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Economic Research Service  
U.S. DEPARTMENT OF AGRICULTURE

Economic  
Research  
Service

Economic  
Information  
Bulletin  
Number 237

June 2022

# The Food and Nutrition Assistance Landscape: Fiscal Year 2021 Annual Report

Jordan W. Jones, Saied Toossi, and Leslie Hodges



The U.S. Department of Agriculture typically administers 15 domestic food and nutrition assistance programs that account for roughly two-thirds of the Department's annual budget. These programs—which vary by size, type of benefits, and target population—form a nutritional safety net for millions of children and low-income adults.



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### Recommended citation format for this publication:

Jones, Jordan W., Saied Toossi, and Leslie Hodges. June 2022. *The Food and Nutrition Assistance Landscape: Fiscal Year 2021 Annual Report*, EIB-237, U.S. Department of Agriculture, Economic Research Service.



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# The Food and Nutrition Assistance Landscape: Fiscal Year 2021 Annual Report

Jordan W. Jones, Saied Toossi, and Leslie Hodges

## Abstract

The U.S. Department of Agriculture (USDA) administers 15 domestic food and nutrition assistance programs that together affect the lives of millions of people and account for roughly two-thirds of USDA's annual budget. In response to the Coronavirus (COVID-19) pandemic, USDA launched additional temporary programs and implemented numerous policy changes that expanded the scope and coverage of existing programs. Together, these initiatives contributed to higher spending on food and nutrition assistance programs in fiscal year (FY) 2021 (October 1, 2020, to September 30, 2021), which amounted to a historic high of \$182.5 billion. This report uses preliminary data from USDA, Food and Nutrition Service (FNS) and USDA, Agricultural Marketing Service (AMS) to examine program trends and policy changes in USDA's largest U.S. food and nutrition assistance programs through FY 2021. It also summarizes a recent USDA, Economic Research Service (ERS) report examining the prevalence of household food insecurity in the United States in 2020 and a working paper examining the expansion of free meal sites targeting children in the early months of the COVID-19 pandemic.

**Keywords:** food and nutrition assistance programs; Supplemental Nutrition Assistance Program (SNAP); Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); National School Lunch Program (NSLP); School Breakfast Program (SBP); Seamless Summer Option (SSO); Summer Food Service Program (SFSP); Child and Adult Care Food Program (CACFP); Pandemic Electronic Benefit Transfer (P-EBT); Farmers to Families Food Box Program; emergency allotments; food security; Coronavirus; COVID-19 pandemic; economic conditions

## Acknowledgments

The authors thank Katy Georg, USDA, Agricultural Marketing Service, Keenan Marchesi, USDA, Economic Research Service (ERS), and Maggie Applebaum and Kameron Burt, USDA, Food and Nutrition Service (FNS), for data assistance. The authors thank USDA, ERS; USDA, AMS; and USDA, FNS reviewers for their reviews of this report. Thanks also to USDA, ERS product coordinator Debbie Rubas, editors Elaine Symanski and Grant Wall, and designer Chris Sanguinett.

## About the authors

Jordan W. Jones, Saied Toossi, and Leslie Hodges are research agricultural economists in USDA, Economic Research Service, Food Economics Division, Food Assistance Branch. Their research focuses on the Supplemental Nutrition Assistance Program (SNAP), child nutrition programs, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), respectively.

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## Errata

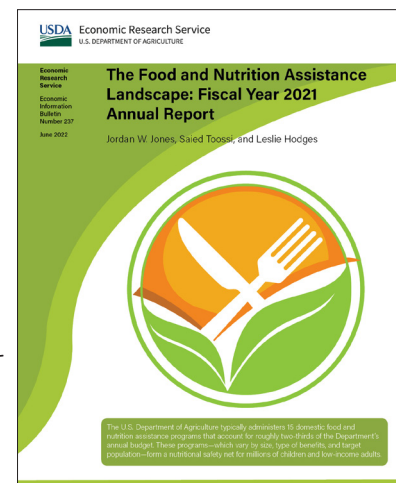
On July 14, 2022, the report summary title was updated to correct the fiscal year.

# The Food and Nutrition Assistance Landscape: Fiscal Year 2021 Annual Report

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## What Is the Issue?

The U.S. Department of Agriculture (USDA) administers 15 domestic food and nutrition assistance programs that together affect the lives of millions of people and account for roughly two-thirds of USDA's annual budget. In response to the Coronavirus (COVID-19) pandemic beginning in fiscal year (FY) 2020 and continuing into FY 2021, USDA implemented additional temporary programs and numerous policy changes that expanded the scope and coverage of existing programs. As a result, participation in and spending on these programs changed substantially. This report examines trends in USDA's largest U.S. food and nutrition assistance programs through FY 2021 (October 1, 2020, to September 30, 2021). This report also documents policy changes that took effect throughout FY 2021 and trends in economic and social indicators affecting participation in and spending on food and nutrition assistance programs. It also summarizes two recent USDA, Economic Research Service (ERS) studies: one that examines the prevalence of household food insecurity in the United States in 2020; and another that examines the expansion of free meal sites targeting children in the early months of the COVID-19 pandemic.



## What Did This Study Find?

- Spending on USDA's domestic food and nutrition assistance programs in FY 2021 reached a historic high of \$182.5 billion, 43 percent greater than the previous inflation-adjusted high of \$127.5 billion in FY 2020. The increase in spending was primarily driven by increases in USDA's Supplemental Nutrition Assistance Program (SNAP) and Pandemic Electronic Benefit Transfer (P-EBT) spending (see summary figure).
- On average, 41.5 million people participated in SNAP each month, 4 percent more than in the previous fiscal year. A temporary benefit increase, the expansion of emergency allotments, and higher participation contributed to a historic high in Federal SNAP spending of \$113.8 billion, 44 percent more than in FY 2020.
- On average, 6.2 million people participated in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) each month, nearly the same as the previous fiscal year. Total WIC spending was \$5.0 billion, 1 percent more than in FY 2020.
- Pandemic-related disruptions to child nutrition programs resulted in 8.4 billion total meals being served across the National School Lunch Program (NSLP), School Breakfast Program (SBP), Child and Adult Care

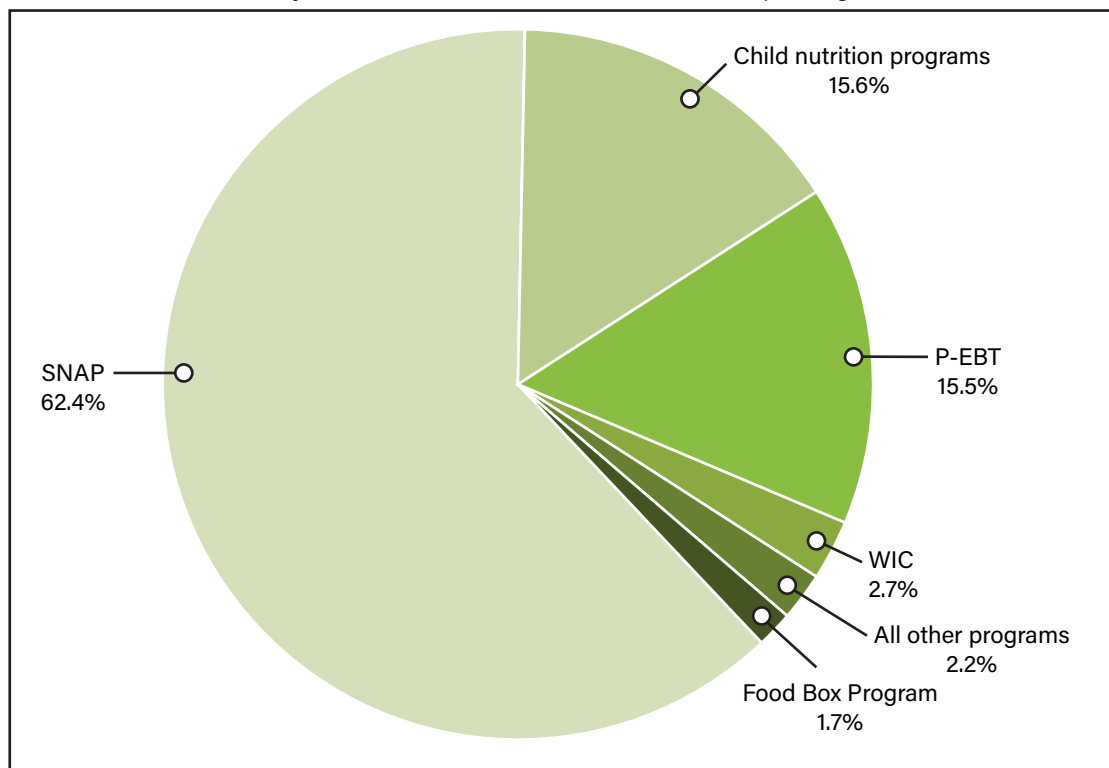
ERS is a primary source of economic research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

Food Program (CACFP), and Summer Food Service Program (SFSP). The number of meals served through SFSP increased to 3.0 billion, about 133 percent greater than in FY 2020. Total spending on these programs was \$26.8 billion, 27 percent more than in FY 2020.

- USDA continued to operate two temporary programs in FY 2021. P-EBT benefits were issued to eligible families at a cost of \$28.3 billion, or 162 percent greater than the amount issued in FY 2020. The Farmers to Families Food Box Program distributed about 73.1 million boxes of produce, dairy, and meat products to food banks and other charitable organizations nationwide at a cost of \$3.0 billion.

### USDA food and nutrition assistance spending by program, FY 2021

*SNAP and P-EBT accounted for nearly four-fifths of food and nutrition assistance spending*



FY = fiscal year; SNAP = Supplemental Nutrition Assistance Program; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; Child Nutrition Programs = National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, Summer Food Service Program, related State administrative expenses, and other related child nutrition costs; P-EBT = Pandemic Electronic Benefit Transfer; All other programs = nutrition family assistance grants to Puerto Rico, the Northern Marianas, and American Samoa; the Commodity Supplemental Food Program; the Food Distribution Program on Indian Reservations; the Nutrition Services Incentive Program; the Special Milk Program; Disaster Feeding; The Emergency Food Assistance Program; and nutrition programs administration; Food Box Program = Farmers to Families Food Box Program.

Note: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022; and information provided by USDA, Agricultural Marketing Service.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service and USDA, Agricultural Marketing Service.

### How Was the Study Conducted?

This report uses preliminary data from USDA, Food and Nutrition Service and USDA, Agricultural Marketing Service to examine program trends through FY 2021, adjusting for inflation where appropriate to make historical comparisons and indicating when inflation adjustment takes place. It uses supplementary data to examine economic and social indicators.



# The Food and Nutrition Assistance Landscape: Fiscal Year 2021 Annual Report

## Introduction

The U.S. Department of Agriculture (USDA) administers 15 food and nutrition assistance programs, accounting for two-thirds of USDA's annual budget. Together, these programs—which vary by size, type of benefits provided, and target population—form a nutritional safety net for tens of millions of children and low-income adults, including the elderly and those with disabilities. Over the course of a typical year, about one in four people in the United States participates in at least one of these programs. The Coronavirus (COVID-19) pandemic and its economic impacts led to millions more relying on these programs beginning midway through FY 2020 (October 1, 2019, to September 30, 2020) and continuing into FY 2021 (October 1, 2020, to September 30, 2021). To meet continuing need in FY 2021, USDA expanded program benefits in several ways, extended waivers increasing the scope and coverage of existing programs, and continued to temporarily operate the Pandemic Electronic Benefit Transfer (P-EBT) program and Farmers to Families Food Box Program (Food Box Program), both created in the initial aftermath of the pandemic.

This report uses preliminary data (subject to change as data become final) from USDA, Food and Nutrition Service (FNS) and USDA, Agricultural Marketing Service (AMS) to examine trends in USDA's largest food and nutrition assistance programs through FY 2021. Data for USDA, FNS's programs in FY 2021 are from the January 2022 Program Information Report (Keydata) released by USDA, FNS in April 2022. Data for USDA, FNS's programs in FY 2020 are from the September 2021 Keydata released in December 2021. Data for the Food Box Program are provided by USDA, AMS, which administered the program.

