Nearly 1 million low-income people in New Jersey will see their vital food assistance cut when a temporary boost to the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) expires November 1, new data from the U.S. Department of Agriculture (USDA) show. SNAP benefits will average less than $1.40 per person per meal after the cut.

The cut will affect all of the more than 47 million Americans, including 22 million children, who receive SNAP. This includes 858,000 New Jerseyans, of which 413,000 are children and over a hundred thousand are seniors. For a family of three, that cut will likely amount to $29 a month. That’s a serious loss given SNAP’s already low benefit levels and the very low incomes of SNAP participants – over 80 percent of SNAP households live in poverty.

In New Jersey, the benefit cut through October 2014 will total $90 million, slowing economic growth by reducing overall consumption at a time when the state’s economy continues to struggle with a very slow post-recession recovery. Nationally, the cut will total roughly $5 billion in federal fiscal year 2014 and an additional $6 billion across fiscal years 2015 and 2016.
This will be yet another big blow to struggling families who already have been hit hard by the downturn in the economy and recent state cutbacks in work supports like the Earned Income Tax Credit, NJ FamilyCare and housing. The SNAP reduction will have an even greater impact on most families with children that have incomes below the federal poverty level because they are not eligible for any aid in WorkFirst NJ. The state has not increased the eligibility level in that program in over two decades (it is still $424 a month for a family of three). For these families, SNAP is their only safety net.

**Benefit Increase Designed to Boost Economy & Ease Hardship**

Congress enacted the benefit increase as part of the 2009 Recovery Act to deliver high “bang-for-the-buck” economic stimulus and ease hardship. The Recovery Act boosted SNAP’s maximum monthly benefits by 13.6 percent beginning in April 2009. It provided that SNAP benefit levels would continue at the new, higher amount until SNAP’s regular annual inflation adjustments to the maximum benefit exceeded the Recovery Act amount. But Congress has since voted to accelerate the sunset of the benefit increase to October 31 of this year.

The scheduled benefit cuts are especially painful in light of the inadequacy of existing benefit levels. In a report issued by the Institute of Medicine and the National Research Council, nutrition experts identified several shortcomings with the current SNAP benefit allotment and recommended evaluating ways of changing the benefit calculation to better ensure that households have enough resources to purchase an adequate diet.7

**Cuts Will Increase Hardship for Millions**

These cuts will likely cause hardship for many SNAP participants, who will include 22 million children in 2014 (10 million of whom live in “deep poverty,” with family incomes below half the poverty line) and 9 million people who are elderly or have a serious disability.

In New Jersey, 858,000 – 445,000 adults and 413,000 children – participate in the program – that’s about 1 in 10 residents. These people live in a total of 426,000 households.4 That’s more than double the number of residents and households that were participating when the recession officially began in 2007.5 (For more demographic information on SNAP in New Jersey, see the Appendix.)
USDA has found that the Recovery Act’s benefit boost reduced the number of households in which one or more persons had to skip meals or otherwise eat less because they lacked money – what USDA calls “very low food security” – by about 500,000 households in 2009. More recent research finds that boosting SNAP benefits during the summer for households with school-aged children who don’t have access to USDA’s summer food program cut very low food security among these households by nearly 20 percent.

Given this research and the inadequacy of current benefit levels, we can reasonably assume that a reduction in SNAP benefit levels of this size will significantly increase the number of poor households that have difficulty affording adequate food this fall.

**Evidence Doesn’t Support Argument for Cutting SNAP**

The Obama administration and some members of Congress have proposed delaying or cancelling the November 1 cut, but Congress has taken no action on these proposals. Moreover, some in Congress have called for deep cuts in SNAP on top of the scheduled cut. The House of Representatives, which recently defeated legislation that would have cut $20 billion from SNAP – eliminating food assistance for nearly 2 million people – could reconsider these or even deeper cuts in the coming weeks.

Supporters of large SNAP cuts claim that because SNAP enrollment hasn’t declined in tandem with the unemployment rate over the past few years, the program’s enrollment growth in recent years is largely unrelated to the poor economy. In reality, however, the recent reductions in the unemployment rate overstate the improvements in the labor market, as Federal Reserve chair Ben Bernanke has observed. The proportion of the adult population with a job – the employment rate – has barely improved since the recession bottomed out.

And in New Jersey, the situation is worse than at the national level, since our recovery from the recession has been much slower and joblessness has been much higher. It’s no surprise that more and more families and individuals need to turn to the safety net for food assistance.

