

TOP 10 REASONS FOOD STAMPS NEED TO BE REFORMED

By: Andrew Montgomery

Roughly 80 percent of the nearly \$1 trillion dollar Farm Bill currently under debate in Congress deals with food and nutrition assistance programs such as food stamps, the largest of which is the Supplemental Nutrition Assistance Program (SNAP). In recent years, food stamps have grown into a major financial obligation. Enrollment in SNAP has increased dramatically, rising from 26 million in 2007 (one in twelve Americans) to nearly 47 million in 2012 (one in seven Americans). Costs have increased dramatically as well, rising from \$35 billion in 2007 to \$80 billion in 2012¹, making it the second most expensive means-tested federal welfare program, behind only Medicaid. As such, it is vital to understand the serious flaws in current food stamp programs.

1. They Are Ineffective at Reducing Hunger

A report compiled by the Government Accountability Office (GAO) noted that while SNAP (the largest food stamp program) has had some positive results, “the literature is inconclusive regarding whether SNAP alleviates hunger and malnutrition in low-income households.”² It went on to say that, “those who choose to participate in food assistance programs generally have greater difficulty meeting their food needs and tend to be more food insecure compared to others that are eligible for programs but do not participate.” In other words, these programs, despite costing tens of billions per year, are not making a sizable impact on hunger in America.

2. They are Subject to Large Scale Fraud & Error

The Government Accountability Office reports that despite great progress, “the amount of SNAP benefits paid in error is substantial, totaling about \$2.2 billion in 2009.”³ Other food programs are worse. The Daily Caller reports the story of Adam Sylvain, a student at George Mason University, who recounts, “My roommate told me he applied for food stamps, and they told him he qualified for \$200 a month in benefits... He’s here on scholarship and he saves over \$5,000 each summer in cash. A few of our other friends who were in the room also said if there were able to, they would get food stamps ... They think that if they’re eligible it’s the government’s fault, so they might as well.”⁴ Stories like this are not uncommon. Nor is the misuse of food stamp money by retailers or consumers. In fact, there are only 40 investigators for over 193,000 retailers nationwide⁵, making abuse hard to catch.

¹ FitzGerald, Kathleen. Congressional Budget Office, "Snapshot of the Supplemental Nutrition Assistance Program." Last modified April 16, 2013. <http://www.cbo.gov/publication/44080>.

² Government Accountability Office, "Domestic Food Assistance." Last modified April 2010. <http://www.gao.gov/new.items/d10346.pdf>.

³ Kay, Brown. Government Accountability Office, "Supplemental Nutrition Assistance Program." Last modified July 28, 2010. <http://necir-bu.org/wp/wp-content/uploads/2011/01/2010-GAO-report-on-SNAP.pdf>.

⁴ "Universities encourage students to enroll in food stamp program." *The Daily Caller*, March 27, 2010. <http://dailycaller.com/2010/03/27/universities-encourage-students-to-enroll-in-food-stamp-program/>

⁵ Beverly, Ford. "Food Stamps — Who’s Watching The Stores?" *New England Center for Investigative Reporting*, January 16, 2011. <http://necir-bu.org/investigations/food-stamps-whos-watching-the-stores/web-story/>



3. They Lack Transparency

The USDA does not disclose product purchases or how many total SNAP dollars are spent on each product, nor does the USDA disclose how much money retailers make off of SNAP. This makes it hard for investigative journalists and watchdogs to identify fraud in the system. The Association of Health Care Journalists and six other journalist and open-government groups have requested this information⁶ but the USDA refuses to reveal anything. Why is USDA stonewalling journalists? What do they have to hide?

4. They are a Form of Corporate Welfare

According to public health lawyer Michele Simon of eatdrinkpolitics, "SNAP represents the largest, most overlooked corporate subsidy in the farm bill."⁷ Food stamp programs guarantee large corporations consistent cash flow, creating a powerful corporate lobbying group that seeks to prevent cuts or changes to SNAP. For example, J.P. Morgan has contracts for Electronic Benefits Transfer (EBT) cards used for SNAP in half the states and has spent millions of dollars lobbying Congress. In addition, large food retailers like Kroger and Walmart gain large shares of SNAP purchases. In some states, Walmart captures upwards to 50 percent of all SNAP purchases.⁸ These companies now have a vested interest in opposing any attempts to decrease food stamp enrollment.

