 2022 after the temporary, pandemic-related increases now in place expire.⁸

When families’ SNAP benefits run out near the end of the month, they buy less food, visit food pantries more frequently, and consume fewer calories. Running out of benefits may also harm participants’ health and educational achievement: studies find that hospital admissions and school disciplinary problems rise, and test scores fall, among SNAP families later in the month.

The bipartisan 2018 farm bill directed USDA to reevaluate the TFP to better reflect the modern cost of a healthy diet by 2022 and every five years thereafter. Specifically, in section 4002 of the law Congress gave USDA the following instructions:

By 2022 and at 5-year intervals thereafter, the Secretary shall re-evaluate and publish the market baskets of the thrifty food plan based on current food prices, food composition data, consumption patterns, and dietary guidance. [7 U.S.C. 2012(u)]⁹

President Biden, in one of his first executive actions, asked USDA to expeditiously complete this scientific, evidence-based analysis. The changes to SNAP benefits based on the new Thrifty Food Plan will go into effect on October 1, 2021, the start of fiscal year 2022, meeting Congress’s timeframe.

⁶ Since the 1970s, women’s labor force participation increased for all race/ethnicity groups. Labor force participation was higher among Black women than white and Latina women over the full period; in recent years labor force participation among white and Latina women has become essentially equal and the gap with Black women has narrowed. U.S. Department of Labor, “Labor force participation rate by sex, race and Hispanic ethnicity,” <https://www.dol.gov/agencies/wb/data/lfp/lfp-sex-race-hispanic>.

⁷ Carlson, Llobrera, and Keith-Jennings, *op. cit.*

⁸ To address rising food hardship, during the COVID-19 public health emergency policymakers have increased SNAP benefits in two primary ways. First, SNAP emergency allotments, authorized by the March 2020 Families First Coronavirus Response Act, push SNAP households to the SNAP maximum allotment if they do not already receive that amount. The Biden Administration expanded these in April 2021, as the Trump Administration’s implementation originally excluded nearly 40 percent of SNAP households with the lowest incomes. The added benefits end when a state or federal public health emergency ends or a state opts not to provide them. Second, the December 2020 Consolidated Appropriations Act included a 15 percent increase to SNAP maximum benefits for January to June 2021, which the American Rescue Plan, enacted in March 2021, extended through September 2021. See CBPP, “States Are Using Much-Needed Temporary Flexibility in SNAP to Respond to COVID-19 Challenges,” updated August 6, 2021, <https://www.cbpp.org/research/food-assistance/states-are-using-much-needed-temporary-flexibility-in-snap-to-respond-to>.

⁹ See <https://www.congress.gov/bill/115th-congress/house-bill/2>.

How Did the TFP Change?

USDA conducted a systematic review of relevant available information to evaluate the scientific evidence justifying the assumptions and methods used in the TFP model.¹⁰ USDA used largely the same methodology in this update as it used in 2006, the most recent TFP update, except for areas where there was sufficient scientific evidence to justify a change in assumptions or approach. USDA nutritionists, researchers, and policy experts (informed by external experts and stakeholders) updated the existing model using the latest data on food prices, the nutritional content of foods eaten, food consumption patterns, and dietary guidance.

The most significant difference this time is that USDA used a scientific, data-driven approach to determine the cost of the TFP. Since the 1970s, USDA had been limiting the TFP to a predetermined cost and answering the question, “Is it theoretically possible to purchase a nutritious diet on the existing TFP cost?” But in this reevaluation, USDA sought to answer the more fundamental question, “How much does a modern and healthy diet, with foods that most people eat and working families have time to prepare, really cost?”

To answer this question, USDA adjusted the model used in 2006 to make the TFP more practical. While the 2021 TFP approach is not cost-neutral, it prioritized keeping costs down while coming up with a mix of foods that low-income households might realistically purchase and prepare in a reasonable amount of time. After establishing the set of requirements that the mix of foods must meet (based on the latest data and evidence on food prices, nutrient intake, healthy eating patterns, and typical food consumption patterns), USDA started with the inflation-adjusted cost of the 2006 TFP and increased the cost constraint (cost limit) until the model found a set of foods that met dietary guidance and included a broad range of healthy foods in quantities that are similar to the amounts households actually consume. Each age-sex group’s TFP cost is the lowest cost at which a mix of foods can be found that meets the set of requirements for that group.

