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Nebraska Household Participation in the Supplemental Nutrition Assistance Program

Randolph L. Cantrell

University of Nebraska-Lincoln, rcantrell1@unl.edu

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CORNHUSKER ECONOMICS

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Market Report	Yr Ago	4 Wks Ago	7/12/13
<u>Livestock and Products,</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.	\$114.57	\$120.50	\$120.22
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	167.83	154.00	171.20
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	143.81	140.89	152.84
Choice Boxed Beef, 600-750 lb. Carcass.	187.33	201.62	193.30
Western Corn Belt Base Hog Price Carcass, Negotiated.	95.96	101.78	97.69
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean.	89.39	99.53	102.48
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct.	120.75	120.00	116.00
National Carcass Lamb Cutout, FOB.	333.77	282.05	275.66
<u>Crops,</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Imperial, bu.	8.13	6.83	6.89
Corn, No. 2, Yellow Nebraska City, bu.	7.85	7.05	6.96
Soybeans, No. 1, Yellow Nebraska City, bu.	16.04	15.12	15.19
Grain Sorghum, No. 2, Yellow Dorchester, cwt.	12.98	12.05	11.48
Oats, No. 2, Heavy Minneapolis, MN, bu.	3.92	4.24	3.85
<u>Feed</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	212.50	+	250.00
Alfalfa, Large Rounds, Good Platte Valley, ton.	175.00	225.00	180.00
Grass Hay, Large Rounds, Good Nebraska, ton.	147.50	217.50	150.00
Dried Distillers Grains, 10% Moisture, Nebraska Average.	274.00	231.00	225.00
Wet Distillers Grains, 65-70% Moisture, Nebraska Average.	100.00	91.00	82.50
+ No Market			

The Supplemental Nutrition Assistance Program (SNAP) has become a point of contention during negotiations over the passage of a new Farm Bill, with a version of the bill now being offered in the House of Representatives that contains no provision for the massive nutrition program. This is a move that is largely unsupported by the agricultural industry, for which SNAP has long been seen as a way to align urban interests with agriculture.

The original Food Stamp program was created in 1964 and provided cash equivalent coupons to eligible participants. The program has been revised numerous times since, and has been included as part of the Farm Bill since 1973. Officially designated as the Supplemental Nutrition Assistance Program in the 2008 Farm Bill, the program now provides participants with Electronic Benefit Transfer (EBT) cards, with which they essentially debit their monthly benefits.

To be eligible for SNAP benefits, recipients must pass several means tests, which for most include a 'countable resource' maximum as well as a maximum for both gross (130% of poverty) and net (100% of poverty) monthly income. Various deductions may be allowed, and thresholds vary based upon age and disability. Maximum monthly benefits for eligible households currently range from \$200 for an individual to \$1,202 for an eight member household. Beyond that, the benefit is increased by \$150 for each additional member. Legal immigrants are eligible for benefits if they have been in the country for five years or longer and meet certain other requirements.

SNAP benefits can be used to purchase "foods for the household to eat," such as breads, cereals, fruits, vegetables, meats, fish, poultry and dairy products. Excluded are alcohol, tobacco and non-food items such as pet food, cleaning products, hygiene products, hot foods (such as deli items) and foods that will be eaten on premises. Things

commonly thought of as “junk foods” such as soda, crackers and cookies are also eligible, and occasional efforts to exclude such “non-healthy” items have failed due to the assumed complexity that enforcing such rules would impose upon retailers.

According to the United States Department of Agriculture (USDA), in fiscal year 2012, 74.6 billion dollars in food aid was distributed to 47.7 million Americans, with an average monthly benefit of \$134.29. In Mississippi and Washington D.C., more than one-fifth of residents received SNAP benefits in 2012. Nationally, approximately 15 percent of the population participated in the SNAP program.

SNAP expenditures in Nebraska have grown rapidly over the last several years, roughly doubling (in nominal dollars) between 2006 and 2011 on both a total and per capita basis. As seen in Table 1 (on next page), the rate of growth has been essentially the same in both Metropolitan and Non-Metropolitan portions of the state. The most recent data released by the Bureau of Economic Analysis estimate SNAP expenditures in Nebraska to have totaled \$258,325,000 in 2011.

