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Food Assistance in President Biden’s COVID Relief Plan Would Reduce Hardship, Provide Economic Stimulus

By Dorothy Rosenbaum

The American Rescue Plan, the emergency relief proposal that President Biden announced in mid-January and that Congress will begin considering soon, includes key investments to mitigate high levels of hunger and hardship.¹ The proposal would extend through at least September the Supplemental Nutrition Assistance Program (SNAP) benefit increase that policymakers included in December’s COVID relief package, which would help millions of families and children have enough to eat while injecting additional, high “bang-for-the-buck” stimulus into the economy. The proposal also includes important investments to address rising food need in Puerto Rico and certain other U.S. territories and to modernize the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to enable more eligible people with low incomes to access its high-impact benefits.

Unfortunately, the proposal appears to have left out an extension of the Pandemic-EBT (P-EBT) program. Extending P-EBT could guard against food hardship this summer — and during future health emergencies or disasters, if extended permanently — by providing grocery benefits to replace meals that children miss when schools are closed.

The Administration’s nutrition proposals respond to the alarming growth in food hardship that the COVID crisis has wrought, which has been disproportionately felt by households with children and in communities of color. The number of households struggling to put enough food on the table spiked in the spring as the economic effects of the pandemic took hold. It remained nearly three times pre-pandemic levels over the summer and rose even higher in recent months.

Almost 24 million (or 11 percent) of U.S. adults said their household didn’t get enough to eat sometimes or often in the last seven days in the Census Bureau’s most recent survey, conducted in early to mid-January. That’s far above the most comparable pre-pandemic estimate, which showed

¹ President-Elect Biden Transition Team, “President-elect Biden Announces American Rescue Plan: Emergency Legislative Package to Fund Vaccinations, Provide Immediate, Direct Relief to Families Bearing the Brunt of the COVID-19 Crisis, and Support Struggling Communities,” January 14, 2021, https://buildbackbetter.gov/wp-content/uploads/2021/01/COVID_Relief-Package-Fact-Sheet.pdf.

that 8.5 million adults (or 3.4 percent) lived in households that didn't get enough to eat at some point in all of 2019.²

The figures are also high for children: the latest Census survey data indicate that some 9 to 12 million children live in a household in which the adults reported that “the children were not eating enough because [they] just couldn't afford enough food” in the last seven days. This raises serious concerns about the crisis' long-term consequences on these children's health and development. Studies link food insecurity among children with reduced intake of some key nutrients; health problems such as iron deficiency, which is linked with long-term neurological damage; and behavioral issues and mental health conditions. These problems, in turn, can lower children's test scores, their likelihood of graduating from high school, and their earnings in adulthood.

Families of color are experiencing some of the worst hardship, reflecting longstanding inequities — often stemming from structural racism — in education, employment, and other areas that the current crisis is exacerbating. Black and Latino adults (19 percent and 21 percent, respectively) were more than twice as likely as white adults (8 percent) to report that their household did not get enough to eat, according to the Census Bureau's most recent survey.

Proposal Would Extend 15 Percent Maximum SNAP Benefit Increase

The December COVID bill included a 15 percent increase to SNAP maximum benefits in order to very quickly get food assistance into the hands of very low-income families and individuals.³ The increase will amount to about \$27 more SNAP benefits per person per month, or just over \$100 per month in food assistance for a family of four. The benefit increase will total about \$1 billion per month, according to Congressional Budget Office (CBO) estimates. But it's slated to be in effect for just the first six months of 2021. It would end abruptly after June, very likely before the economy has recovered and while food insecurity will likely still be high.

The Biden Administration's proposal would extend the SNAP benefit increase through at least September, and indicates that the provision should remain in place as long as needed based on economic conditions.⁴ The proposal would meet the twin goals of supporting low-income households and the economy. SNAP is one of the most effective mechanisms available both to reach low-income households with resources to address hardship and to provide counter-cyclical help when the economy is weak. A similar SNAP benefit increase in the 2009 Recovery Act lessened

² Center on Budget and Policy Priorities, “Tracking the COVID-19 Recession's Effects on Food, Housing, and Employment Hardships,” updated January 27, 2021, <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and-employment-hardships>.