This report provides an overview of USDA programs and documents policy changes in response to the COVID-19 pandemic. Additionally, this report examines trends in economic and social indicators that affect participation in and spending on food and nutrition assistance programs. It also summarizes two recent USDA, Economic Research Service (ERS) studies: a report that examines the prevalence of household food insecurity in the United States in 2020 and a working paper examining the expansion of free meal sites targeting children in the early months of the COVID-19 pandemic.



## USDA Food and Nutrition Assistance Policy Developments

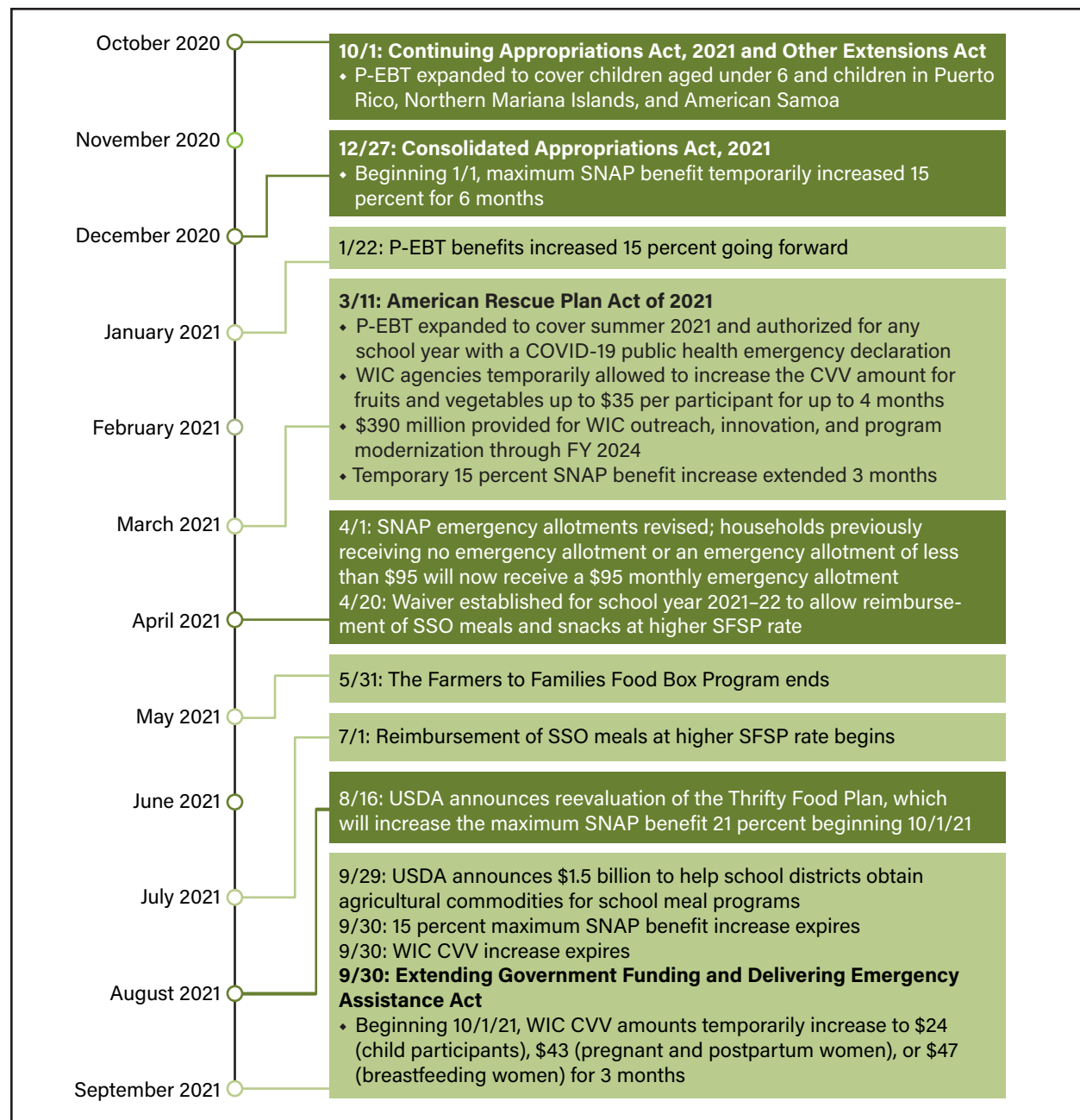
The COVID-19 pandemic led to higher need for food and nutrition assistance and disruptions to the normal operation of several food and nutrition assistance programs. In response, the Federal Government passed the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act in FY 2020. These acts allowed USDA to increase benefits, expand the scope and coverage of existing programs through greater administrative flexibilities, and authorize two temporary programs: Pandemic Electronic Benefit Transfer (P-EBT)—which reimbursed eligible families for missed school meals due to COVID-19-related school closures—and the Farmers to Families Food Box Program—which purchased agricultural products for distribution to families in need. FY 2020 program developments are covered in greater detail in *The Food and Nutrition Assistance Landscape: Fiscal Year 2020 Annual Report* (Toossi et al., 2020).

The pandemic and its impacts continued into FY 2021. To allow for social distancing, many schools used virtual or hybrid learning in place of full in-person school instruction during school year 2020–21, though many also returned to in-person instruction throughout the school year. Likewise, businesses, public services, and other activities reopened throughout the year. The unemployment rate remained above pre-pandemic rates, but it declined from 6.9 percent in October 2020 to 4.7 percent in September 2021, indicating some economic recovery (Bureau of Labor Statistics, 2022b).

Federal food and nutrition assistance policy continued to develop throughout FY 2021 (figure 1). Among other legislation and changes in policy, the Federal Government passed the Continuing Appropriations Act, 2021, and Other Extensions Act on October 1, 2020; the Consolidated Appropriations Act, 2021 on December 27, 2020; and the American Rescue Plan Act on March 11, 2021. Maximum Supplemental Nutrition Assistance Program (SNAP) benefit levels were temporarily increased, and supplemental emergency allotments were expanded such that all recipient households received a minimum of \$95 per month. States were given the option to increase the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) cash-value voucher for fruits and vegetables to \$35 per participant. P-EBT benefits were also increased, and the program was expanded to cover children under age 6, additional U.S. territories, and the summer months. The Food Box Program ended in May 2021. Some changes also occurred at the State level, including the further expansion of the SNAP Online Purchasing Pilot, the end of emergency allotments in some States, and the approval of State P-EBT plans throughout the fiscal year.

Figure 1

## Timeline of Federal food assistance policy developments, FY 2021



FY = fiscal year; P-EBT = Pandemic Electronic Benefit Transfer; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; CVV = cash-value voucher; SNAP = Supplemental Nutrition Assistance Program; SSO = National School Lunch Program and School Breakfast Program's Seamless Summer Option; SFSP = Summer Food Service Program.

Source: USDA, Economic Research Service using information from USDA, Food and Nutrition Service.

# Total Food and Nutrition Assistance Spending

## Spending on Food and Nutrition Assistance Reached a New Historic High in 2021

Federal spending for USDA's domestic food and nutrition assistance programs—including P-EBT and the Food Box Program—totaled \$182.5 billion in FY 2021. FY 2021 marked the second year of increased spending during the COVID-19 pandemic and a new historic inflation-adjusted high (figure 2). Federal spending in FY 2021 increased 49 percent over the previous year's amount of \$122.8 billion (table 1). This increase reflects, in part, that temporary pandemic-related expansions and changes to USDA's programs were in place through all of FY 2021 compared to only part of FY 2020. Adjusted for inflation, spending was 43 percent higher than the previous high of \$127.5 billion set in FY 2020 (adjusted to 2021 dollars using the Personal Consumption Expenditures price index from the U.S. Department of Commerce, Bureau of Economic Analysis) and 47 percent higher than the pre-pandemic high of \$124.5 billion set in FY 2013 (or \$109.2 billion in nominal 2013 dollars).

Table 1

### USDA food and nutrition assistance at a glance, FY 2020 and FY 2021

Program		FY 2020	FY 2021	Percent change
SNAP	Average monthly participation (millions)	39.9	41.5	4.1
	Average benefit per person (dollars per month)	154.87	218.14	40.9
	Total spending (billions of dollars)	79.1	113.8	43.8
WIC	Average monthly participation (millions)	6.25	6.24	-0.1
	Women	1.45	1.38	-4.6
	Infants	1.55	1.46	-5.6
	Children	3.25	3.40	4.6
	Food cost per person (dollars per month)	38.48	35.34	-8.2
	Total spending (billions of dollars)	4.97	5.00	0.6
NSLP, SBP, CACFP, SFSP	Total meals served (billions)	7.9	8.4	6.7
	Total spending (billions of dollars)	21.2	26.8	26.5
P-EBT	Total spending (billions of dollars)	10.8	28.3	161.5
Food Box Program	Number of food boxes delivered (millions)	103.3	73.1	-29.2
	Total spending (billions of dollars)	2.4	3.0	24.2
All programs	Total spending (billions of dollars)	122.8	182.5	48.7

FY = Fiscal year; SNAP = Supplemental Nutrition Assistance Program; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; NSLP = National School Lunch Program; SBP = Special Breakfast Program; CACFP = Child and Adult Care Food Program; SFSP = Summer Food Service Program; P-EBT = Pandemic Electronic Benefit Transfer; Food Box Program = Farmers to Families Food Box Program.

Notes: FY 2021 information based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and information provided by USDA, Agricultural Marketing Service (AMS). FY 2020 information based on preliminary data from the September 2021 Keydata released by USDA, FNS in December 2021 and information provided by USDA, AMS. Spending is in nominal terms, and total spending in the last row includes the cost of programs not shown in the table. Spending shown and discussed elsewhere in this report excludes USDA bonus foods. Average SNAP benefit per person is calculated as total annual benefits divided by average monthly participation, divided by 12; WIC food cost per person is calculated the same way.

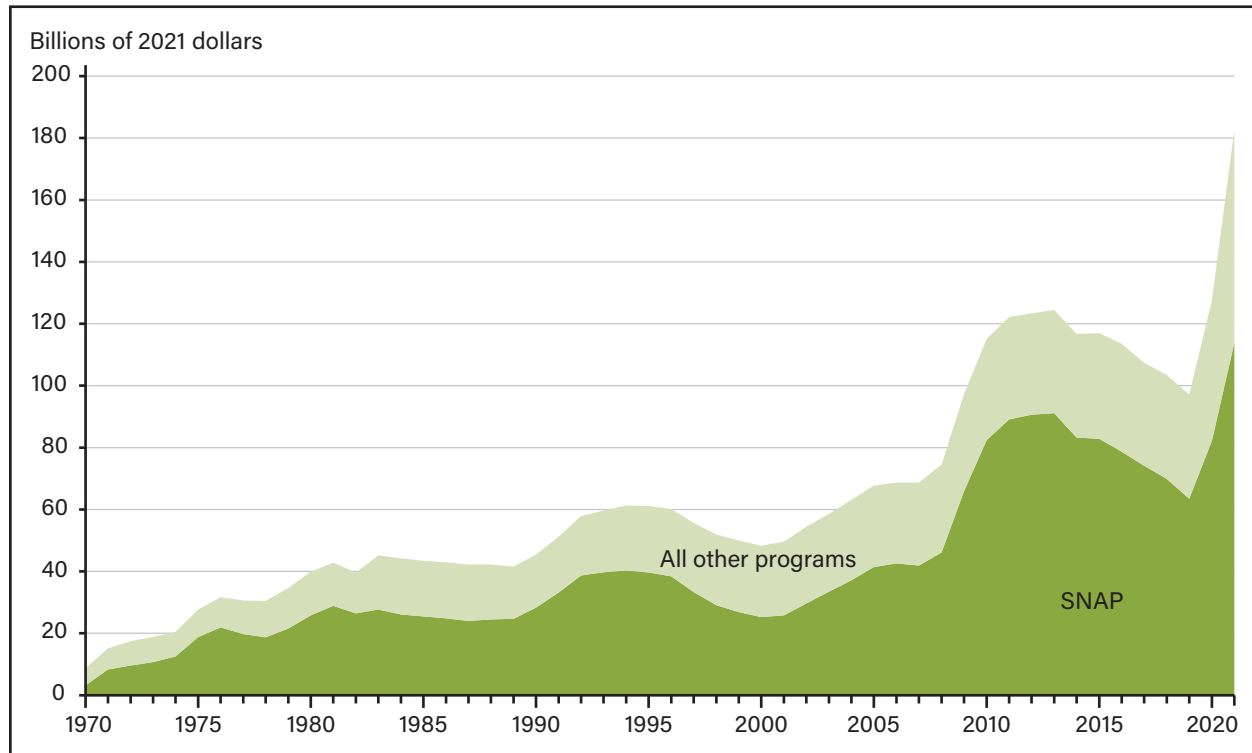
Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service and USDA, Agricultural Marketing Service.

