



Revenue & Budget

Expand food assistance and stimulate Ohio's economy

Will Petrik

Everyone, no matter their race, income or zip code, deserves stability and security. Hundreds of thousands of Ohioans have lost their jobs and thousands more have lost income due to the COVID-19 pandemic and the corresponding economic downturn. Federal lawmakers must act now to help families and communities rebound quickly, no exceptions.

Congress can use the next federal coronavirus relief package to protect our children's health, boost our economy and make sure we all have enough to eat. Specifically, policymakers need to raise the maximum Supplemental Nutrition Assistance Program (known as SNAP or food stamps) benefit by at least 15 percent for the duration of the economic recession. This would provide critical assistance to children and families with the lowest incomes who have been left out of past relief efforts. A 15 percent increase would mean an additional \$25 per person per month, or just under \$100 per month in food assistance for a family of four.¹

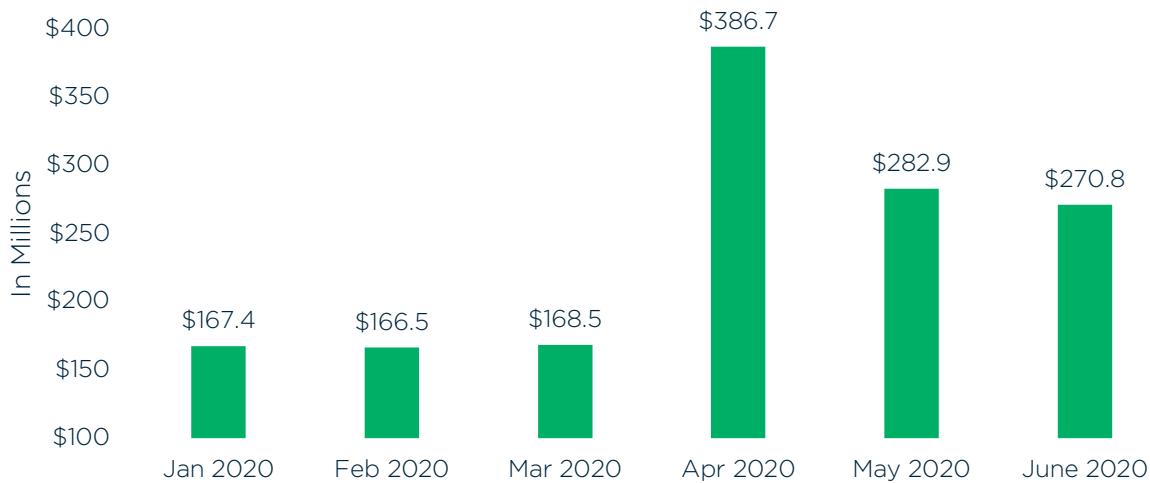
An expansion of SNAP would also infuse millions of dollars into Ohio's grocery stores and supermarkets, which would have positive ripple effects in local economies across the state. Providing Ohioans with more resources for food would also free up space in their budget to pay for child care, pay rent or go to the doctor, which boosts the economy and protects families.

Food assistance boosts the economy during a recession

SNAP helps stabilize the economy during downturns. Chart 1 shows how the SNAP program helps people meet their immediate needs quickly in response to a recession. Ohio issued a total of \$166.5 million to households in February and a total of \$386.7 million in April, a 132% increase in just two months.

¹ Parrott, Sharon, et al., "Immediate and Robust Policy Response Needed in the Face of Grave Risks to the Economy," Center on Budget and Policy Priorities, May 2020, <https://bit.ly/2LvrOFN>.

Chart 1
Increase in federal aid to Ohio through SNAP



Source: Bret Crow of the Ohio Department of Job and Family Services (ODJFS) shared the total monthly issuance for SNAP in Ohio for May and June via email. The total monthly issuance for January, February, March, and April are from the Public Assistance Monthly Statistics Reports, ODJFS, accessed on July 22, 2020, <https://bit.ly/32PcXvh>. The increase in April, May and June was due to both an uptick in SNAP enrollment and the emergency SNAP allotments. The emergency allotments brought all households up to the maximum monthly SNAP benefit.