At an estimated eight percent of households, Nebraska’s SNAP participation rate is well below the national average of 15 percent, and much below that of Mississippi (22%). Participation does however appear to be higher in Nebraska’s larger central cities. For instance, American Community Survey five-year estimates place the SNAP participation rate at 11.8 percent for the city of Omaha, 11.5 percent for Grand Island and 16.5 percent for Scottsbluff. The city of Lincoln has the lowest estimated SNAP participation rate among Nebraska cities, at 8.1 percent. (See Table 2, next page.) The higher participation rate in urban centers does seem to support the idea that SNAP funding represents a point of shared interest for urban and rural legislators as they consider the Farm Bill.

While the estimated SNAP participation rate appears to be relatively low in Nebraska, it varies greatly by household characteristic. (See Table 3, next page.) Of the 56,904 Nebraska households estimated to have received SNAP benefits in the last twelve months, 32,873 (58% of all recipient households) included children under the age of 18 years. Of those households, 58 percent (18,982) were headed by single female parents. Statewide, this accounted for just over 38 percent of all female headed single parent families with children age 18 or younger.

SNAP participation was also estimated to be relatively high for single parent families headed by males, for which the participation rate is 18.7 percent (3,327 households). Participation was also estimated to be high among non-family households with children, at 27 percent. Such households would include foster arrangements. By comparison, SNAP participation for married couples with children was estimated to be lower at 14.2 percent.

SNAP participation was estimated to be below the statewide average for households with at least one member age 60 (the starting point for age related SNAP eligibility) or older. Only 4.7 percent (10,667) of such households are estimated to participate in SNAP. These households do, however, account for 18.7 percent of all SNAP recipient households.

The American Community Survey five-year sample estimates the median annual household income of SNAP participants to be \$16,224, or approximately 32 percent of the median income for all Nebraska households. That income level places an estimated 58 percent of SNAP households in poverty, compared to less than 12 percent of all Nebraska households.

Among family households, most SNAP recipients (83.4%) had one or more working members during the year that they participated in the program. Just over 30 percent of SNAP families had two or more workers during the year.

Nebraska’s minority householders are over-represented among SNAP participants when compared to the general population. This is especially true among African American householders, who comprise 16.1 percent of householders participating in SNAP, but only 4.1 percent of the total householder population. Hispanic and Latino householders are similarly over-represented, accounting for 11 percent of SNAP households, as compared to 5.7 percent of all householders. Native American householders are found in 3.3 percent of SNAP households and 0.7 percent of all households. In each of these cases, the population in question is also characterized by a relatively high percentage of female headed single parent households with children present, which is largely responsible for their high SNAP participation rate. (See Table 4, next page.)

The current debate over the appropriateness of attaching SNAP to the Farm Bill has been politically interesting. Even though much of the agricultural industry opposes uncoupling nutrition assistance from agriculture, legislators from rural districts have been able to advocate for doing so without a great deal of apparent resistance at home. This may be in part because of the relatively low SNAP participation rate among seniors, who are themselves over-represented in rural areas.

It may also be the case that rural residents see food assistance as being largely an urban issue, for which they are being asked to pay. Census data indicate that there might be some truth in that argument, since the SNAP participation rate in Nebraska’s urban centers is three to four percentage points higher than that found in Non-Metropolitan portions of the state. Still, access to food is far from an urban-only issue. It would be interesting to look at SNAP participation on a county-by-county basis in order to further investigate urban and rural differences in the program. Unfortunately, the only data available for such an inquiry is found in the American Community Survey, and those data are of dubious

reliability at best for populations of less than 10,000. Few Non-Metropolitan Nebraska communities or even counties reach that threshold.

Whatever the logic, it appears that changes in Food Stamp/SNAP funding are in the works, along with what may be significant changes in the program's administration. Whether the forty-year marriage between nutrition assistance and the Farm Bill continues or is annulled may be of little interest to most Americans. But, whatever happens to food stamps will likely be of great interest to some 57,000 Nebraska households.