The largest food and nutrition assistance programs in FY 2021 included SNAP, WIC, NSLP, SBP, CACFP, SFSP, P-EBT, and the Food Box Program. Together, these programs accounted for 97 percent of total USDA spending on domestic food and nutrition assistance. The FY 2021 spending increase was primarily driven by increases in SNAP and P-EBT spending. Combined spending on what are typically the four largest child nutrition programs (NSLP, SBP, CACFP, and SFSP) also increased, as did spending on WIC.

Figure 2

**Inflation-adjusted USDA spending on food and nutrition assistance, FY 1970–2021**

*Spending continued to rise during the pandemic in FY 2021, reaching new annual high*



FY = Fiscal year; SNAP = Supplemental Nutrition Assistance Program.

Notes: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022, September 2021 Keydata released by USDA, FNS in December 2021, and information provided by USDA, Agricultural Marketing Service. Spending in billions of 2021 dollars, adjusted using the Personal Consumption Expenditures price index, U.S. Department of Commerce, Bureau of Economic Analysis.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service and USDA, Agricultural Marketing Service.

# Supplemental Nutrition Assistance Program (SNAP)

## Spending Reaches New High Following FY 2020 and 2021 Benefit Increases

SNAP is the largest of USDA's food and nutrition assistance programs, accounting for 62 percent of USDA food and nutrition assistance spending in FY 2021. Unlike other food and nutrition assistance programs that target specific groups, SNAP is available to all households that meet the program's income and asset criteria, subject to certain work and immigration status requirements. Participating households receive monthly benefits that can be used to purchase food items at authorized retailers via electronic benefit transfer (EBT). Benefits increase with household size and decrease with household income. Benefits cannot be spent on tobacco, alcohol, or nonfood items. Benefits also cannot be spent on hot or prepared foods, except in some areas under certain circumstances.

Beginning in FY 2020 and continuing through FY 2021, several program changes were mandated by law or allowed by USDA to help meet the heightened need for food and nutrition assistance during the pandemic:

- **Temporary benefit increase:** The maximum SNAP benefit was temporarily increased by 15 percent from January 2021 through September 2021. In August 2021, a reevaluation of the Thrifty Food Plan was announced that would permanently increase the maximum baseline SNAP benefit by roughly 21 percent beginning in FY 2022 after FY 2021's temporary benefit increase expired.
- **Emergency allotments:** Beginning in FY 2020, USDA granted temporary waivers allowing States to issue emergency allotments to SNAP households not already receiving the maximum SNAP benefit, bringing their total monthly benefit to the maximum amount allowed for their household size. In April 2021, USDA updated guidance to provide a minimum monthly emergency allotment of \$95 to all recipient households, increasing the benefits of households previously receiving no emergency allotment or an emergency allotment of less than \$95. At the beginning of FY 2021, all States; Washington, DC; Guam; and the Virgin Islands supplemented regular SNAP benefits with monthly emergency allotments. By the end of FY 2021, eight States no longer did so (Arkansas, Florida, Idaho, Missouri, Montana, Nebraska, North Dakota, and South Dakota).
- **Online purchasing:** The SNAP Online Purchasing Pilot allows households in participating States to purchase groceries online from authorized retailers with SNAP benefits. Following a rapid expansion in FY 2020, online SNAP purchasing was geographically expanded in FY 2021 to Arkansas and Maine and allowed purchasing from additional grocery retailers. By the end of FY 2021, online purchasing with SNAP benefits at select retailers was available in 47 States and Washington, DC.
- **ABAWD waivers:** Beginning in FY 2020, time limits on benefit receipt for able-bodied adults without dependents (ABAWDs) not meeting work requirements were suspended unless a State offered an ABAWD a slot in a work or workfare program. This temporary suspension continued in all States through FY 2021.
- **Greater administrative flexibilities:** To facilitate providing assistance to those in need, USDA continued to grant State agencies several temporary administrative flexibilities in FY 2021. These included adjustments to interview requirements, certification periods, reporting requirements, recertification procedures, fair hearing and claims requirements, and quality control measures.

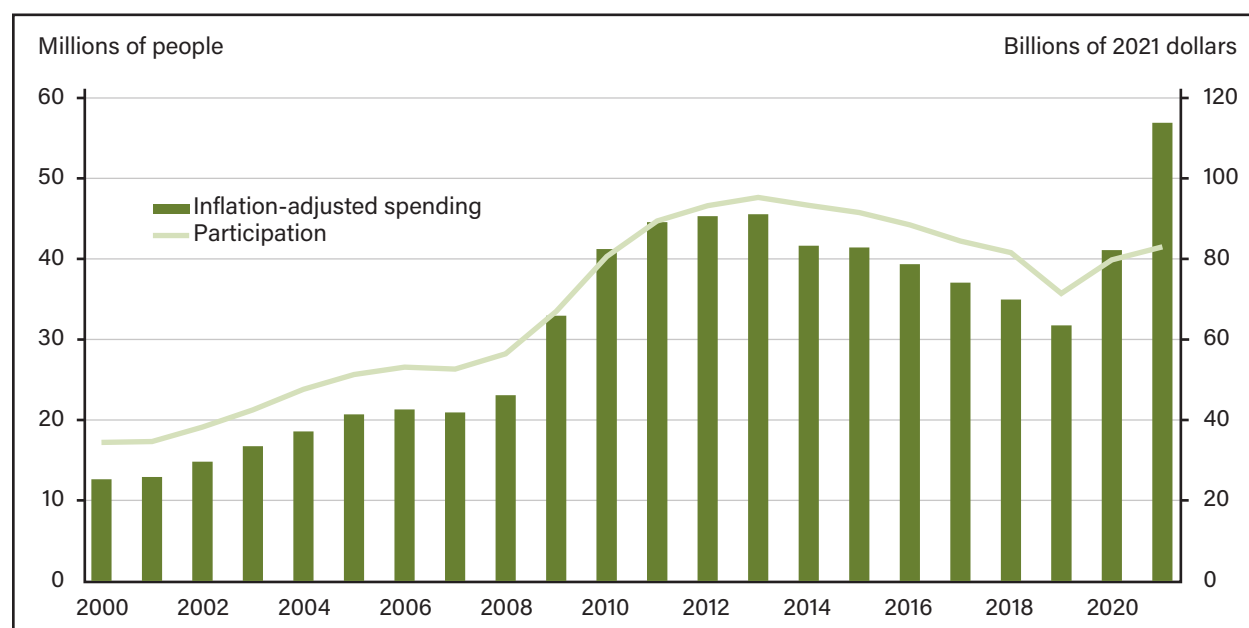
## During FY 2021:

- Participation in SNAP averaged 41.5 million people per month, 4 percent higher than the previous fiscal year. Participation increased for a second year after FY 2020 but was still 13 percent lower than the historical high of 47.6 million set in FY 2013 (figure 3).
- Federal spending on SNAP totaled \$113.8 billion, a 44 percent increase over the previous fiscal year. Of this amount, \$71.3 billion funded regular SNAP benefits, \$37.0 billion funded disaster supplements to ongoing SNAP recipients (almost all of which were emergency allotments), and the remaining \$5.4 billion funded the Federal share of administrative costs and other benefits and expenses. FY 2021 marked the second year of increased spending on the program during the pandemic and a historic high. Adjusted for inflation, spending in FY 2021 exceeded the previous high of \$91.1 billion set in FY 2013 by 25 percent (or \$79.9 billion in nominal 2013 dollars) (figure 3).
- Reflecting the historic high in spending, per-person benefits also reached a historic high, averaging \$218.14 per month. This was 41 percent higher than the previous fiscal year.
- Monthly benefits and participation varied throughout the year, with benefits rising following the temporary benefit increase beginning in January and the emergency allotment expansion beginning in April (see box, “Supplemental Nutrition Assistance Program Participation and Benefits in FY 2020–21”).
- Approximately 12.5 percent of the U.S. population participated in SNAP in an average month, 0.5 percentage points higher than the previous fiscal year (see box, “Share of U.S. Resident Population Participating in the Supplemental Nutrition Assistance Program”).

Figure 3

### SNAP average monthly participation and inflation-adjusted annual program spending, FY 2000–21

*Inflation-adjusted spending reached historic high in FY 2021*



FY = Fiscal year; SNAP = Supplemental Nutrition Assistance Program.

Notes: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and September 2021 Keydata released by USDA, FNS in December 2021. Spending in 2021 dollars, using the Personal Consumption Expenditures price index, U.S. Department of Commerce, Bureau of Economic Analysis.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service.

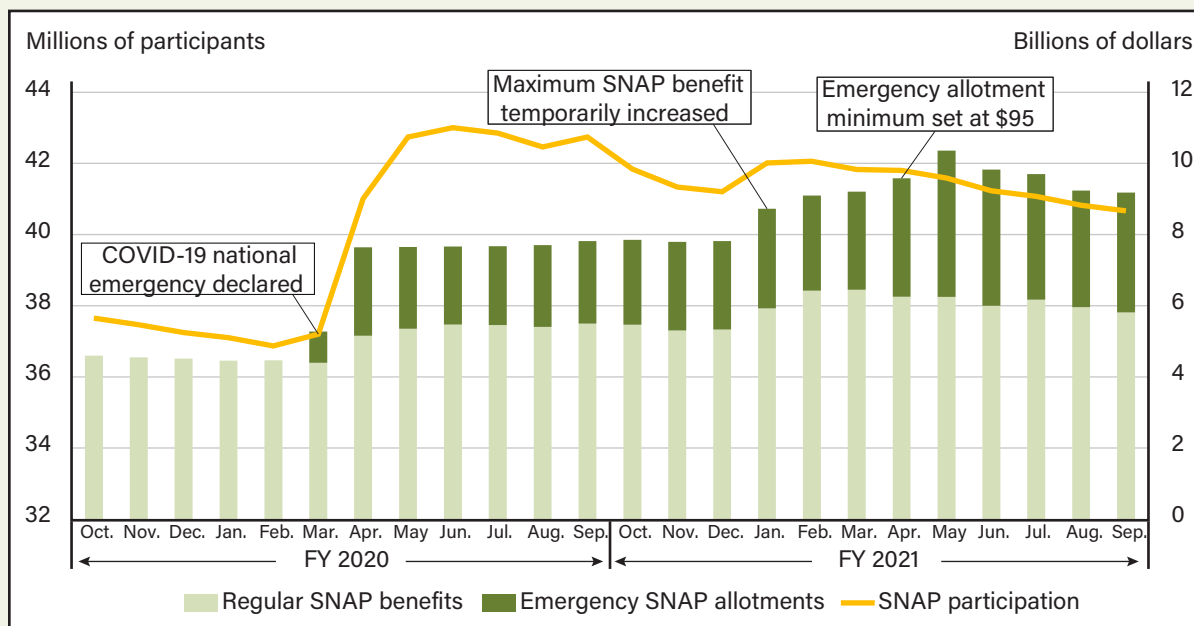
## SNAP Participation and Benefits in FY 2020–21

Average Supplemental Nutrition Assistance Program (SNAP) participation and benefits both increased in fiscal year (FY) 2021 relative to FY 2020, but annual averages obscure the month-to-month variation in participation and benefits occurring during the pandemic.

Monthly participation in FY 2021 peaked in February 2021 at 42.1 million, lower than the early-pandemic peak of 43.0 million in June 2020. Participation fell each subsequent month to 40.7 million by September 2021.