5. Food Stamp Advertising Emphasizes Enrollment over Need

The USDA has conducted a massive campaign to increase the number of food stamp recipients, even hiring recruiters who must fulfill enrollment quotas. The USDA in its "Community Partner Outreach Toolkit"⁹ webpage gives ideas of how to spread awareness and increase enrollment. Ideas have been implemented such as SNAP-based bingo games for the elderly, food-stamp parties, and fliers that that read, "Be a patriot. Bring your food stamp money home."¹⁰ But it doesn't stop here; the U.S. and Mexico began a partnership in 2004 to "provide information on eligibility criteria for Food and Nutrition Service programs,"¹¹ and that includes disseminating a Spanish language flyer that tells undocumented immigrants, "You need not divulge information regarding your immigration status in seeking this benefit [food stamps] for your children."¹² The U.S. also supplies 1/3 of the Puerto Rican population with food stamps, costing U.S. taxpayers roughly \$2 billion annually.¹³ Clearly, food stamp programs have become more and more about numbers, instead of need.

⁶ "Journalists call on USDA to release food stamp information." *Association of Health Care Journalists*, April 8, 2013. <http://healthjournalism.org/about-news-detail.php?id=166>

⁷ Simon, Michele. EatDrinkPolitics, "Food Stamps:Follow the Money." Last modified June 2012. <http://www.eatdrinkpolitics.com/wp-content/uploads/FoodStampsFollowtheMoneySimon.pdf>.

⁸ Government Accountability Institute, "Profits from Poverty: How Food Stamps Benefit Corporations." Last modified September 2012. <http://g-a-i.org/wp-content/uploads/2012/10/GAI-Report-ProfitsfromPoverty-FINAL.pdf>.

⁹ USDA: Food and Nutrition Service, "Community Partner Outreach Toolkit." Last modified April 11, 2012. Accessed June 13, 2013. http://www.fns.usda.gov/snap/outreach/tool-kits_partners.htm.

¹⁰ Saslow, Eli. "In Florida, a food-stamp recruiter deals with wrenching choices." *The Washington Post*, April 23, 2013. http://www.washingtonpost.com/national/in-florida-a-food-stamp-recruiter-deals-with-wrenching-choices/2013/04/23/b3d6b41c-a3a4-11e2-9c03-6952ff305f35_story.html

¹¹ "The Mexico-U.S. Partnership for Nutrition Assistance Initiative." http://www.budget.senate.gov/republican/public/index.cfm/files/serve/?File_id=936892e1-daa0-41d5-a641-d3a3fc00de41.

¹² May, Caroline. "USDA/Mexico Spanish-language flyer: Get kids on food stamps without showing documents." *The Daily Caller*, April 25, 2013. <http://dailycaller.com/2013/04/25/usdamexico-spanish-language-flyer-get-kids-on-food-stamps-without-showing-documents/>

¹³ USDA, "Nutrition Assistance Block Grants (NABG)." Accessed June 13, 2013. http://www.fns.usda.gov/sites/default/files/NABGP_Quick_Facts.pdf.