People who use SNAP dollars spend them right away in their community. Research shows four-fifths of SNAP benefits are spent in the local economy within two weeks, and 97 percent of the resources flow into local grocery stores and markets within a month.² SNAP also frees up resources for people to spend on other basics needs.

SNAP participant spending has positive ripple effects in the economy. The swift spending on food generates income for workers at the grocery store as well as workers involved in growing, producing and transporting food. Money spent by SNAP households “multiplies” throughout the economy. A recent study found that every SNAP dollar spent during a slowing economy increased Gross Domestic Product (GDP) by \$1.54.³ The study found that a \$1 billion infusion into SNAP households would increase GDP by \$1.54 billion.

Everyone needs to eat

Across the country and here in Ohio, far too many people don’t know where their next meal will come from. Since March 15, nearly 1.5 million Ohioans have filed unemployment claims. That’s more than in the last three years combined.⁴ Many people have been out of work for over four months. In April, a national survey highlighted that more than one in five households said their children were not getting enough to eat.⁵

² Bernstein, Jared and Ben Spielberg, “Preparing for the Next Recession: Lessons from the American Recovery and Reinvestment Act,” Center on Budget and Policy Priorities, March 2016, <https://bit.ly/340zPie>.

³ Canning, Patrick 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://bit.ly/3eXdib5>.

⁴ “Ohio Jobless Claims for Sunday, July 5 through Saturday, July 11, 2020,” News Release, Ohio Department of Job and Family Services, accessed on July 23, 2020, <https://bit.ly/2D4nkK0>.

⁵ Bauer, Lauren, “The COVID-19 Crisis Has Already Left Too Many Children Hungry in America,” The Hamilton Project, May 6, 2020, <https://bit.ly/2ZR9Udm>.

Without food, children cannot learn, let alone thrive. Kids who don't get enough food are more likely to experience toxic stress, struggle at school and have worse health.⁶ On the other hand, when children have enough nutritious food, research shows they have better health, perform better in school and have better long-term economic opportunities.⁷

Ohio's food banks are doing everything they can to make sure kids and families don't go hungry, but private philanthropy doesn't have the capacity to meet all the needs emerging from the pandemic.⁸ For every meal a food bank provides, SNAP is estimated to provide nine meals.⁹ This is another reason why federal lawmakers need to expand SNAP now.

Federal response helpful, but not enough

In March, Congress provided additional hunger relief and flexibility for federal nutrition programs to meet immediate needs. The Families First Coronavirus Response Act allowed Ohio to launch the Pandemic Electronic Benefits Transfer (P-EBT) program, which provided a one-time payment of \$302 per eligible child, for families to buy food. P-EBT was designed to make sure children who receive free or reduced-price meals at school could continue to eat. The state of Ohio estimated the program would bring in \$254.5 million in federal aid for 850,000 eligible students in Ohio.¹⁰ The Families First Act also authorized Ohio to temporarily offer the maximum SNAP benefit. This meant an estimated \$75 million in SNAP benefits to roughly 440,000 SNAP households in Ohio in March and April.¹¹ The state of Ohio also sent out emergency SNAP allotments to eligible households in May, June and July.¹²

While this response is welcome, it is not nearly enough. Roughly 44% of the poorest SNAP households in Ohio did not get an increase in benefits through the emergency SNAP allotments.¹³ Furthermore, the emergency SNAP allotments are temporary and only available through the duration of the public health emergency. This means that unless the next federal stimulus package extends food aid, enhanced federal funding will end before the economy fully recovers. Policymakers made the choice to prematurely cut aid during the Great Recession, which led to a long, slow economic recovery.¹⁴ This time, Congress needs to extend emergency SNAP payments, the Pandemic EBT program, and the 15 percent

⁶ Woodrum, Amanda, "Building a Healthy Ohio," Policy Matters Ohio, November 19, 2018, <https://bit.ly/2WOom3T>