SNAP benefits (including only regular benefits and disaster supplements issued to ongoing recipients—almost all of the latter being emergency allotments) hovered at about \$7.8 billion per month from October through December of 2020. In January 2021, the maximum benefit was temporarily increased 15 percent. Total SNAP benefits subsequently increased in January to \$8.7 billion per month and continued to rise for the next few months. In April 2021, USDA announced that every SNAP household would receive, at minimum, a \$95 emergency allotment going forward, effectively increasing the benefits of households previously receiving no emergency allotment or an emergency allotment below \$95. Emergency allotments (and other minor ongoing disaster supplements) increased from \$2.8 billion in March 2021 to \$4.1 billion in May 2021, leading total SNAP benefits to peak at \$10.4 billion that month. From April through September 2021, several States phased out emergency allotments. By September 2021, emergency allotments (and other minor ongoing disaster supplements) had fallen to \$3.4 billion and total SNAP benefits to \$9.2 billion.

### Monthly SNAP participation and benefits, FY 2021



FY = Fiscal year; SNAP = Supplemental Nutrition Assistance Program.

Notes: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and September 2021 Keydata released by USDA, FNS in December 2021. SNAP participation counts shown in this figure and discussed in this box include only regular ongoing SNAP participation. SNAP benefit totals include only regular ongoing benefits and disaster supplements issued to ongoing recipients. "Emergency SNAP allotments" represents the value of disaster supplements issued to ongoing SNAP recipient households, almost all of which were emergency allotments. Spending in billions of nominal dollars.

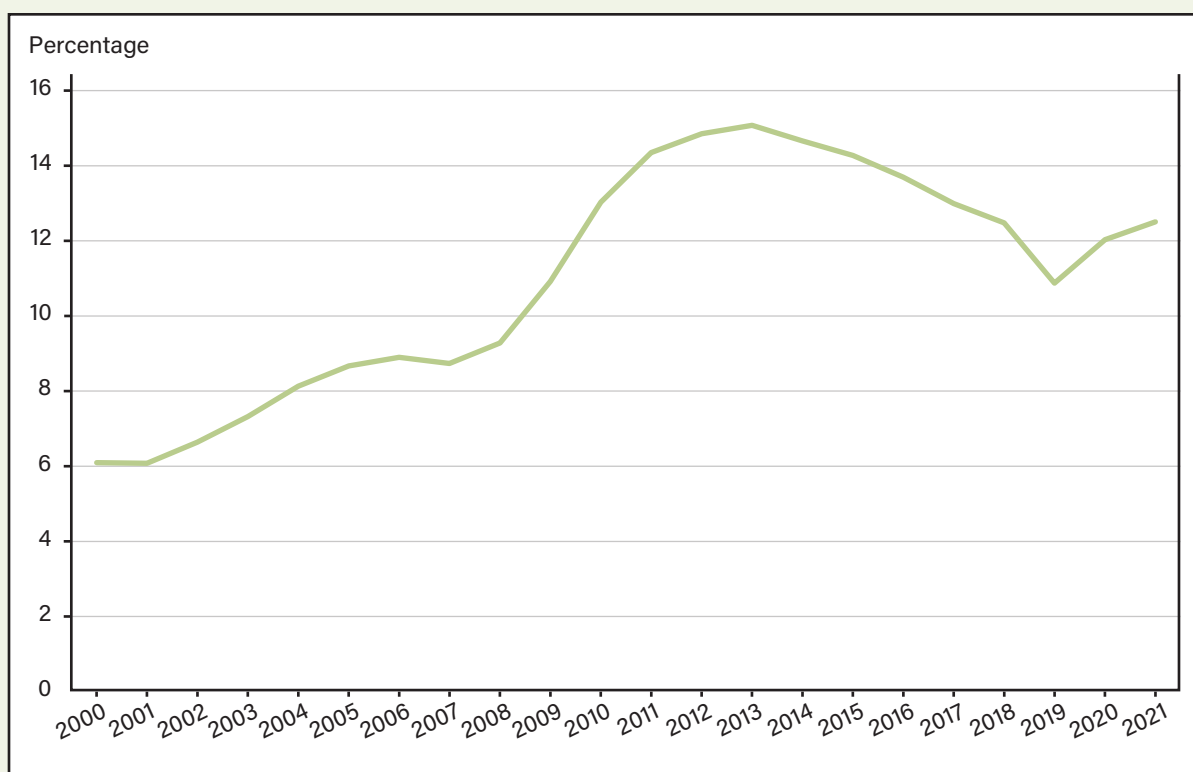
Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service.



## Share of U.S. Resident Population Participating in SNAP

The share of the United States' population participating in the Supplemental Nutrition Assistance Program (SNAP) is the ratio of the number of SNAP participants to the number of U.S. residents. From 2000 to 2007, between 6 percent and 9 percent of U.S. residents participated in SNAP in an average month. As economic conditions deteriorated during and immediately after the Great Recession—December 2007 to June 2009—the share of U.S. residents participating in SNAP rose, peaking in 2013 when over 15 percent participated. From 2014 to 2019, SNAP's share of the population steadily fell each year as economic conditions improved. Following the Coronavirus (COVID-19) recession in 2020, the share rose again. In fiscal year (FY) 2021, 12.5 percent of the population participated in SNAP on average each month, up from 12.0 percent in FY 2020.

### Average monthly share of U.S. population participating in SNAP, FY 2000–21



FY = Fiscal year; SNAP = Supplemental Nutrition Assistance Program.

Note: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and September 2021 Keydata released by USDA, FNS in December 2021.

Source: USDA, Economic Research Service using data on SNAP participants from USDA, Food and Nutrition Service, and data on U.S. resident population estimates from U.S. Department of Commerce, Bureau of the Census.

# Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

## Participation Remained Similar to Prior Year

WIC helps safeguard the health of low-income pregnant and postpartum women as well as infants and children up to 5 years of age who are at nutritional risk. It provides supplemental food packages, nutrition education, breastfeeding support, and health care referrals at no cost to participants. WIC food packages are tailored to each group and designed to meet the nutritional needs of participants. Participants receive an electronic benefit transfer card or a paper check or voucher to purchase foods in their food packages at authorized retailers. To be eligible, applicants must meet categorical, residential, income, and nutrition risk criteria. A person who participates or who has certain family members who participate in other benefits programs such as SNAP, Medicaid, or Temporary Assistance for Needy Families may automatically meet income eligibility requirements for WIC.

Beginning in FY 2020 and continuing through FY 2021, several program changes were mandated by law or allowed by USDA at the request of State agencies to help meet the heightened need for food and nutrition assistance during the pandemic:

- **Eligibility criteria and recertification:** USDA waivers continued to temporarily allow State agencies to conduct remote certifications for applicants and recertifications for WIC participants, to defer medical documentation requirements for applicants who were unable to obtain documentation from their medical provider, and to extend certification periods for certain WIC participants by up to 3 months.
- **Benefits issuance:** USDA waivers continued to temporarily allow State agencies to suspend requirements that participants scheduled for nutrition education or a subsequent certification appointment pick up their food benefit in person. USDA waivers also allowed State agencies with offline EBT card-based issuance systems to extend the supply of benefits that WIC participants received at one time to a maximum of 4 months.
- **Food package substitutions:** USDA waivers continued to temporarily allow State agencies to accommodate pandemic-related supply chain disruptions by allowing participants to substitute specific food items in their food packages. Examples include allowing for milk of any fat content and flexibility with package sizes (e.g., different sizes of whole grain breads, cheeses, and juices).
- **Greater administrative flexibilities:** USDA waivers continued to temporarily allow a single employee to both determine eligibility and issue food benefits for the same participant. USDA waivers also continued to allow State agencies to conduct local agency monitoring reviews remotely and waived minimum requirements for vendor monitoring and vendor compliance investigations.
- **Increase in the amount of the Cash-Value Voucher (CVV) for fruit and vegetable purchases:** In March 2021, WIC State agencies were given the option to increase the CVV for fruit and vegetable purchases from \$9 (adults) and \$11 (children) to an amount less than or equal to \$35 per participant through September 30, 2021 (see box, “WIC Food Costs in FY 2021 and Increase in Cash-Value Voucher Amounts”).
- **Funding for WIC program modernizations:** In March 2021, WIC received an additional \$390 million in funding, available through FY 2024, to support outreach, innovation, and program modernization efforts to increase WIC participation and redemption of benefits and to support certain program flexibilities.

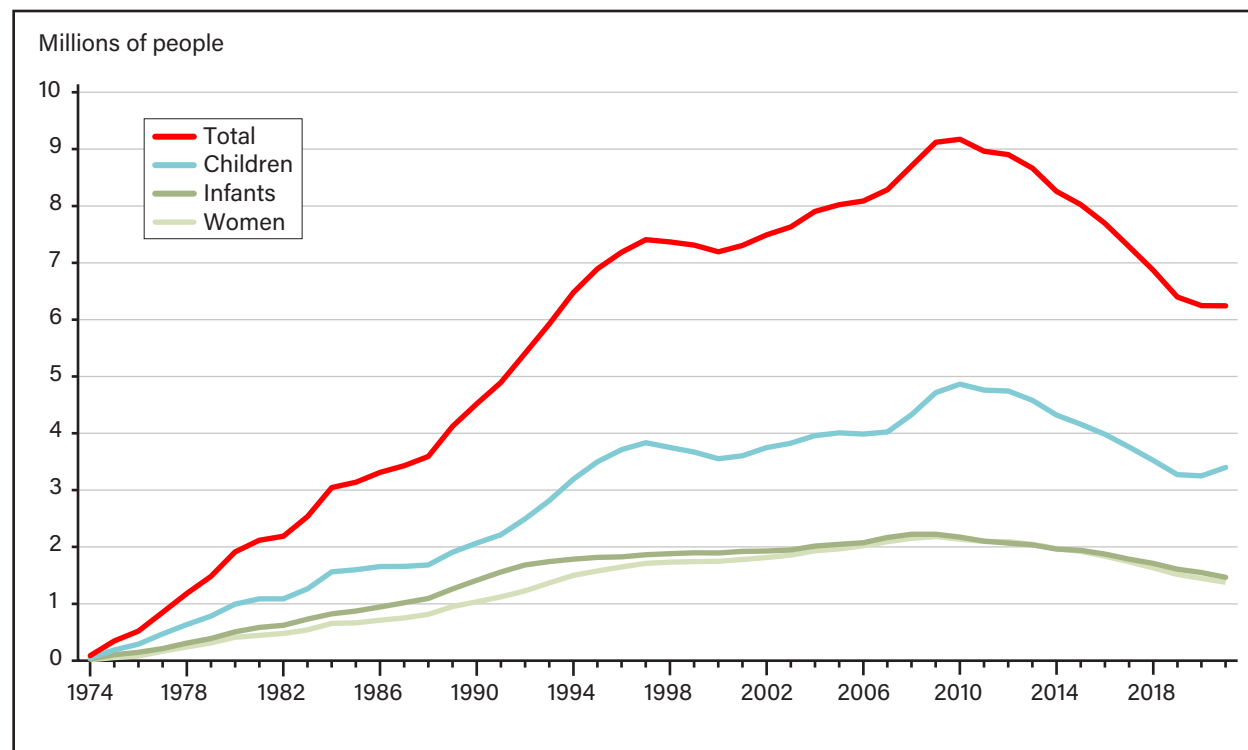
## During FY 2021:

- Participation in WIC averaged 6.2 million people per month, nearly the same as the previous fiscal year. Monthly participation was 32 percent below the historical high of 9.2 million set in FY 2010 (figure 4).
- Children 1–4 years of age made up more than half (54 percent) of all participants, while infants constituted 23 percent and women 22 percent.
- The number of women and infants participating in WIC fell by 5 and 6 percent from the previous fiscal year, respectively; however, the number of child participants rose by 5 percent (figure 4). This marked the 12th consecutive fiscal year that participation fell for women and infants and the end of a decade-long decline in participation for children. Declines in the number of births in the United States may be a factor in declines in the number of women and infant participants (see box, “Declines in WIC Participation and U.S. Births”).
- Food costs per person averaged \$35.34 per month, the lowest in program history after accounting for inflation and a \$3.14 (or 8 percent) decrease from the previous fiscal year.
- Federal spending on WIC totaled \$5.0 billion, 1 percent more than the previous fiscal year but 41 percent less than the inflation-adjusted historical high of \$8.5 billion set in FY 2011 (or \$7.2 billion in nominal 2011 dollars).

