



Putting Healthy Food  
Within Reach

# THE STIMULUS PACKAGE & SNAP

*How the American Recovery and  
Reinvestment Act Affects SNAP  
Benefits and Policies*



# The American Reinvestment and Recovery Act (ARRA) Overview

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1. Benefit Increase
2. Changes to ABAWD policy
3. Administrative Funding Increase
4. What FNS is doing to address these changes



# How the Changes will Help Local Economies

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1. SNAP benefits are spent quickly and spur economic activity:
  - a. Every \$5 in new SNAP benefits generates \$9.20 in total community spending
  - b. 80% of benefits are redeemed within 2 weeks; 97% are redeemed within a month



# How the Changes will Help Local Economies

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2. Suspension of the ABAWD policy will provide benefits to individuals struggling to find employment in a difficult economy
3. Increased administrative funding will help States cover their administrative costs
4. Predicted to create 100,000 new jobs over two years



# Increase in Benefits

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- ARRA increases the Thrifty Food Plan (TFP) by 13.6%
  - Benefits will not go below the new TFP
  - Benefits will increase once food prices catch up to the new TFP
- The minimum benefit will be \$16
- Parallel increases for block grants for Puerto Rico and American Samoa



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# Increase in Benefits

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Household Size	Maximum Benefit	Dollar Increase
1	\$200	+ \$24
2	\$367	+ \$44
3	\$526	+ \$63
4	\$668	+ \$80
5	\$793	+ \$95
6	\$952	+ \$114
7	\$1,052	+ \$126
<i>Additional person</i>	\$150	+ \$18

Note: This chart is for the 48 contiguous states and the District of Columbia. Hawaii, Alaska, Guam, and the Virgin Islands have separate charts.



# Increase in Benefits

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The average SNAP household:

- Will receive \$294 in monthly benefits
- This is an additional \$46 in benefits (about 19%)

Household Size	Average Benefit Increase
1	\$23
2	\$43
3	\$62
4	\$80
5	\$95



# Able Bodied Adults Without Dependents

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- ARRA eliminates time limits for ABAWDs receiving SNAP
  - Before ARRA, ABAWDs could receive benefits for only 3 months every 3 years
  - ABAWDs must still comply with Employment and Training Programs
  - This policy will remain until October 2010



# Administrative Funding

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- Funding for administrative expenses:
  - \$145 Million in FY 2009
  - \$150 Million in FY 2010
  - \$4.5 Million of these funds for FNS
- The funds will be provided to States:
  - 75% based on participation
  - 25% based on the increase in participation



# What the Food and Nutrition Service (FNS) Provided

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1. Tables which cover:
  - A. New SNAP maximum benefits for household size
  - B. State administrative funding
2. Implementation memo



# What the Food and Nutrition Service (FNS) Provided

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## 3. Policy Q & As

- A. Q&A #1: Client Notices
- B. Q&A #2: ABAWDs, Temporary Increase in Benefits, and Making Work Pay Tax Credit
- C. Q&A #3: Effects on the ABAWD Time Limit

## 4. Monitor the implementation of ARRA



# **FNS Materials to Raise Public Awareness on ARRA Changes**

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- Newsletters
  - Short
  - Long
  
- Client Handout
  - English
  - Spanish



# SNAP: Current Snapshot

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- As of December 2008, SNAP served nearly 31.8 million individuals (14.3 million households) each month
- In FY 2009, FNS projects that \$50 billion in benefits will be paid out



# For More Information

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For further information on ARRA and SNAP, please visit our SNAP recovery page at :

<http://www.fns.usda.gov/fns/recovery/recovery-snap.htm>

*You will find updates, memos, Q&As, guidance for States and Partners, and client handouts.*