Randy Cantrell, (402) 472-0919
 Rural Sociologist
 Rural Futures Institute
 University of Nebraska
rcantrell1@unl.edu

Table 1. SNAP Expenditures* in Nebraska: 2006 - 2011

		2006	2007	2008	2009	2010	2011	Percent Change
Nebraska Total	Total	\$125,195,000	\$129,062,000	\$145,618,000	\$198,253,000	\$243,289,000	\$258,325,000	106.3
	Per Capita	\$70.62	\$72.37	\$81.06	\$109.37	\$132.93	\$140.19	98.5
Nebraska Metropolitan	Total	\$76,812,000	\$79,184,000	\$89,343,000	\$121,630,000	\$149,263,000	\$158,487,000	106.3
	Per Capita	\$75.40	\$76.73	\$85.41	\$114.70	\$138.89	\$145.78	93.3
Nebraska Non-Metropolitan	Total	\$48,383,000	\$48,878,000	\$56,275,000	\$76,623,000	\$94,026,000	\$99,838,000	106.3
	Per Capita	\$64.17	\$66.37	\$75.00	\$101.85	\$124.47	\$132.15	105.9

SOURCE: Bureau of Economic Analysis

* Nominal Dollars

Table 2. Households Participating in SNAP by Nebraska Region and City

	Regions						Central Cities			
	Nebraska Total	Nebraska Non-Metro Total	Nebraska Metro Total	Lincoln Metro	Omaha Metro (NE part)	Sioux City Metro (NE part)	Omaha City	Lincoln City	Grand Island City	Scottsbluff City*
Total Households	715,703	304,078	411,625	119,268	282,678	9,679	162,607	102,976	18,119	6,220
Households Receiving SNAP	56,904	23,461	33,443	8,703	23,760	980	19,176	8,358	2,075	1,024
% of Households Receiving SNAP	8.0	7.7	8.1	7.3	8.4	10.1	11.8	8.1	11.5	16.5

SOURCE: American Community Survey 5-Year Estimates: 2006-2011.

*ACS estimates for smaller cities may include quite large confidence intervals.

Table 3. SNAP Participation by Household Type: Nebraska

Household Type		Nebraska Total	Nebraska Non-Metro Total	Nebraska Metro Total	Lincoln Metro	Omaha Metro (NE part)	Sioux City Metro* (NE part)
Households with Children <18 Years	Number W/SNAP	32,873	13,435	19,438	5,084	13,636	718
	Percent W/SNAP	14.2	14.6	13.9	13.4	13.9	18.3
Married Couple Households With Children <18	Number W/SNAP	9,837	4,461	5,376	1,459	3,733	184
	Percent W/SNAP	6.1	7.3	5.3	4.8	5.5	7.0
Male-Headed Single Parent Households with Children <18	Number W/SNAP	3,327	1,589	1,738	393	1,239	106
	Percent W/SNAP	18.7	21.2	16.8	15.3	17.1	20.6
Female-Headed Single Parent Households with Children <18	Number W/SNAP	18,982	7,096	11,886	3,064	8,421	401
	Percent W/SNAP	38.2	38.6	37.9	37.6	37.5	52.5
Non-Family Households with Children <18	Number W/SNAP	727	309	418	148	243	27
	Percent W/SNAP	26.8	24.1	29.3	25.6	29.8	90.0
Households with One or More Members >60	Number W/SNAP	10,667	4,657	6,010	1,443	4,320	247
	Percent W/SNAP	4.7	4.1	5.3	4.5	5.6	8.0

SOURCE: American Community Survey 5-Year Estimates: 2006-2011.

*ACS estimates for smaller populations may include quite large confidence intervals.

Table 4. SNAP Recipient Households by Race of Householder

	Percent of SNAP Recipient Households	Percent of All Households
White	72.7	90.9
Black or African American	16.1	4.1
American Indian or Alaskan Native	3.3	0.7
Asian	1.2	1.3
Native Hawaiian or Other Pacific	0.1	0.0
Some Other Race	2.8	1.7
Two or More Races	3.9	1.2
Hispanic or Latino (Any Race)	11.0	5.7
White Alone, Not Hispanic or Latino	65.8	87.2

SOURCE: American Community Survey 5-Year Estimates: 2006-2011.