Figure 4

### Average monthly WIC participation by group, FY 1974–2021

Participation rose for children and fell for women and infants in FY 2021



FY = fiscal year; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children.

Note: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and September 2021 Keydata released by USDA, FNS in December 2021.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service.

## WIC Food Costs in FY 2021 and Increase in Cash-Value Voucher Amounts

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides nutritious, supplemental foods via food packages that are tailored to the nutritional needs of participants. Seven different food packages contain various combinations of foods high in beneficial nutrients for each participant category (pregnant, breastfeeding, and postpartum women; infants; and children). Participants receive an electronic benefit transfer card or a paper check or voucher to purchase these foods.

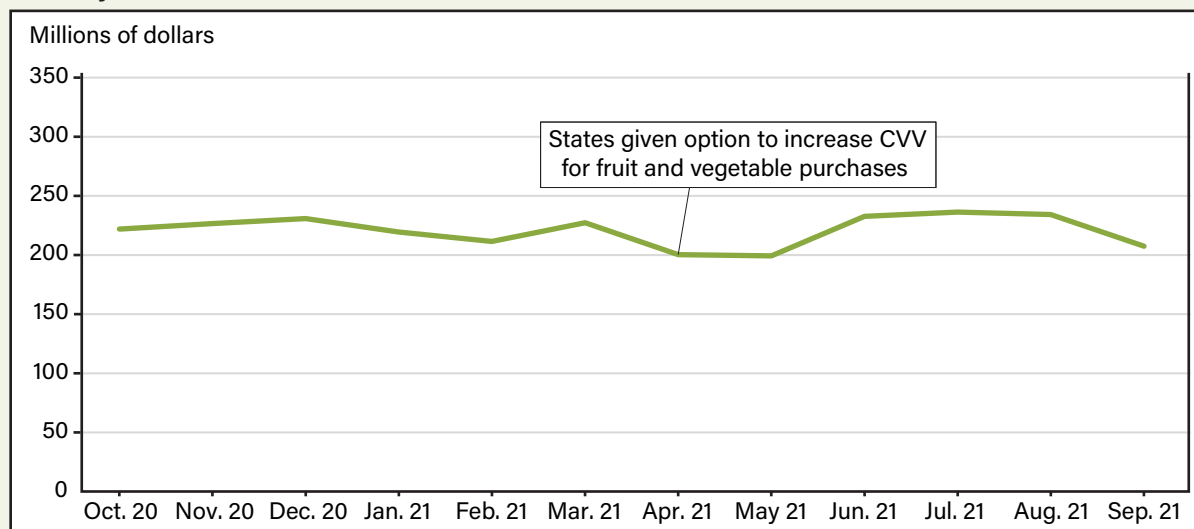
Most items in the WIC food packages are redeemable for specified quantities—for example, 1 dozen eggs or 4 gallons of milk—and the amounts provided to recipients do not vary with household income. Since 2009, food packages have also included a cash-value voucher (CVV), which is a fixed-dollar-amount voucher that can be used to purchase a variety of fruits and vegetables of the participant's choosing.

Under the American Rescue Plan Act of 2021, WIC State agencies were given the option to increase the CVV for fruit and vegetable purchases from \$9 (adults) and \$11 (children) to an amount less than or equal to \$35 per participant for up to 4 months through September 30, 2021. All State agencies elected to increase the CVV to \$35. Most implemented the increase from June to September 2021, although Arizona, Georgia, and Michigan did so beginning in May 2021 and Ohio beginning in April 2021.

Monthly spending on WIC food package redemptions is reported by USDA, Food and Nutrition Service as WIC food costs. Trends in WIC food costs in the final months of FY 2021 reflect the increase in the amount of the CVV. From May 2021 to June 2021, monthly WIC food costs increased 17 percent, from \$199.3 million to \$232.7 million. WIC food costs were highest in July 2021 at \$236.4 million.

The Extending Government Funding and Delivering Emergency Assistance Act, passed on September 30, 2021, required that all States increase the cash-value voucher amounts to \$24 for child participants, \$43 for pregnant and postpartum women participants, and \$47 for fully and partially breastfeeding women participants through December 2021.

### Monthly WIC food costs, FY 2021



FY = fiscal year; WIC = Special Supplemental Nutrition Program for Women, Infants, and Children; CVV = cash-value voucher.

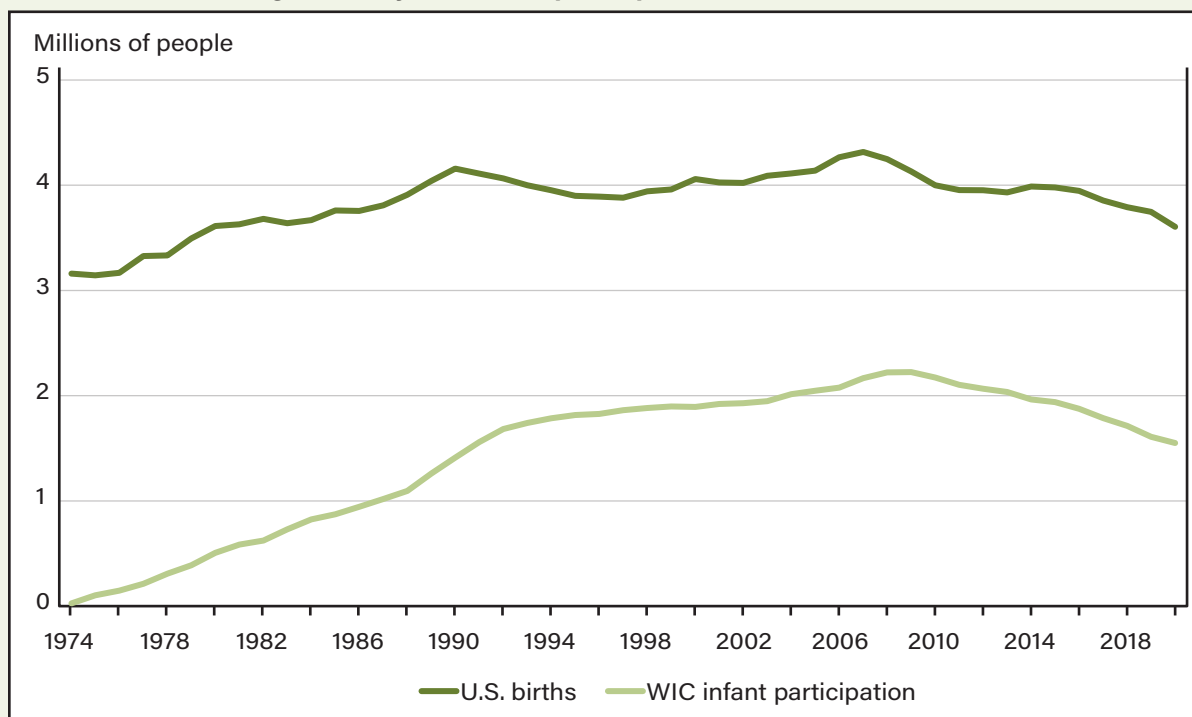
Notes: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and September 2021 Keydata released by USDA, FNS in December 2021. Spending in millions of nominal dollars.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service.

## Declines in WIC Participation and U.S. Births

Fewer births in the United States likely contributed to declines in Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) participation over the last decade. Since 2010, the number of births in the United States and the number of infant WIC participants trended downward. However, declines in the number of infant participants outpaced declines in U.S. births. From 2010 to 2020, the number of infants participating in WIC declined by an average of 3 percent a year whereas the number of births declined by an average of 1 percent a year.

### U.S. births and average monthly WIC infant participation, 1974–2020



WIC = Special Supplemental Nutrition Program for Women, Infants, and Children.

Notes: Year refers to calendar year for U.S. births and to fiscal year for WIC infant participation. Figure based on preliminary data from the September 2021 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in December 2021.

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service and U.S. Department of Health and Human Services, Centers for Disease Control and Prevention.

# Child Nutrition Programs

## The Number of Meals Served Through the Summer Food Service Program Reached New Heights

In a typical year, the three largest USDA child nutrition programs are the National School Lunch Program (NSLP), the School Breakfast Program (SBP), and the Child and Adult Care Food Program (CACFP). However, in FY 2021, spending on the Summer Food Service Program (SFSP) exceeded spending on any of these three programs.

NSLP and SBP provide nutritious meals and snacks at low or no cost to children in participating schools and childcare centers. Schools participating in the programs receive Federal subsidies for reimbursable meals served and some commodities (or cash in lieu of commodities) from USDA. In return, they must serve breakfasts and lunches that meet Federal nutrition requirements and offer free or reduced-price meals to qualifying students. All students can participate in these programs, and meals are provided through a three-tiered system. Students from families with incomes at or below 130 percent of the Federal poverty level are eligible for free meals, those from families with incomes between 130 and 185 percent are eligible for reduced-price meals, and those from families with incomes over 185 percent pay full price, though these meals are also subsidized to a small extent. Additionally, schools can provide free meals to all students regardless of their household income through several provisions. Most notably, the Community Eligibility Provision (CEP) allows an individual school, groups of schools, or school districts in low-income areas to provide school meals at no charge to all students if at least 40 percent are directly certified as categorically eligible for a free lunch through participation in SNAP or other specific means-tested programs.

CACFP subsidizes healthy meals and snacks in participating childcare centers, daycare homes, and adult daycare facilities. The program primarily serves children and youth, as well as disabled or elderly adults in adult daycare facilities. All participating providers must be licensed or approved according to Federal, State, or local standards. Care providers are reimbursed for each type of qualifying meal they serve (breakfast, lunch, dinner, or snack). In addition to cash reimbursements, USDA makes donated foods, or cash in-lieu of donated foods, available to institutions participating in CACFP.

SFSP allows schools and other participating organizations—such as community centers, churches, camps, or other public sites where children gather—to provide free meals to children when school is not in session (e.g., summer months) or during unanticipated school closures between October and April. Schools operating on a continuous year calendar may serve meals through SFSP when school is out of session for 15 days or more. SFSP operates in areas or sites where at least 50 percent of children qualify for free or reduced-price school meals.

The COVID-19 pandemic continued to disrupt the normal provision of meals through these programs in FY 2021, forcing many schools and child and adult care centers to close or limit their operations throughout the year. Accordingly, changes to the child nutrition programs implemented in FY 2020 in response to these disruptions were extended to cover FY 2021:

- **Changes to program rules:** USDA extended temporary waivers of Federal requirements pertaining to meal patterns, mealtimes, non-congregate feeding, parent or guardian meal pick-up, wellness programs, after school activities, and “offer versus serve” guidelines allowing students to decline food items they do not intend to eat.

- **Free meals:** Schools and other organizations continued to provide free meals through SFSP as well as the NSLP and SBP's Seamless Summer Option (SSO), an option similar to the SFSP allowing schools participating in NSLP or SBP to provide children with free meals. Meals were provided to students in all areas throughout the year regardless of income. A waiver announced in April 2021 allowed schools to temporarily offer free meals through SSO in school year 2021–22 at the higher SFSP reimbursement rate for meals served.
- **Greater administrative flexibilities:** To allow schools and child and adult care centers to prioritize the service of safe, accessible meals during the pandemic, USDA continued to offer temporary extensions of existing waivers for a range of Federal reporting and onsite monitoring requirements. These included waivers for meal pattern and food service management requirements, among other changes.

