The harm to families, children, and society as a whole when SNAP benefits are reduced or eliminated too suddenly is multifaceted and far ranging.

The American Dream tells us that if we just work hard enough, no matter our origins, we can succeed. However, many low-income families in the United States would beg to differ. Their efforts to become self-sufficient through employment can trigger a reduction in or termination of their benefits, resulting in a net loss of income for their families. This problem is known as the “cliff effect.” (See “Combining Earnings with Public Supports: Cliff Effects in Massachusetts,” page 4.) Some of the largest cliffs occur when housing and child care assistance are lost. When a family has housing and/or child care benefits, costs for those necessities are a defined, affordable share of the family’s income, but they skyrocket when the family enters the private market, where there are no controls on prices.

But the cliff effect also exists in the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program). SNAP is an essential and effective program that helps people of all ages stay healthy and economically secure. Though the program’s explicit goal is to improve food security (by providing consistent, adequate access to enough food for an active, healthy life), it also acts as a work support, helping low-wage working households to stretch their dollar further.

How Is Food Insecurity Determined?

Food insecurity is measured by the U.S. Department of Agriculture’s 18-question Food Security Survey Module (FSSM).

**Household food insecurity**: Three or more positive answers on the FSSM; inadequate access to enough nutritious food for all household members to lead an active and healthy life.

**Child food insecurity**: Two or more positive answers on the eight child questions of the FSSM; the most severe level of food insecurity among households with children; occurs when children experience reductions in the quality and/or quantity of meals because caregivers can no longer buffer them from inadequate household food resources.

SNAP eligibility is complex. The calculation involves deducting a defined list of expenses from a household’s gross income. One-third of the resulting net income is declared to be what the household has available for food. If that amount is less than the maximum SNAP benefit for their household size, the household receives the difference between the two. In this way, SNAP theoretically provides a smooth gradient for people to increase their income and for SNAP to gradually reduce until the
the family was 54 percent more likely to be household food insecure and 27 percent more likely to be struggling to afford heat and/or electricity. They were also 30 percent more likely to have a household member who had had to forgo needed health care because they could not afford it.

Among households that had lost their SNAP benefits we found the following:

• The family was 34 percent more likely to be household food insecure.
• They were also 80 percent more likely to have paid for medical care but subsequently be unable to afford basic needs like food, housing, or utilities.

These findings highlight that basic needs in the family budget do not exist in isolation: a squeeze or loss in one area has ripple effects to other needs. Despite increased income, the families with reduced SNAP benefits or those who lost SNAP entirely were all impacted across an array of areas, some not directly related to the benefit itself. For example, the loss of SNAP can trigger the loss of benefits that are linked to participation in means-tested programs like SNAP—for example, loss of utility rate discounts. School-age children can also lose automatic certification for free school meals.

The research showed that whether benefits were lost or reduced, families experienced squeezed resources and were forced to make a devil’s choice between basic needs. Beyond the individual family anguish and hardship, these outcomes impact society at large. A recent analysis found that in 2014 alone the health-related costs of food insecurity were $160.07 billion.

Policy implications: SNAP and Beyond
Changes could be made to SNAP policy that would help provide a smoother off-ramp from participation in the program. They include changing some of the base assumptions governing how the SNAP benefit is calculated. For example, using a more updated and realistic market basket of foods (the current market basket was last updated in 2006) to drive the annual calculation of the maximum SNAP benefit would help by raising the financial value of the benefit and thus giving the family a greater buffer as their income—and expected contribution to the food budget—increases. Removing the cap on how much families can deduct for housing would provide a more accurate accounting of families’ real expenses, especially in areas with high housing costs, like New England. Extending the medical deduction to more (or all) families would acknowledge that health care is a basic need that should be recognized for all families, not just for disabled and elderly households. More broadly, we must value SNAP as a health program rather than simply as a food...
assistance program. Eliminating asset limits and raising the SNAP income eligibility cutoff would help.

For families to reach self-sufficiency, they need a way to move beyond the yo-yo scenario of increased wages, loss of benefits, and sliding backwards down the income ladder only to receive benefits again. The attainment of a livable wage is an important part of the solution to the various cliff effects, but policymakers must be careful to ensure that key supports, such as SNAP, that help low-income parents to protect the health and development of their children while the parents work and/or study are not cut back or terminated before the family is truly stable. Smoothing the exit, not just from SNAP but from benefits such as housing and child care assistance, is essential. Eligibility expansion and careful coordination across sectors are required to ensure that removing one cliff does not create another.

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Endnotes
6 These and the following bulleted statistics are from Stephanie Ettinger de Cuba et al. “Punishing Hard Work: The Unintended Consequences of Cutting SNAP Benefits” (report, Children’s HealthWatch, Boston, 2013).  
8 H. Hartline-Grafton and J. Weil, “Replacing the Thrifty Food Plan in Order to Provide Adequate Allotments for SNAP Beneficiaries” (report, Food Research and Action Center, Washington, DC, 2012).  

Evidence shows that kids with strong cognitive and social foundations are better equipped to succeed in life and contribute to society at large. But recognizing that not all children have the same opportunities to grow and develop, how can we set young people on a strong course?

The tenth biennial FRS Community Development Research Conference, Strong Foundations: The Economic Futures of Kids and Communities, will explore the interplay between the development of children and their communities. High-quality and emerging research from multiple disciplines will be presented in a dialogue with policymakers and practitioners. Featured speakers include Federal Reserve Chair Janet Yellen and former Harlem Children’s Zone CEO Geoffrey Canada.

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