

The Facts about SNAP Benefits and Where They are Used

Nationwide implementation of Electronic Benefit Transfer (EBT) in the Supplemental Nutrition Assistance Program (SNAP) is a huge success. It eliminated the costly use of paper coupons, reduced stigma for program participants, and helped lower the rate of trafficking – the illegal sale of benefits for cash – to about a penny on the dollar. Occasional media reports of SNAP EBT use in casinos, on cruise ships, and in other inappropriate places are incorrect. Let's look at the facts:

SNAP benefits cannot be converted into cash, and are NOT used in casinos or on cruise ships.

- SNAP benefits can only be used to purchase food at authorized retailers, and USDA has not authorized any casinos or cruise ships to accept SNAP benefits.
- **SNAP benefits can never be withdrawn as cash.** Many States allow clients to use a single EBT card to access SNAP as well as cash benefit programs such as Temporary Assistance for Needy Families (TANF). In most States, cash benefits from other programs can be accessed through ATMs.

SNAP benefits are used to buy food to be consumed at home, and *only* at authorized food stores. The vast majority are redeemed at grocery stores, supermarkets, and farmers markets.

- In Fiscal Year (FY) 2014, 82 percent of benefits were redeemed in super markets and superstores.
- Nationwide, there were 5,175 farmers markets and farmers who sold directly to consumers authorized to redeem SNAP benefits in FY 2014.

With very few exceptions, SNAP benefits *cannot* be used in restaurants – less than one-tenth of one percent of SNAP benefits were used in restaurants in FY2014. The law permits States to authorize restaurants to serve meals to some elderly, disabled, or homeless SNAP clients, who are unable to prepare meals at home. Only four States have chosen to do so.

SNAP EBT benefits are almost always redeemed in places in or near the recipient's home State.

- While allowable, out-of-State redemptions are relatively rare. Only 2.6 percent of all SNAP transactions were done by households redeeming benefits outside their State of residence in 2014, and these transactions represented less than 3 percent of all transactions in terms of total dollars spent.
- SNAP is designed so that clients can use benefits wherever they do their food shopping. As the program transitioned from coupons to EBT, Congress crafted legislation that requires interoperability – the ability for an EBT system in one State to recognize and process an EBT card issued by another State.
- Lawmakers set this requirement because participants in border areas may live in one State and shop in another, and sometimes travel to visit family in other parts of the country.