

Economic and Business Benefits of SNAP

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KEY TAKEAWAYS

1. SNAP benefits lead to positive economic impacts at the local, state, and national levels by generating economic activity for food retailers and manufacturers and creating jobs in a variety of sectors.
2. SNAP participation improve health outcomes, saving states like Texas thousands of dollars per person every year through reduced healthcare costs.

Overview of SNAP

The Supplemental Nutrition Assistance Program (SNAP) is a federal nutrition and health program administered by each state. SNAP provides benefits that supplement the food budget and provide additional nutritional quality for eligible adults and children. (1)

- More than 41 million U.S. residents (12% of the U.S. population) and 3.4 million Texans (11% of the state's population) received SNAP benefits in 2022. (2)
- More than 79% of SNAP participants in Texas were families with children, and around 27% of recipients were families with older adults or people living with a disability. (3)
- SNAP enrollment and utilization of benefits boost local economies and create jobs, creating an economic stimulus for communities. (4,5)
- SNAP is associated with reduced healthcare costs and improved health outcomes for children, older adults, and people with disabilities, resulting in healthcare savings. (3)



SNAP Boosts Local and Farm Economies

SNAP benefits are considered one of the most direct and effective forms of economic stimulus.

- For every \$5 in SNAP benefits spent at local grocery stores or farm stands, \$9 in economic activity is generated in the surrounding community. (6)
- Every \$1 billion of SNAP benefits distributed creates about 15,000 full-time jobs. Conversely, about 11,000 jobs are lost with each \$1 billion cut in SNAP funding. (6)

Every \$1 billion of SNAP benefits distributed creates: (3)



\$340 million in farm production



\$110 million in farm value-added



3,300 farm jobs

- The effect of SNAP assistance on the economy is especially beneficial for domestic farmers and food manufacturers compared to other stimulus policies. (7)
- The economic boost to farmers is especially significant since agriculture represents a major part of the Texas economy: about \$25 billion in 2021 in agricultural output, and about 9% of the state's Gross Domestic Product. (7)
- In addition to benefits, SNAP recipients in Texas may also be eligible for and/or required to participate in programs that provide job search assistance, education, training, and other services related to obtaining and maintaining employment through the Texas Workforce Commission. (8).



Nearly 20 cents for each dollar spent at grocery stores goes toward foods that are grown and processed locally. (6)

SNAP Reduces Healthcare Costs

- The healthcare costs associated with food insecurity are substantial. The excess total healthcare costs associated with food insecurity equal \$1,998 per adult experiencing food insecurity in Texas. (9)
 - SNAP recipients are 30% less likely to be food insecure than those unenrolled with a similar income. (10)
 - Investing in SNAP would reduce excess healthcare costs associated with food insecurity.
- Healthcare savings are even more likely to improve outcomes among elderly individuals. A recent study found that low-income seniors on SNAP save an average of \$2,120 per person in healthcare costs in the year after enrollment. (11).
- The potential savings are even greater among older adults who are disabled or suffering from chronic conditions. A study on national data found that receiving SNAP benefits can save older individuals with health disease about \$4,100 (per person) in annual healthcare costs, and individuals living with disabilities could save \$3,900 per person, per year. (12)



Additional Resources

[SNAP Work Requirements -TX RPC Report](#)

[SNAP Vehicle Value Limits -TX RPC Report](#)

[Food Access in Texas and Texas Legislative Districts -TX RPC Data Brief](#)

[TX RPC Project Lunch & Learn Event: Food Insecurity in Texas](#)

[Food Insecurity in Texas: State Level Policies to Make an Impact -Michael & Susan Dell Center for Healthy Living Webinar](#)

[Food Insecurity in Texas: An Overview from Public Health & Pediatrician Perspectives -Michael & Susan Dell Center for Healthy Living Webinar](#)

[Changes to Food Insecurity and Food Access in Austin During COVID-19 -Michael & Susan Dell Center for Healthy Living Webinar](#)

Overview of SNAP brief (upon request)

Food Insecurity in Texas brief (upon request)

Health Benefits of SNAP brief (upon request)

SNAP Gap brief (upon request)

References

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