In addition, the number of unemployed workers not receiving unemployment benefits – the group of the unemployed most likely to qualify for SNAP because they have neither wages nor unemployment checks – has continued to grow and is higher now than at the bottom of the recession. Also, the historical record shows that declines in poverty and SNAP enrollment typically lag behind declines in the unemployment rate following recessions.
Appendix: SNAP Fact Sheet

The Supplemental Nutrition Assistance Program (SNAP) is the nation’s most important anti-hunger program.

Who Does SNAP Reach?
In January 2013, it reached:

- 868,000* New Jersey residents, or 10% of the state population (1 in 10 people)
- 47,772,000 participants in the United States, or 15% of the total population (1 in 7 people)

*This amount includes individuals receiving temporary disaster assistance.

<table>
<thead>
<tr>
<th>NEW JERSEY</th>
<th>NATIONALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>more than 69% of all SNAP participants are in families with children</td>
<td>almost 30% of all SNAP participants are in families with elderly or disabled members</td>
</tr>
<tr>
<td>almost 41% of all SNAP participants are in working families</td>
<td></td>
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</tbody>
</table>

Over Two-Fifths of Those Who Receive SNAP Benefits in New Jersey Are Children; One-Fifth Are Adults Living With Children

In New Jersey, many households still struggle to put food on the table:

- 12.3% of households struggle to afford a nutritionally adequate diet.
- 9.5% of the labor force was unemployed in January 2013.
- 11.4% of the population lives below the poverty line.
- 17.9% of children live below the poverty line.
- 5.4% of elderly live below the poverty line.

SNAP reaches needy populations: 60% of eligible individuals participate in SNAP in New Jersey, meaning that 40% of eligible individuals don’t receive benefits.

In New Jersey, 80% of households receiving SNAP have income below the poverty line (about $22,000 for a family of four in 2012), and 36% of households are in deep poverty, with income below 50% of the poverty line.

Source: CBPP analysis of data from USDA Food and Nutrition Service, FY 2011.
**What Benefits Do SNAP Recipients Receive?**

SNAP targets benefits according to need. Very poor households receive more SNAP benefits than households closer to the poverty line since they need more help affording an adequate diet. Households receive SNAP benefits on electronic benefit transfer (EBT) cards, which can be used only to purchase food at one of the 231,000 authorized retail locations around the country, 5,900 in New Jersey.

*In New Jersey in 2012...*

**Average monthly SNAP benefit for each household member:** $133.26* &<br>
**Average monthly SNAP benefit per person per meal:** $1.48* &

*This amount includes the temporary 13.8 percent boost in benefits provided by the recent economic recovery legislation, which will expire in November 2013.

**Average Monthly SNAP Benefit By Demographic Group, New Jersey**

<table>
<thead>
<tr>
<th>Demographic Group</th>
<th>Benefit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>All households</td>
<td>$267</td>
</tr>
<tr>
<td>Households with children</td>
<td>$386</td>
</tr>
<tr>
<td>Working households</td>
<td>$331</td>
</tr>
<tr>
<td>Households with seniors</td>
<td>$151</td>
</tr>
<tr>
<td>Households with non-elderly disabled individuals</td>
<td>$234</td>
</tr>
</tbody>
</table>

Source: U.S. Department of Agriculture, Office of Research and Analysis, "Characteristics of Supplemental Nutrition Assistance Program Households: Fiscal Year 2011"

**How Does SNAP Benefit the Economy?**

Moody’s Analytics estimates that in a weak economy, $1 in SNAP benefits generates $1.70 in economic activity. SNAP benefits pumped about $1.32 billion into New Jersey’s economy in 2012.

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For more information on the SNAP program, including New Jersey-specific information, please see:

USDA’s Building a Healthy America: A Profile of the Supplemental Nutrition Assistance Program - April 2012: &
http://www.fns.usda.gov/ORA/menu/Published/SNAP/FILES/Other/BuildingHealthyAmerica.pdf

Center on Budget and Policy Priorities Chart Book: http://www.cbpp.org/crs/index.cfm?fuseaction=view&id=3744

USDA’s congressional district information: http://www.fns.usda.gov/ora/SNAPCharacteristics/NewJersey/NewJersey.htm


Endnotes


2 Current participation statistics for New Jersey are based on the 2013 average to date (through May); the national figures are for a typical, or average, month in federal fiscal year 2014. Both are rounded to the nearest thousand.