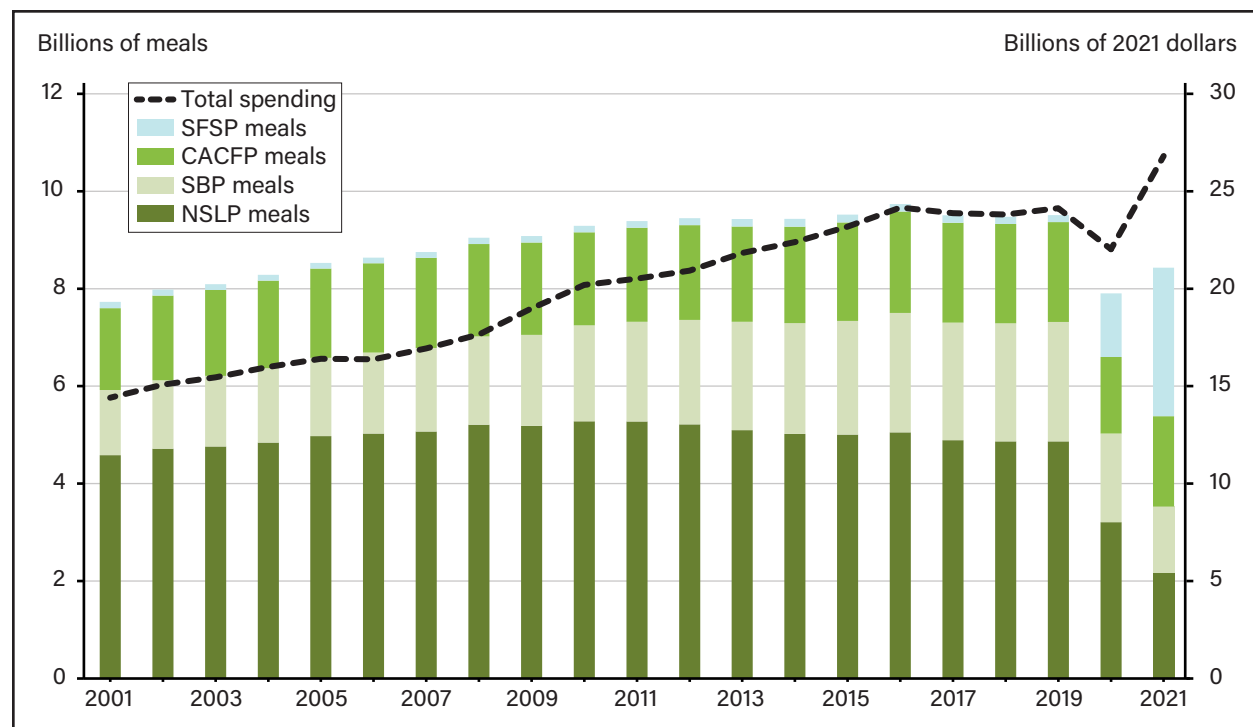
#### **During FY 2021:**

- On average, 10.1 million lunches were served through the NSLP each school day from October 2020 through March 2021, down 64 percent from 28.1 million over the same period in FY 2020. From April through September of FY 2021, the average of daily lunches served was 11.6 million, 136 percent greater than the 4.9 million over the same months in FY 2020. In total, NSLP served 2.2 billion lunches in FY 2021, 33 percent less than the 3.2 billion served in FY 2020.
- On average, 5.4 million breakfasts were served through SBP each school day from October 2020 through March 2021, 63 percent lower than 14.5 million over the same period in FY 2020. From April through September of FY 2021, the average of daily breakfasts served was 6.7 million, 65.4 percent greater than the 4.0 million over the same months in FY 2020. In total, SBP served 1.4 billion breakfasts in FY 2021, 25 percent less than the 1.8 billion served in FY 2020.
- Total NSLP and SBP expenditures amounted to \$12.4 billion, 11 percent less than in FY 2020.
- CACFP served 1.9 billion meals, an increase of 18 percent compared to FY 2020. This increase in meals served led to a 25-percent increase in spending on the program from \$3.0 billion in FY 2020 to \$3.8 billion in FY 2021.
- Participation in and spending on SFSP increased, reflecting a continued reliance on the program for meal provision. Participation in SFSP was 5.1 million in July 2021 (when participation in the program typically peaks), just 9 percent less than in July 2020. Throughout FY 2021, the program served 3.0 billion meals at a cost of \$10.7 billion. These figures were 133 percent and 147 percent greater than the previous year, respectively.
- In total, 8.4 billion meals were served across all 4 programs, 6.7 percent greater than in FY 2020. Total spending on the programs rose to \$26.8 billion, a 27-percent increase from the previous fiscal year (figure 5).



Figure 5

**Total meals served and total spending across NSLP, SBP, CACFP, and SFSP, FY 2001–21**



FY = fiscal year; NSLP = National School Lunch Program; SBP = School Breakfast Program; CACFP = Child and Adult Care Food Program; SFSP = Summer Food Service Program.

Notes: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and September 2021 Keydata released by USDA, FNS in December 2021. Spending in billions of 2021 dollars, adjusted using the Personal Consumption Expenditures price index, U.S. Department of Commerce, Bureau of Economic Analysis.

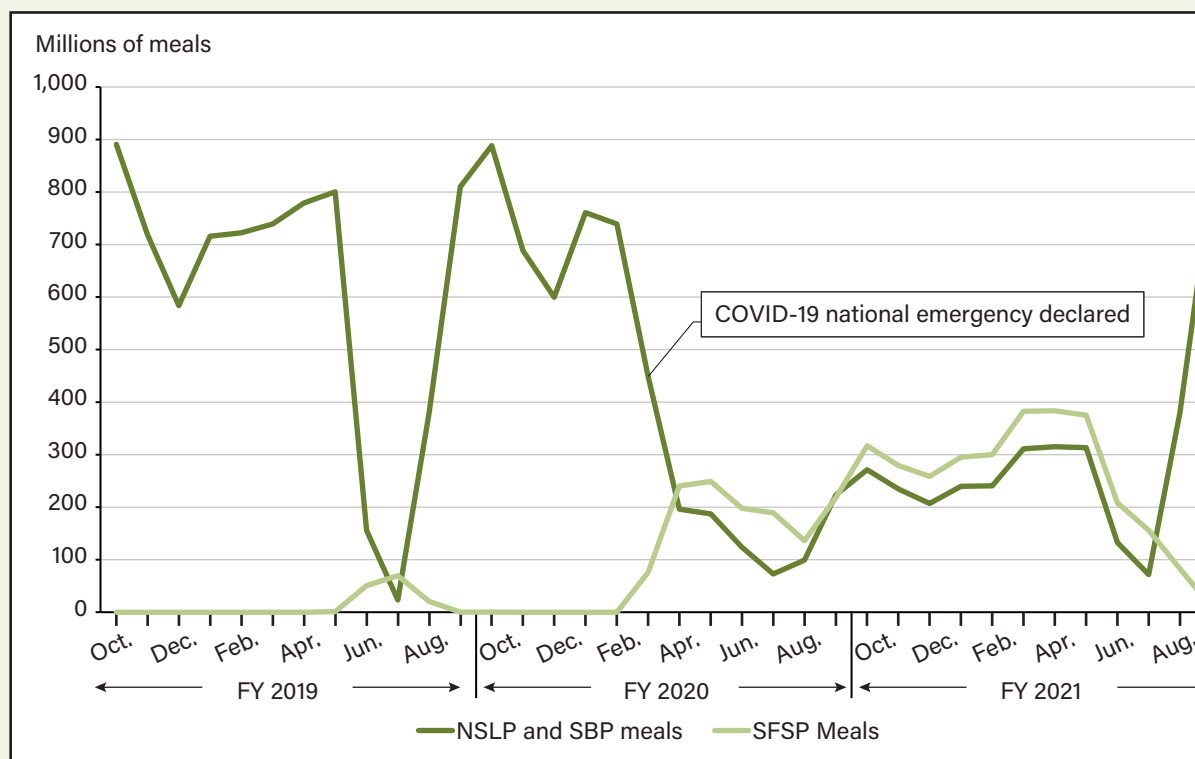
Source: USDA, Economic Research Service, using data from USDA, Food and Nutrition Service.

## Number of Meals Served Through School Meal Programs Rose in Fiscal Year 2021 After Early Pandemic Decline

The fiscal year (FY) 2021 decline in National School Lunch Program (NSLP) and School Breakfast Program (SBP) meals served relative to FY 2020 reflects the continuing impact of the pandemic on these programs. Beginning in March 2020, the closure of schools in response to the pandemic resulted in a decline in meals served through NSLP and SBP in the last months of the 2019–20 school year. However, as many schools reopened for instruction throughout the 2020–21 school year, the number of NSLP and SBP meals rose as well. From March to May of the 2018–19 school year, prior to the pandemic, 2.3 billion meals were served through NSLP and SBP. Over the same months of the 2019–20 school year, at the beginning of the pandemic, only 832 million meals were served through the two programs. This number increased to 939 million for the months of March through May of the 2020–21 school year. These figures, however, partially reflect a transition among many schools to serving meals through the Summer Food Service Program (SFSP) instead of NSLP and SBP over the course of the pandemic, made possible by USDA waivers intended to facilitate the continued provision of meals to children.

Though the number of meals served through the NSLP and SBP rose in FY 2021 relative to the pandemic period in FY 2020 (March–September 2020), the overall number of meals served through the two programs was 1.5 billion less than in FY 2020 and 3.8 billion less than in FY 2019, the last full fiscal year before the pandemic. However, SFSP served an even greater number of meals throughout FY 2021 than in FY 2020.

### Meals served across NSLP, SBP, and SFSP, FY 2019–21



FY = fiscal year; NSLP = National School Lunch Program; SBP = School Breakfast Program; SFSP = Summer Food Service Program.

Notes: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and September 2021 Keydata released by USDA, FNS in December 2021. Most schools are closed for instruction in June and July.

Source: USDA, Economic Research Service, using data from USDA, Food and Nutrition Service.

## Supply Chain Disruptions, Staff Shortages, and School Meals

The Coronavirus (COVID-19) pandemic resulted in supply chain disruptions and staffing shortages affecting many sectors of the economy, including school meal programs. In a survey conducted by USDA, Food and Nutrition Service from November through December 2021, 90 percent of school districts reported experiencing challenges in obtaining the food products necessary to prepare meals they would typically offer their students, and 80 percent reported difficulty in obtaining the non-food supplies and equipment necessary to serve meals. In some cases, deliveries of food products to school districts were delayed or arrived with missing or substituted items. In others, food distributors supplying school districts canceled contracts or shipments they could no longer fulfill. Supply chain disruptions also translated to higher costs for school districts as the prices of products and their delivery rose during the pandemic. Additionally, according to the same survey, 73 percent of school districts experienced staffing challenges (e.g., increased workload and stress) and shortages, making it difficult to maintain school meal programs in some instances. In response to these issues, USDA issued a waiver on April 20, 2021, allowing school meals to be reimbursed at higher rates to help offset rising costs beginning in July 2021. Additionally, on September 29, 2021, USDA announced that it would make \$1.5 billion in aid available to school districts to help support the procurement of food for school meals.

Source: Results of the U.S. Department of Agriculture, Food and Nutrition Service-Administered School Food Authority Survey on Supply Chain Disruptions, USDA, Food and Nutrition Service.

## Pandemic Electronic Benefit Transfer (P-EBT)

The Families First Coronavirus Response Act provided States; Washington, DC; Guam; and the Virgin Islands the option of submitting requests to USDA for reimbursements to qualifying households for the value of school meals forgone due to COVID-19 related disruptions to in-person learning at schools through a temporary program called P-EBT. Initially, eligibility was limited to households with children eligible for free or reduced-price school meals.