⁷ Carlson, Steven, Rosenbaum, Dottie, Keith-Jennings, Brynne, and Nchako, Catlin, "SNAP Works for America's Children," Center on Budget and Policy Priorities, September 29, 2016, <https://bit.ly/3eTbAHQ>

⁸ VanAllen, Amanda, "Food banks seeing record number of people in need," ABC News 5 Cleveland, April 1, 2020, <https://bit.ly/3bHp2xd>

⁹ Evich, Helena Bottemiller, "'There's only so much we can do': Food banks plead for help," Politico, June 8, 2020, <https://politi.co/3htIBwR>

¹⁰ "Pandemic EBT Benefits to Support Children during the COVID-19 Emergency," News Release, Ohio Department of Job and Family Services, May 12, 2020, <https://bit.ly/2ZTsth>

¹¹ "COVID-19: OH Emergency Allotments Approval," USDA, Food and Nutrition Service, March 26, 2020, <https://bit.ly/3jAeLr9>

¹² Ohio received an extension of the emergency allotment waiver in May, June and July. The May, June, and July waiver requests include the following estimates from the Ohio Department of Job and Family Services: May - \$75.6 million going to 442,778 households; June - \$75.0 million going to 440,907 households; and July - \$74.3 million going to 438,219 households, "Ohio: COVID-19 Waivers & Flexibilities," USDA, Food and Nutrition Service, accessed on July 23, 2020, <https://bit.ly/30HJNVw>

¹³ Based on the estimated number of SNAP households (440,725) that would receive the SNAP emergency allotment in March and April in Ohio's waiver request, March 26, 2020, <https://bit.ly/3jAeLr9>, and the overall number of SNAP households (785,965) based on Public Assistance Monthly Statistics (PAMS) from April 2020, <https://bit.ly/3eTnzoA>

¹⁴ Patton, Wendy, "Ohio after COVID-19: Looking to the future, learning from history," Policy Matters Ohio, May 2020, <https://bit.ly/3cQG9NR>

expansion of SNAP until each state's economy fully recovers to ensure families continue to have the food they need to pull through.

Increasing hunger and food insecurity in Ohio and nationally

Despite the additional food aid, surveys continue to show unprecedented rates of food insecurity and hunger, particularly among Black and brown communities.¹⁵ In a survey conducted between June 25 and July 7, over 1.1 million Ohioans reported that their household "sometimes or often didn't have enough to eat over the last seven days," and 602,000 Ohioans living with children reported that "the children were not eating enough because we just couldn't afford enough food."¹⁶ A recent national survey found that Black and Hispanic adults are now roughly twice as likely to be experiencing food insecurity as white adults.¹⁷

The disparities between Black and white Ohioans is not new. It is the result of years of policy choices that excluded Black Ohioans from building wealth and financial security and from education and housing opportunities. Lawmakers have also shifted public resources away from Black and brown communities and toward the wealthy and well-connected.¹⁸

Meanwhile, food prices at grocery stores in May 2020 were 4.8 percent higher than in May of 2019, making it even harder to afford food and other basic necessities.¹⁹

The economic crisis spurred by COVID-19 has resulted in an unprecedented increase in participation in the SNAP program. Chart 2 highlights SNAP participation in Ohio increasing 21% from 1.3 million in February to over 1.6 million in May of 2020, which means nearly one in seven Ohioans are supported by SNAP. By comparison, SNAP participation never increased by more than 6% over any three-month period nationally during the Great Recession.²⁰

¹⁵ Food insecurity is defined by the U.S. Department of Agriculture (USDA) as a lack of consistent access to enough food for an active, healthy life. While hunger is a personal experience, food insecurity refers to a lack of financial resources for food within a household.

¹⁶ Calculated by Center on Budget and Policy Priorities from Census Bureau's Household Pulse Survey published tables "food2b," "food3b," and "food5," for survey weeks 9 and 10, <https://bit.ly/2BpKTq1>.