³ For more information see Dorothy Rosenbaum, Stacy Dean, and Zoë Neuberger, “The Case for Boosting SNAP Benefits in the Next Major Economic Response Package,” Center on Budget and Policy Priorities, updated May 22, 2020, www.cbpp.org/research/food-assistance/the-case-for-boosting-snap-benefits-in-next-major-economic-response-package. For basic information about the SNAP benefit calculation see Center on Budget and Policy Priorities, “A Quick Guide to SNAP Eligibility and Benefits,” updated September 1, 2020, <https://www.cbpp.org/research/food-assistance/a-quick-guide-to-snap-eligibility-and-benefits>.

⁴ Specifically, the Administration's proposal says that the President “is also committed to providing this boost for as long as the COVID-19 crisis continues, and will work with Congress on ways to automatically adjust the length and amount of relief depending on health and economic conditions so future legislative delay doesn't undermine the recovery and families' access to benefits they need.” The proposal includes the same language for the Administration's proposed unemployment insurance extensions.

food insecurity among SNAP recipients, according to Department of Agriculture (USDA) researchers.⁵ And CBO and Moody's Analytics rate SNAP expenditures as one of the most effective and efficient supports for the economy during downturns, measured on a "bang-for-the-buck" basis. Every dollar in new SNAP benefits increases gross domestic product by about \$1.50 during a weak economy, according to a recent USDA study.⁶

About 40 percent of the added benefits from the 15 percent benefit increase will go to households with income below 50 percent of the federal poverty level; nearly two-thirds will go to households with children. State-level estimates of the impact of the 15 percent SNAP benefit boost can be found in Table 1.

If Congress does not pass legislation in the interim, the 15 percent SNAP benefit increase will end in June, coinciding with when schools will be closing for the summer and states will be wrapping up their P-EBT programs. Under P-EBT, created in March in response to the pandemic, states directly provide families with the value of free or reduced-price meals that children miss because of COVID-related school or child care closures or schedule changes. Because P-EBT is available to replace lost meals only during the school year, many families would see drops in food assistance from SNAP and P-EBT at essentially the same time.

In addition to the 15 percent increase that began in January 2021, many SNAP households are also receiving added food assistance benefits under the Families First Coronavirus Response Act's emergency SNAP allotments. But the USDA's current interpretation of this policy, which was put in place under the Trump Administration, denies the allotments' additional food assistance to nearly 40 percent of SNAP households, including many that have the lowest incomes and thus have the most difficulty affording adequate food. In total at least 12 million of the poorest individuals participating in SNAP are missing out. Those who don't qualify for the allotments, but who are, through June, receiving more benefits under the 15 percent increase, include more than 5 million children, more than 40 percent of whom are less than 6 years old; about 1 million households with elderly members; and 600,000 households with people who have disabilities.⁷

The Biden Administration on January 22 also announced that it would seek to improve the emergency SNAP benefits so they reach the lowest-income households with the most trouble affording an adequate diet.⁸ The timing of any changes and the amount of emergency allotments that

⁵ Mark Nord and Mark Prell, "Food Security of SNAP Recipients Improved Following the 2009 Stimulus Package," USDA, Economic Research Service, June 2011, <https://www.ers.usda.gov/amber-waves/2011/june/food-security-of-snap/>.

⁶ Patrick Canning and Rosanna Mentzer Morrison, "Quantifying the Impact of SNAP Benefits on the U.S. Economy and Jobs," USDA, Economic Research Service, July 18, 2019, <https://www.ers.usda.gov/amber-waves/2019/july/quantifying-the-impact-of-snap-benefits-on-the-us-economy-and-jobs/>.

⁷ Based on CBPP analysis of 2018 SNAP Household Characteristics data.

⁸ "Fact Sheet: President Biden's New Executive Actions Deliver Economic Relief for American Families and Businesses Amid the COVID-19 Crises," White House, January 22, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/22/fact-sheet-president-bidens-new-executive-actions-deliver-economic-relief-for-american-families-and-businesses-amid-the-covid-19-crises/>. See also Dorothy Rosenbaum, "Executive Action on Food Assistance Strengthens Federal Response to Hunger," Center on Budget and Policy Priorities, January 22, 2021, <https://www.cbpp.org/press/statements/rosenbaum-executive-action-on-food-assistance-strengthens-federal-response-to>.

households would receive are unclear. The two approaches together — targeting more assistance to the lowest-income households through the emergency allotments and extending the 15 percent increase — would do more to respond to elevated food insecurity during the current crisis than either change alone.