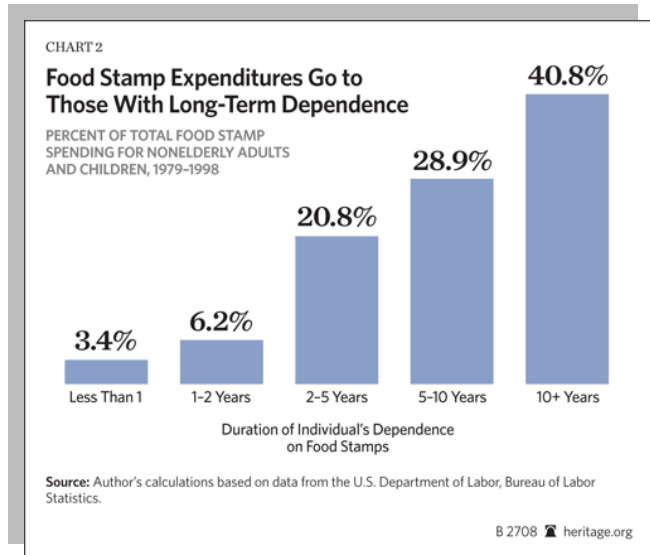


6. They Overlap and Create Inefficiencies

A report compiled by the Government Accountability Office (GAO) stated that, “the 18 food assistance programs show signs of program overlap, which can create unnecessary work and lead to inefficient use of resources.”¹⁴ Indeed, administrative costs equal about \$5.5 billion per year, or about 10 percent of the value of food stamps distributed.¹⁵

7. They Lack Effective Work Requirements

On top of loosening eligibility requirements in both the 2002 and 2008 Farm Bills, and easing restrictions on states to qualify participants in the 90s, the 2009 Stimulus plan suspended the SNAP’s work requirements for able-bodied adults without dependents (ABAWDs), a ‘temporary’ suspension that has continually been renewed. This creates an incentive for individuals to not work, because such action would likely jeopardize their eligibility for food stamps. According to the Congressional Research Service, participation in SNAP has doubled among these ABAWDs- from 1.9 million to 3.9 million - far outpacing general enrollment increases.¹⁶ This change allows individuals to stay on food stamps with less incentive to improve their economic situation, draining taxpayers and discouraging self-reliance.



8. They Create Dependency

The goal of any government welfare program should be to get people back on their feet, not to keep them in poverty and hunger. Current food stamp programs have little work required as a condition of assistance, encouraging the relatively well off to freeload off the system and those in need to remain in poverty.

9. They Have Become a Burden on Taxpayers

While a large share of the rise in food stamp enrollment is due to our economic downturn, over-active advertising and loosening of eligibility requirements have permanently (unless reformed) enlarged food stamp programs. The CBO projects that by 2022, 34 million people will be enrolled in SNAP and expenditures will total \$73 billion, much higher than \$19.8 billion spent in 2000.¹⁷

¹⁴ Government Accountability Office, "Domestic Food Assistance." Last modified April 2010. <http://www.gao.gov/new.items/d10346.pdf>.

¹⁵ Edwards, Chris. Downsizing the Federal Government, "Food Subsidies." Last modified July 2009. <http://www.downsizinggovernment.org/sites/downsizinggovernment.org/files/pdf/agriculture-food-subsidies.pdf>.

¹⁶ Congressional Research Service, "FY2007-FY2012: Able-Bodied Adults Without Dependents (ABAWD) Requirements, Statistics, and Waivers." Last modified September 14, 2012. <http://www.scribd.com/doc/106346145/CRS-Memo-ABAWD>.

¹⁷ Congressional Budget Office, "The Supplemental Nutrition Assistance Program." Last modified April 19, 2012. Accessed June 13, 2013. <http://www.cbo.gov/publication/43173>.



10. They Should Be Handled by States

Currently, SNAP's funding comes completely from the federal government, encouraging states to enroll as many people as possible. In fact, in the states' view, there is little or no problem if food stamps are being abused; it is not "their" problem. This only leads to increasing costs. States can also use what's called "categorical eligibility" for SNAP in which they determine eligibility not on the program's income or asset limitations but on individual's participation in other welfare assistance programs. This usually leads to relaxed standards.¹⁸ Sending the money directly to states as block-grants would give states more flexibility and encourage them to minimize cost and maximize effectiveness, as proven by the successful welfare reforms of the 1990s.

¹⁸Glans, Matthew. The Heartland Institute, "Food Stamp Reform." Last modified September 13, 2012.
<http://heartland.org/policy-documents/research-commentary-food-stamp-reform>.