USDA made other adjustments to the model to allow it to create a mix of foods that make up a healthy diet and are more realistic for cost-conscious but time-strapped families. Based on a broader cross-section of U.S. individuals than it used in previous models, USDA used data on food consumption patterns and food prices paid to incorporate a greater variety of food choices and wider range of food prices in the TFP. (The food choices of households with income above 350 percent of the federal poverty line were excluded to ensure that the preferences of households that can afford to buy luxury foods were not considered.)

Previous TFPs were patterned after the food consumption choices of the lowest-income individuals, whose budgets were significantly constrained and who faced other barriers to access to healthy food (such as lack of transportation), and therefore made choices that are unlikely to reflect the foods they would buy if they had more adequate income. In this reevaluation, USDA also sorted many food categories into groups with lower (at or below the 35th percentile for price within the food category) or higher cost and groups with higher or lower nutritional quality (based on added

¹⁰ USDA reviewed available research and evidence on the relationship between income and prices paid for foods, the amount of time households spend on food-related activities, the relationship between diet quality and factors like income and food cost, and factors that influence the purchase of ready-to-eat foods meant for at-home consumption. See <https://ncsr.usda.gov/usda-food-plans-rapid-reviews-and-evidence-scans>.

sugars, total sugars, whole grains, saturated fat, and sodium). This allowed the model to identify and prioritize foods that are lower in cost but high in nutritional quality.¹¹

As a result of these and several other changes, the updated TFP reflects a greater variety of healthy foods, including those that help households save time in the kitchen. The updated TFP allows for more time-saving and convenient forms of food, such as ready-to-eat breakfast cereals, frozen pre-cut vegetables, and canned beans. For example, while the 2006 TFP relied heavily on dried beans, the updated version now assumes nearly all beans will be purchased in canned form. The 2015-2020 Dietary Guidelines for Americans included for the first time guidance on seafood intake, recommending that individuals eat 8 to 10 ounces of seafood per week (less for young children). The updated TFP reflects this new guidance, shifting allocations within the protein food category toward lower-cost seafood low in mercury, such as tilapia, catfish, canned tuna, and sardines (the model excluded high-priced outliers, such as lobster). Reflecting current recommendations to “vary your veggies” by eating different kinds of vegetables, the updated plan includes greater amounts of red and orange vegetables than the 2006 version did.¹²

What Will Be the Impact of Updating the TFP?

The resulting increase in SNAP benefit levels will be meaningful but modest, and will make a real difference for families who often run out of benefits before month’s end. The 21 percent increase in maximum SNAP benefits will raise the average benefit from about \$4.25 per person per day (without the temporary, pandemic-related increases that are now in place but expire in the coming months) to about \$5.45 per person per day in fiscal year 2022.¹³

USDA released estimates of the change in SNAP benefits going to households in each state, showing a 27 percent increase from the change.¹⁴ The percentage increase in SNAP benefits is somewhat larger than the 21 percent increase in the TFP because the TFP is used to set the maximum SNAP benefit but most households receive less than the maximum. The SNAP rules assume households will spend some of their income toward their food needs and SNAP makes up the difference between the household’s contribution and the maximum benefit. As a result, most SNAP households receive less than the maximum benefits. Because most households of the same size receive the same dollar increase when the maximum benefit increases, the percentage increase in total and average SNAP benefits is higher than the percentage increase in the maximum benefit (or the TFP).

¹¹ For a summary of the changes USDA made in the reevaluation see USDA, Food and Nutrition Service, “At a Glance, The Thrifty Food Plan Re-Evaluation,” August 2021, <https://www.fns.usda.gov/TFP/evaluationinfographic>.

¹² The TFP does not require SNAP households to purchase and prepare particular kinds of foods. It illustrates the types and amounts of food that households could purchase at the cost of the TFP.

¹³ The 2006 TFP assumed that to afford a healthy diet, a family of four would need about \$5.70 a day. Under the updated TFP that figure rises to \$6.89 per person per day. Averaged across all SNAP households the prior TFP assumed that each person needed about \$6.00 per day, compared to an updated figure of about \$7.30 per person per day. SNAP average benefits are lower than the TFP because the program’s rules assume households will spend some of their income toward their food needs, so SNAP benefits do not cover all of most households’ food costs.