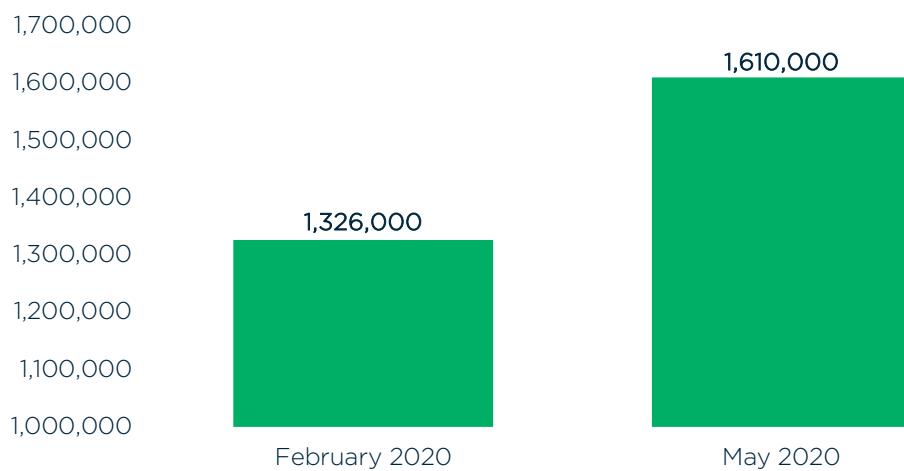
¹⁷ Waxman, Elaine, Poonam Gupta and Michael Karpman, "More Than One in Six Adults Were Food Insecure Two Months into the COVID-19 Recession," Urban Institute, July 18, 2020, <https://urbn.is/3fZkiWc>.

¹⁸ Ayres, Jasmine, et al., "Black Policy Matters: Toward an Antiracist Policy Agenda," Policy Matters Ohio, February 2020, <https://bit.ly/30FvpJR>.

¹⁹ "Consumer Price Index – June 2020," News Release, Bureau of Labor Statistics, Dept. of Labor, July 14, 2020, <https://bit.ly/32JIS8q>.

²⁰ Rosenbaum, Dottie, "Boost SNAP to Capitalize on Program's Effectiveness and Ability to Respond to Need," Center on Budget and Policy Priorities, July 18, 2020, <https://bit.ly/3fVGssa>.

Chart 2
Unprecedented increase in SNAP participation



Source: Rosenbaum, Dottie, "Boost SNAP to Capitalize on Program's Effectiveness and Ability to Respond to Need," Center on Budget and Policy Priorities, July 18, 2020, <https://bit.ly/3fVGssa>.

Recommendations

As Congress negotiates the next coronavirus relief package, they must temporarily increase the maximum SNAP benefit by at least 15 percent for all households. The House-passed HEROES Act includes the boost to SNAP; the Senate GOP proposal leaves it out. The SNAP increase must be included in the final version and should continue until unemployment returns to pre-recession levels on a state-by-state basis to ensure a strong recovery for families and communities.²¹

Congress must also extend Pandemic EBT to make sure children are getting enough to eat, regardless of what happens with schools. While public schools struggle with uncertainty and a lack of state and federal leadership around how to re-open, kids still need to eat. States also need more support to administer the Pandemic EBT program. The next federal package should suspend harmful administrative rules proposed by the Trump administration that would take away food assistance from millions of Americans struggling with hunger.²²

SNAP makes a tangible difference in the lives of children, adults, and families across Ohio. By boosting SNAP, Congress can pump millions of federal dollars into local markets, help families stay fed, and relieve their hardship during this challenging time. These resources will help Ohioans live with dignity and give them more purchasing power to spend on basic needs, which will help stimulate our local economies.

²¹ Patton, Wendy, "Ohio after COVID-19: Looking to the future, learning from history," Policy Matters Ohio, May 2020, <https://bit.ly/3cQG9NR>.

²² The Trump administration proposed three harmful administrative rules (ABAWD Rule, Broad-Based Categorical Eligibility Rule, and the Standard Utility Allowance Rule) that, if finalized, would eliminate or severely limit food support for millions of households. See Wheaton, Laura, "Estimated Effect of Recent Proposed Changes to SNAP Regulations," Urban Institute, November 2019, <https://urbn.is/2CA4ji4>.