Proposal Would Strengthen WIC, State SNAP Administration, and Food Assistance in Territories

The Administration’s nutrition proposal includes additional, notable proposals to strengthen the nation’s response to COVID. It would:

Provide \$3 billion to modernize WIC and help more eligible families access its proven health and developmental benefits. Prior to the COVID pandemic, WIC was reaching only about half of the low-income women and young children who qualify. The program has not adopted modernizations, like online applications or video appointments, which are routine in other programs. With participation lower in fiscal year 2020 than in recent years, even as food hardship for families with children soared, WIC is likely reaching an even smaller share of the eligible families now.

Participating in WIC is associated with healthier births, reduced infant mortality, and improved cognitive development, areas where there are stark racial disparities. Thus, connecting more eligible women and young children to WIC could help address racial disparities in early childhood outcomes. These additional funds could be used to support joint efforts by USDA and the Department of Health and Human Services to build technologies to modernize WIC, strengthen referrals and data sharing between WIC and the Medicaid program or health care providers, and fund state innovation.⁹

Add resources for state administration. Though SNAP’s benefits are federally funded, states administer the application and issuance processes, among other activities, and share in the administrative costs with a 50 percent federal reimbursement rate. Over the past year states have needed to manage increased SNAP caseloads with their systems stretched due to closed offices and a reduced workforce. Many states needed to quickly launch telework capacity and systems modifications to adapt to the need for physical distancing during the pandemic. To help states accommodate the increased demand for services, the Biden Administration’s plan would provide a higher federal administrative match.

Increase food assistance in Puerto Rico and certain other territories. Puerto Rico has unique needs. Unlike other parts of the country, Puerto Rico entered the pandemic after more than a decade of economic decline, coupled with hurricanes, earthquakes, and an unprecedented, ongoing bankruptcy process.¹⁰ But Puerto Rico residents in many instances have little or no access to key aspects of the nation’s safety net. For example, Puerto Rico receives a capped block grant for food

⁹ Zoë Neuberger, “Biden Plan’s WIC Investment Could Improve Maternal and Child Health, Reduce Racial Disparities,” Center on Budget and Policy Priorities, January 26, 2021, <https://www.cbpp.org/blog/biden-plans-wic-investment-could-improve-maternal-and-child-health-reduce-racial-disparities>.

¹⁰ Javier Balmaceda, “Long in Recession, Puerto Rico Needs More Than Just COVID-19 Relief to Overcome Its Crises,” Center on Budget and Policy Priorities, May 7, 2020, <https://www.cbpp.org/research/economy/long-in-recession-puerto-rico-needs-more-than-just-covid-19-relief-to-overcome-its>.

assistance rather than participating in SNAP. Despite greater need for help affording groceries, this fall about 1.5 million low-income Puerto Rico residents experienced sharp cuts in food assistance, with average monthly household benefits falling by more than 40 percent (from about \$330 to about \$190) from summer levels. Two other territories, American Samoa and the Commonwealth of the Northern Mariana Islands, also receive block grants in lieu of participating in SNAP, limiting the ability of those programs to expand due to increased need.¹¹ The Biden Administration's proposal would add \$1 billion to the block grants that provide food assistance to residents of Puerto Rico, American Samoa, and the Northern Marianas.

Extending Pandemic-EBT Would Further Protect Children From Food Hardship

Families First, enacted in March, included a new program known as P-EBT to address the food needs of low-income children during COVID-related school closures. Under P-EBT, families approved for free or reduced-price school meals receive directly from the state the value of these missed breakfasts and lunches through a SNAP-like benefit card. Subsequent legislation extended P-EBT through September 2021 and to certain pre-school children, among other improvements. We recommend the next COVID relief package include two further improvements.

- **Allow states to continue providing P-EBT's food assistance through the summer.**

Although P-EBT now extends through the end of fiscal year 2021, because its rules largely align with the school calendar the program's benefits will not be available for the summer months, when school is out of session. A summertime P-EBT benefit would create a bridge for families to the 2021-2022 school year, when we assume students will return to school in person. This approach would be consistent with Summer EBT, a pilot program to provide a SNAP supplement to children during the summer months, which has been shown to reduce food insecurity and lead to healthier eating.