¹⁴ USDA, Food and Nutrition Service, “Estimated Increase in SNAP Benefits, FY2022, by State, From Re-evaluated Thrifty Food Plan,” August 2021, https://www.fns.usda.gov/TFP/state_table.

About 2.4 million people, including more than 1 million children, will be lifted above the poverty line because of this modest increase, based on a CBPP estimate that uses the Supplemental Poverty Measure and Census data for 2017.¹⁵ The TFP adjustment will cut the number of children participating in SNAP whose families have annual incomes below the poverty line by 15 percent and will reduce the number of children in poverty overall by 12 percent, we estimate.¹⁶ In addition, the TFP adjustment will reduce the severity of poverty for another 20.5 million people, including 6.2 million children.

Of the roughly 23 million people the change will lift above or closer to the poverty line, 9.4 million are white, 6.5 million are Latino, 5.3 million are Black, and 900,000 are Asian.¹⁷ Improving the adequacy of SNAP benefits is particularly important in addressing disproportionately high rates of food insecurity among Black and Latino households. Poverty and food insecurity rates are higher among Black and Latino households due to racism and structural factors, including unequal education, job, and housing opportunities, that contribute to income disparities.

The TFP adjustment will lift above or closer to the poverty line 2.9 million people in rural (non-metropolitan) areas, including 800,000 children.¹⁸ The change will reduce overall rural poverty by 11 percent and rural child poverty by 20 percent.¹⁹

Research shows more adequate SNAP benefits can help reduce food insecurity and child poverty. Those improvements can have long-term impacts, such as supporting economic mobility and reducing health care costs. Children participating in SNAP face lower risks of nutritional deficiencies

¹⁵ In 2017, SNAP kept about 6.5 million people above the poverty line, including 3.1 million children, according to a CBPP analysis that uses a version of the Supplemental Poverty Measure (SPM) — which, among other differences from the “official” poverty measure, counts non-cash benefits (like SNAP) and refundable tax credits — and corrects for households’ underreporting of benefits. The SPM also subtracts federal and state income taxes, federal payroll taxes, and certain non-discretionary expenses (such as out-of-pocket health costs and child care) from income when calculating what resources a family has available to buy basics such as food, clothing, and shelter. Under the SPM, a family is considered to be in poverty if its resources are below a poverty threshold (\$27,005 for a two-adult, two-child family renting in an average-cost community in 2017) that accounts for differences in family composition and geographic differences in housing costs.

¹⁶ These CBPP estimates are based on the U.S. Census Bureau’s March 2018 Current Population Survey, using tax year 2017 tax rules that account for the Tax Cuts and Jobs Act. They include corrections for underreported benefits from SNAP, Supplemental Security Income, and Temporary Assistance for Needy Families from the Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM). The estimates reflect a pre-pandemic economy and do not account for temporary measures enacted to help reduce hardship during the pandemic, such as the temporary increase in the Child Tax Credit.

¹⁷ In this calculation racial and ethnic categories do not overlap; figures for each racial group such as Black or Asian do not include individuals who identify as multiracial or of Latino ethnicity. Latino includes all people of Hispanic, Latino, or Spanish origin regardless of race.

¹⁸ In these data, rural areas include all geographic areas that are not classified as metropolitan. The federal government defines a metropolitan area as a county or counties containing an urbanized area of 50,000 or more residents plus surrounding counties linked by commuting.

¹⁹ Much of the rural-metro difference in poverty reduction reflects geographic differences in how much money a family needs in order to be considered above the poverty line according to the Supplemental Poverty Measure. SPM poverty thresholds are tied to local rent levels and are generally lower in non-metropolitan areas; this makes it easier to lift a family above the SPM poverty line in those communities. Without this geographic adjustment to poverty thresholds, we estimate that the TFP adjustment would reduce rural child poverty by 13 percent and overall child poverty by 11 percent.

and poor health, which can improve their health over their lifetimes. SNAP also can affect children's ability to succeed in school. One study, for example, found that test scores among students in SNAP households are highest for those receiving benefits two to three weeks before the test, suggesting that SNAP can help students learn and prepare for tests.²⁰

In addition to increasing SNAP benefits, the Thrifty Food Plan update also increases funding beginning in fiscal year 2022 for other nutrition assistance where funding is adjusted annually based on changes in the TFP. Puerto Rico and American Samoa, which receive block grants for nutrition assistance instead of participating in SNAP, will receive higher amounts in fiscal year 2022: an additional \$464 million for Puerto Rico and \$1.86 million for American Samoa.²¹ Similarly, funding under the Food and Nutrition Act for the Emergency Food Assistance Program, which provides emergency food through local agencies, will increase by about \$58 million for fiscal year 2022 because of the TFP revision.²²

What Happens Next?