In FY 2021, several program changes were mandated by law or allowed by USDA:

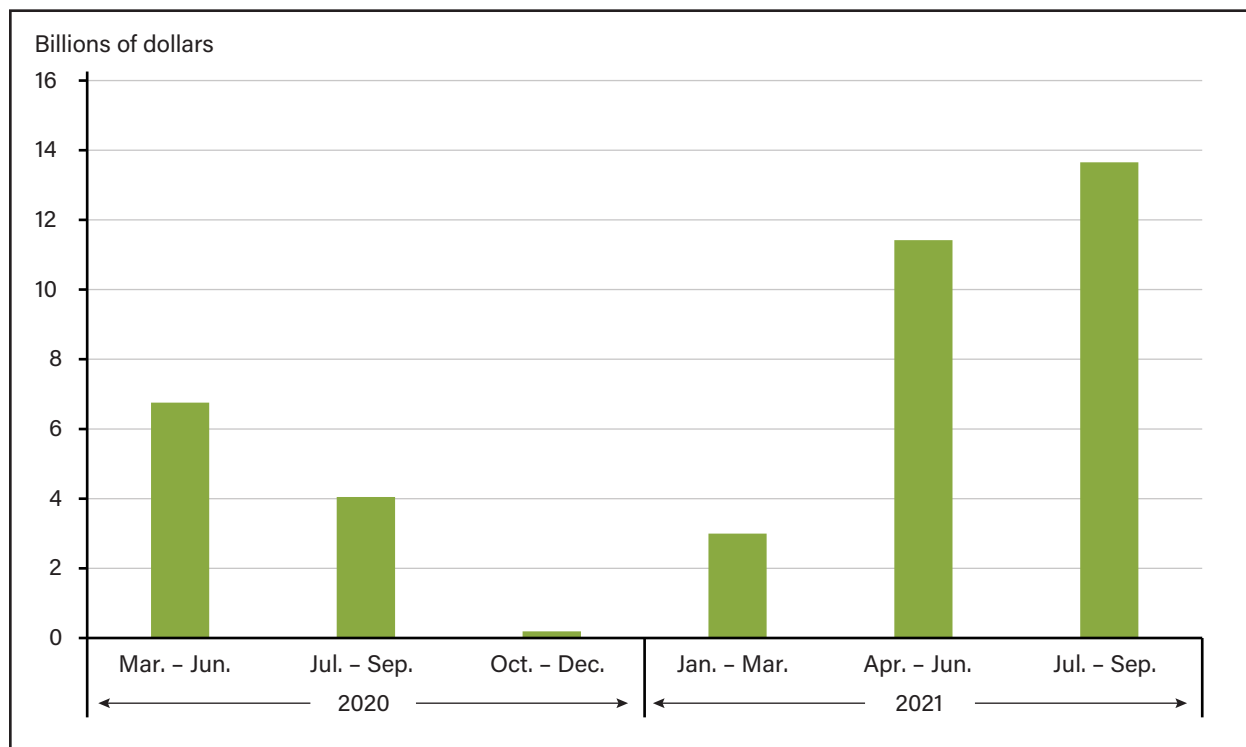
- **Extension to children under 6 and expansion to U.S. territories:** Beginning in October 2020, eligibility for P-EBT benefits was extended to younger children not enrolled in school if they were living in households receiving SNAP benefits and living in an area where schools were closed or operating with reduced hours or attendance. At the same time, P-EBT benefits were expanded to include the U.S. territories of Puerto Rico, Northern Mariana Islands, and American Samoa.
- **15 percent benefit increase:** In January 2021, the value of the daily P-EBT benefit was increased to include reimbursement for an after-school snack. This increased P-EBT benefits by approximately 15 percent.
- **Summer expansion and future authorization:** In March 2021, P-EBT was further expanded to cover summer months when schools are typically closed for instruction. The program was also authorized for any school year in which there is a COVID-19 public health emergency declaration in effect.

U.S. States; Washington, DC; and U.S. territories had to submit separate requests to USDA for approval in order to issue P-EBT benefits for the 2020–21 school year and the summer months of 2021. Requests to issue P-EBT benefits were approved by USDA throughout FY 2021. By the end of FY 2021, all States; Washington, DC; American Samoa; Guam; Northern Mariana Islands; Puerto Rico; and the Virgin Islands had been approved to issue P-EBT benefits for the 2020–21 school year. All but Idaho, Nevada, New Hampshire, North Dakota, Oklahoma, Guam, and the Northern Mariana Islands had been approved to issue summer P-EBT benefits. Depending on the State or territory, benefits were issued in a lump sum or in multiple payments. In cases where P-EBT benefits issuance requests were not submitted and approved until after the start of the 2020–21 school year or the summer months of 2021, benefits were issued for the period retroactively.

In FY 2021, States; Washington, DC; and territories reported issuing about \$28.3 billion in P-EBT benefits in total, 162 percent more than the \$10.8 billion reported as issued in FY 2020 (figure 6). Most of these benefits were issued in the second half of FY 2021.

Figure 6

**Total reported P-EBT spending, March 2020–September 2021**



P-EBT = Pandemic Electronic Benefit Transfer.

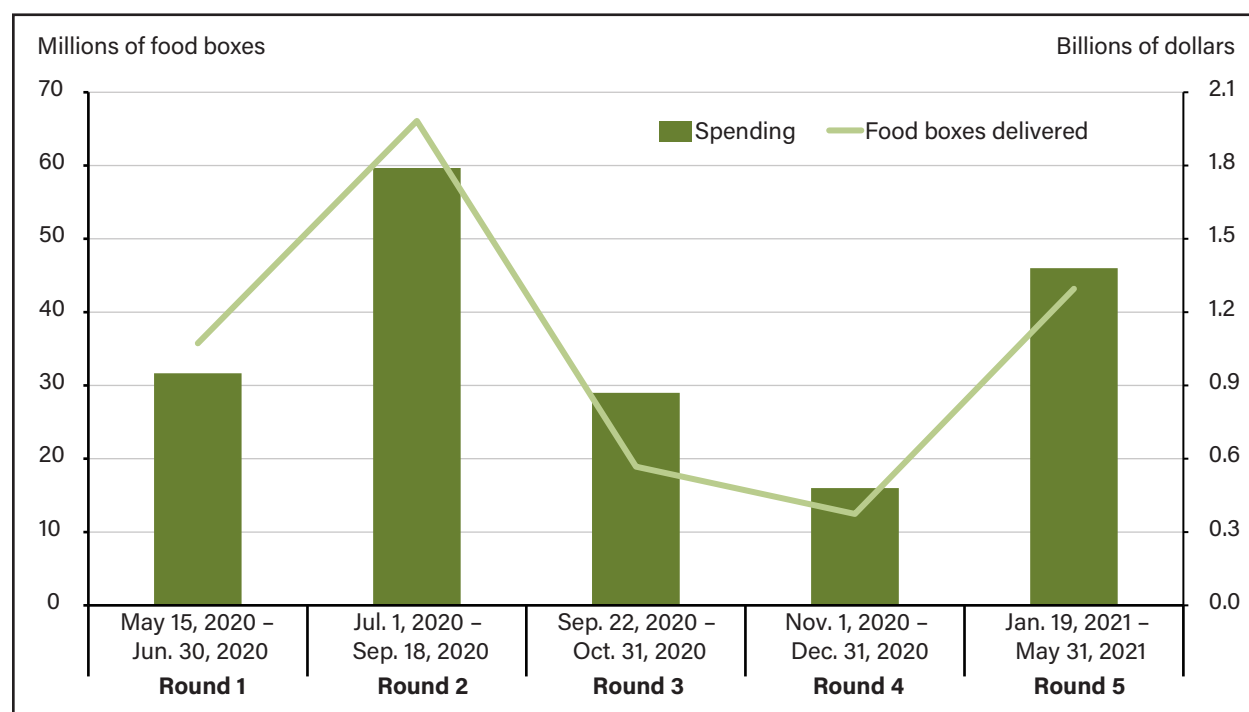
Notes: Figure based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and September 2021 Keydata released by USDA, FNS in December 2021. Reported spending on P-EBT includes the cost of P-EBT benefit issuance and other minor Supplemental Nutrition Assistance Program (SNAP) costs. Spending in billions of nominal dollars.

Source: USDA, Economic Research Service, using data from USDA, Food and Nutrition Service.

# Farmers to Families Food Box Program

Using flexibilities afforded by the Families First Coronavirus Response Act, USDA launched the Farmers to Families Food Box Program in April of FY 2020. Through this program, USDA purchased fresh produce, dairy, and meat products from U.S.-based producers of all sizes, which distributors packaged into family-sized boxes and transported to food banks and other charitable organizations for distribution to households in need. The program was administered in five rounds of several months each before it ended in FY 2021 on May 31, 2021. In FY 2021, USDA spent approximately \$3.0 billion on the program and delivered 73.1 million food boxes. Over the program's life in FY 2020 and 2021, it delivered 176.4 million food boxes at a cost of \$5.5 billion (figure 7).

Figure 7  
**Food Box Program boxes purchases and spending by round, May 2020–May 2021**



Food Box Program = Farmers to Families Food Box Program.

Notes: Figure based on U.S. Government Accountability Office (GAO) Report GAO-21-353. USDA, Agricultural Marketing Service (AMS) implemented the program in five rounds of various lengths. Spending in billions of nominal dollars.

Source: USDA, Economic Research Service, using data from the U.S. Government Accountability Office and USDA, Agricultural Marketing Service.

# USDA, ERS Report Summary: Prevalence of Food Insecurity

Households in the United States are categorized as food secure if all members have consistent and dependable access to enough food for an active, healthy lifestyle. Households are food insecure if, at times during the year, they struggled to afford adequate food for one or more members. The latter are further classified as having either low food security or very low food security. In households with very low food security, the eating patterns of one or more household members are disrupted and their food intake reduced at some point during the year. USDA's food and nutrition assistance programs increase food security by providing low-income households access to food, a healthy diet, and nutrition education.

USDA monitors household food insecurity in the United States through an annual nationally representative survey conducted in December, sponsored by USDA, ERS. A household's food security status is based on responses to a questionnaire about experiences and behaviors relating to food security in the prior 12 months, such as being unable to afford balanced meals or being hungry due to a lack of money for food. Results from the survey are published in annual USDA, ERS reports.

The most recent report examines data covering 34,330 sample households from the December 2020 survey and covers the period during which the COVID-19 pandemic and economic downturn began. Accordingly, the report provides important context for understanding the role of food and nutrition assistance during the pandemic.

## **During 2020:**

- An estimated 10.5 percent (13.8 million) of households were food insecure at least some time during the year, down from a high of 14.9 percent in 2011 and unchanged from the previous, pre-pandemic year of 2019.
- A total of 3.9 percent of all households (5.1 million) had very low food security, not statistically different from the 4.1 percent in 2019 (figure 8). On average, households classified as having very low food security experienced the condition in 7 months of the year, for 1 to 7 days of the month.
- Among households with children under age 18, 14.8 percent (5.6 million households) were food insecure at some time during 2020, up from 13.6 percent in 2019. In about half of food-insecure households with children, only adults were food insecure (7.2 percent of households with children); in the rest (7.6 percent of households with children), children were also food insecure. In 0.8 percent of households with children (322,000 households), food insecurity was so severe that caregivers reported that children were hungry, skipped a meal, or did not eat for a whole day at some point during the year because there was not enough money for food.
- Rates of food insecurity were higher than the national average for households with income near or below the Federal poverty guidelines, households with children (especially those headed by single women or single men), and Black- and Hispanic-headed households.
- The typical food-secure household spent 18 percent more on food than the typical food-insecure household of the same size and composition.
- About 55 percent of food-insecure households participated in one or more of the three largest food and nutrition assistance programs—SNAP, WIC, and NSLP (receiving free or reduced-price lunch)—in the month before the survey.
- Although the overall prevalence of food insecurity remained unchanged in 2020 as compared to 2019, there were statistically significant increases in rates of food insecurity among households with children