- **Create a permanent emergency EBT program.** Some 30 million low-income children are approved to receive free or reduced-price meals at school each day. When that help is not available families have to provide children with ten extra meals each week, which can be a strain on low-income households' budgets even during normal economic times. But during a public health crisis or when jobs are disappearing because of an economic crisis or natural disaster, the risk of children facing food insecurity can be even higher. We recommend Congress leverage the P-EBT structure to create a permanent authorization for states to issue replacement benefits (similar to P-EBT, and perhaps renamed "emergency-" or E-EBT) in case of lengthy school or child care closures resulting from a future public health emergency or natural disaster. Such a program would ensure that low-income children have access to food during lengthy school and child care closures without Congress needing to act.

¹¹ The District of Columbia, Guam, and the Virgin Islands are considered states and participate in SNAP on the same basis as states.

TABLE 1

Estimated Increase in SNAP Benefits, by State, From a 15 Percent Increase in Maximum SNAP Benefits

State	Number of SNAP Participants in Latest Month With Available Data ^a (thousands)	Average Monthly Benefit Increase Per Person	Under a 15% Increase in SNAP Maximum Benefits	
			Estimated Total Monthly Benefit Increase Statewide (millions)	Share of Increase Going to Households With Income Below 50 Percent of Federal Poverty Level
Alabama	788	\$27	\$21	43%
Alaska	84	\$37	\$3	50%
Arizona	906	\$27	\$24	45%
Arkansas	393	\$27	\$11	40%
California	4,465	\$27	\$121	53%
Colorado	499	\$27	\$14	40%
Connecticut	366	\$28	\$10	34%
Delaware	126	\$27	\$3	37%
District of Columbia	118	\$28	\$3	60%
Florida	3,566	\$27	\$98	31%
Georgia	1,707	\$27	\$46	47%
Hawaii	177	\$50	\$9	38%
Idaho	136	\$27	\$4	34%
Illinois	2,021	\$27	\$55	41%
Indiana	638	\$27	\$17	38%
Iowa	310	\$27	\$8	34%
Kansas	201	\$27	\$5	36%
Kentucky	576	\$27	\$16	45%
Louisiana	947	\$27	\$26	50%
Maine	165	\$27	\$5	20%
Maryland	697	\$27	\$19	36%
Massachusetts	890	\$28	\$25	33%
Michigan	1,243	\$27	\$34	33%
Minnesota	436	\$27	\$12	35%
Mississippi	412	\$27	\$11	44%
Missouri	726	\$27	\$20	41%
Montana	105	\$27	\$3	34%
Nebraska	166	\$27	\$4	37%
Nevada	469	\$27	\$13	42%
New Hampshire	77	\$27	\$2	18%
New Jersey	748	\$27	\$20	27%
New Mexico	491	\$27	\$13	40%

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			Estimated Total Monthly Benefit Increase Statewide (millions)	Share of Increase Going to Households With Income Below 50 Percent of Federal Poverty Level
New York	2,790	\$28	\$77	28%
North Carolina	1,419	\$27	\$38	39%
North Dakota	51	\$27	\$1	40%
Ohio	1,498	\$27	\$41	36%
Oklahoma	608	\$27	\$16	46%
Oregon	646	\$28	\$18	38%
Pennsylvania	1,856	\$27	\$51	29%
Rhode Island	146	\$28	\$4	37%
South Carolina	615	\$27	\$17	45%
South Dakota	77	\$27	\$2	43%
Tennessee	882	\$27	\$24	48%
Texas	3,741	\$27	\$100	43%
Utah	170	\$26	\$4	39%
Vermont	72	\$28	\$2	18%
Virginia	767	\$27	\$21	43%
Washington	923	\$28	\$26	34%
West Virginia	281	\$27	\$8	44%
Wisconsin	723	\$27	\$20	30%
Wyoming	27	\$27	\$1	39%
Guam	52	\$38	\$2	44%
Virgin Islands	22	\$35	\$1	65%

Notes:

^a The most recent month for which data are available varies by state as of late December 2020. Because of data reporting issues, USDA has not provided data on the number of SNAP participants nationally or in each state since April 2020. For most states, however, we have compiled more recent data from publicly available information. The figures in this table are the most recent data available for each state as of mid-December.

Numbers may not add due to rounding.

Sources: CBPP analysis of fiscal 2018 SNAP USDA Household Characteristics data and recent administrative data that states post publicly or report to USDA, <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>.