USDA has released a memo with cost-of-living adjustments to the SNAP maximum allotment reflecting the updated TFP.²³ State agencies will start issuing SNAP benefits based on the updated TFP in October 2021.

While the increase in SNAP benefits resulting from the revised TFP will make benefits more adequate going forward, SNAP households will see a smaller immediate increase in their benefits. That's because a temporary 15 percent increase in SNAP benefits established by the December 2020 COVID-19 relief bill and extended by the American Rescue Plan is slated to expire at the end of September. Thus, SNAP households' benefits will rise only slightly, by about 7 percent, or by about \$13 to \$16 per person per month for most households, in October, when the temporary increase ends and the TFP increase takes effect (along with the regular annual adjustment for inflation).²⁴ Many households will experience a substantial cut in their SNAP benefits when emergency

²⁰ Anna Gassman-Pines and Laura Bellows, "Food instability and academic achievement: a quasi-experiment using SNAP benefit timing," *American Educational Research Journal*, Vol. 55, No. 5, 2018, pp. 897-927, <http://journals.sagepub.com/doi/10.3102/0002831218761337>.

²¹ These amounts are 23 percent higher than the amounts the two territories received in fiscal year 2021, reflecting both the 21 percent increase in the TFP and the annual inflation adjustment that would otherwise have applied for fiscal year 2022. USDA, Food and Nutrition Service, "USDA Thrifty Food Plan Increase Means More Nutrition Assistance Funding for Puerto Rico," August 16, 2021, <https://www.fns.usda.gov/news-item/maro-081621>; and USDA, Food and Nutrition Service, "Thrifty Food Plan Increase Means More Nutrition Assistance Funding for American Samoa," August 16, 2021, <https://www.fns.usda.gov/news-item/wro-081621>.

²² USDA, Food and Nutrition Service, "The Emergency Food Assistance Program (TEFAP): Thrifty Food Plan (TFP) Adjustment of TEFAP Funding," August 16, 2021, <https://www.fns.usda.gov/tefap/thrifty-food-plan-tfp-adjustment-tefap-funding>.

²³ USDA, Food and Nutrition Service, "SNAP – Fiscal Year 2022 Cost-of-Living Adjustments," August 16, 2021, <https://fns-prod.azureedge.net/sites/default/files/resource-files/2022-SNAP-COLA-%20Maximum-Allotments.pdf>.

²⁴ For example, with the 15 percent increase and emergency allotments from COVID-19 relief legislation now in effect, in most states a household with two members is receiving \$430 in monthly SNAP benefits. With the 15 percent increase ending but the 21 percent adjustment to the TFP (as well as the regular annual cost-of-living adjustment of 1.5 percent), the new benefit starting on October 1 for a household with two members will be \$459, an increase of \$29, or \$14.50 per person.

allotments, another pandemic-related SNAP benefit measure, end, which is likely to happen in the coming months, though the timing depends on the trajectory of the public health emergency.²⁵

While this longer-term increase in SNAP benefits will help millions better afford food, families' circumstances vary and SNAP benefits remain modest, so some households — including those with high non-food expenses, those who live in higher-cost communities, and those with higher-cost food needs because of medical conditions or other reasons — will still struggle to afford a healthy diet. USDA's report on the updated TFP notes that this update includes adjustments to the data inputs and methodology and corresponding changes in the TFP where there was sufficient research and information available to warrant a change, but that the need for additional analysis remains across many areas. Some of the areas USDA identified as issues to study further and consider in future updates include the time required to purchase and prepare meals based on the mix of foods included in the TFP, how to account for food loss or waste due to food preparation methods or spoilage, and how to reflect the prices of foods purchased online. These may increase the TFP modestly in the future.

²⁵ See footnote 8.