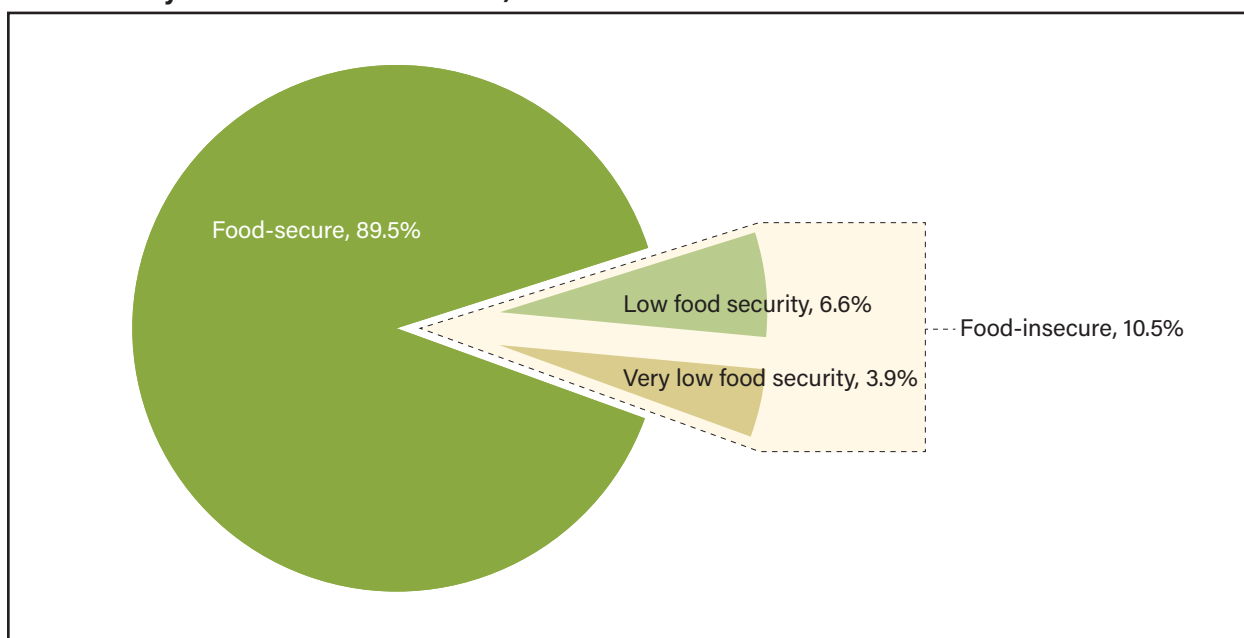


(including married-couple families with children) and Black-headed households across the 2 years. Rates of food insecurity declined from 2019 to 2020 for women and men living alone and White-headed households.

- From mid-November to mid-December, food insecurity was higher among households with a reference person unable to work because of the pandemic (16.4 percent food insecure) or not employed and prevented from looking for work because of the pandemic (20.4 percent food insecure) compared to the national average (5.7 percent food insecure).

Figure 8

**Food security status of U.S. households, 2020**



Source: USDA, Economic Research Service, *Household Food Security in the United States in 2020*.

Table 2

**U.S. food security at a glance, 2019–20**

	2019		2020	
	Thousands	Percent	Thousands	Percent
All households	129,621	100	130,459	100
Food-secure households	115,959	89.5	116,705	89.5
Food-insecure households	13,662	10.5	13,754	10.5
With low food security	8,340	6.4	8,613	6.6
With very low food security	5,322	4.1	5,141	3.9
All households with children	37,614	100	37,903	100
Food-secure households	32,480	86.4	32,280	85.2
Food-insecure households	5,134	13.6	5,623	14.8
With food-insecure children	2,434	6.5	2,870	7.6
With very low food security among children	213	0.6	322	0.8

Source: USDA, Economic Research Service, *Household Food Security in the United States in 2020*.

# Economic and Social Indicators Related to Participation in Food and Nutrition Assistance Programs

Among other factors, economic and demographic conditions affect participation in and spending on food and nutrition assistance programs by influencing the sizes of the eligible populations, the rates of participation among eligible people, and benefit levels.

Since USDA's food and nutrition assistance programs are means-tested, the number of people eligible to participate in the programs is linked to the strength of the economy. In particular, SNAP caseloads and benefits are strongly associated with economic conditions. SNAP is one of the United States' primary countercyclical programs, expanding during economic downturns and contracting during periods of economic growth. The number of SNAP participants generally tracks the number of unemployed people and the number of people in poverty (figure 9). However, improvement in economic conditions during the early stages of recovery may take longer to be felt by low-wage workers who are more likely to receive SNAP benefits, resulting in a lagged reduction in SNAP participation relative to reductions in unemployment.

In general, the U.S. economy recovered somewhat in 2021 after contracting in 2020 (table 3). For example:

- The number of employed persons increased by 4.7 million in 2021 after a drop of 9.7 million in 2020. Similarly, the number of unemployed persons fell by 4.3 million in 2021 after an increase of 6.9 million the previous year.
- The unemployment rate fell to 5.3 percent in 2021 from 8.1 percent the previous year.
- The labor force participation rate remained roughly the same at 61.7 percent in 2021.

The cost of food and other goods increased in 2021:

- The Consumer Price Index (CPI)—an indicator used to measure inflation—for food rose by 3.9 percent overall. This followed the relatively high increase of 3.4 percent in 2020 and was the largest change since a 5.5-percent increase in 2008.
- The CPI for all items increased by 4.7 percent in 2021, reflecting generally high inflation during the year. This was the largest increase in the CPI for all items since a 5.4-percent increase in 1990.

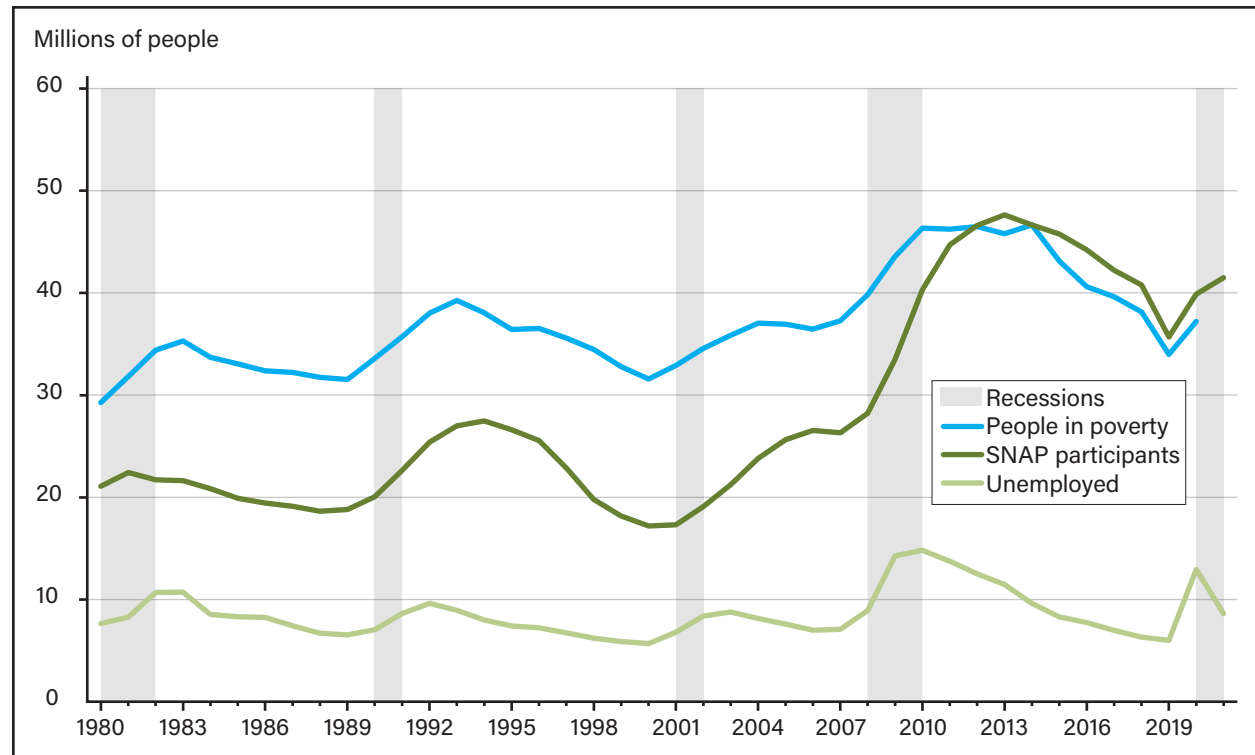
The latest income and poverty data from the U.S. Department of Commerce, Bureau of the Census indicate that in 2020:

- Median household income fell to \$67,521 from \$68,703 the previous year.
- There were 37.2 million people, including 11.6 million children, living in households with income below the poverty line. Overall, the poverty rate rose almost 1 percentage point from the previous year to 11.4 percent, though this was lower than the 2018 poverty rate of 11.8 percent.

Figure 9

# Number of SNAP participants, unemployed, and people in poverty, 1980–2021

*Economic conditions influence SNAP participation*



SNAP = Supplemental Nutrition Assistance Program.

Notes: SNAP participation is based on preliminary data from the January 2022 Program Information Report (Keydata) released by USDA, Food and Nutrition Service (FNS) in April 2022 and September 2021 Keydata released by USDA, FNS in December 2021. Grey vertical bars indicate years in which recessions occurred (January–July 1980; July 1981–November 1982; July 1990–March 1991; March–November 2001; December 2007–June 2009; February–April 2020).

Source: USDA, Economic Research Service using data from USDA, Food and Nutrition Service; U.S. Department of Labor, U.S. Bureau of Labor Statistics; and U.S. Department of Commerce, Bureau of the Census.

Table 3

**Selected economic and demographic indicators, 2018–21**

Indicator	2018	2019	2020	2021
Population in July (millions)	326.7	328.2	331.5	331.9
Births (millions)	3.8	3.7	3.6	NA
School enrollment (millions)*	56.4	56.4	56.4	56.3
Prekindergarten–grade 8	39.7	39.6	39.5	39.3
Grades 9–12	16.7	16.7	16.9	17.1
Employed persons (millions)	155.8	157.5	147.8	152.5
Unemployed persons (millions)	6.3	6.0	12.9	8.6
Unemployment rate (percent)	3.9	3.7	8.1	5.3
Labor force participation rate (percent)	62.9	63.1	61.8	61.7
Persons in poverty (millions)	38.1	34.0	37.2	NA
Poverty rate (percent)	11.8	10.9	11.4	NA
Children in poverty (millions)	11.9	10.5	11.6	NA
Poverty rate for children (percent)	16.2	14.1	16.1	NA
Median household income	\$63,179	\$68,703	\$67,521	NA
CPI for all items (annual percent change)	2.4	1.8	1.2	4.7
CPI for food (annual percent change)	1.4	1.9	3.4	3.9
CPI for food at home	0.4	0.9	3.5	3.5
CPI for food away from home	2.6	3.1	3.4	4.5

CPI = Consumer Price Index. NA = data not available.

Note: \*School enrollment for 2019–21 are projections.

Source: USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of the Census (population, poverty, and household income); National Center for Health Statistics (births); National Center for Education Statistics (school enrollment); and the U.S. Department of Labor, Bureau of Labor Statistics (employment, unemployment, labor force participation, and CPI).

# USDA, Economic Research Service Research Update

USDA, ERS conducts research related to domestic food and nutrition assistance internally by staff as well as through a portfolio of USDA, ERS-funded extramural research projects and partnerships. USDA, ERS has compiled a database of more than 1,100 peer-reviewed reports based on research (searchable on the USDA, ERS website by title, author, year of publication, and topic area). Recently released USDA, ERS reports include:

- *Cost Implications of Participant Product Selection in USDA's Special Supplemental Nutrition Program for Women, Infants, and Children (WIC):* A simulation of potential cost savings from requiring selection of least expensive brands of WIC-approved food items (Saitone et al., 2021).
- *Impact of USDA's Supplemental Nutrition Assistance Program (SNAP) on Rural and Urban Economies in the Aftermath of the Great Recession:* An examination of the effects of the increase in SNAP benefits on the rural economy compared to the urban economy in the aftermath of the Great Recession (Vogel et al., 2021).
- *Food Taxes and Their Impacts on Food Spending:* An analysis of the impact of food taxes on food spending for SNAP participants and other households (Dong and Stewart, 2021).
- *Food Insecurity Among Working-Age Veterans:* A comparison of food insecurity among working-age veterans and non-veterans (Rabbitt and Smith, 2021).

In response to the COVID-19 pandemic, USDA, ERS began a COVID-19 Working Paper series to publicly release preliminary analyses relevant to the impacts of the pandemic on agriculture, food, the environment, and rural America in a timely manner. Recently released USDA, ERS COVID-19 working papers include:

- *The Impact of COVID-19 Pandemic on Food-Away-From-Home Spending:* A summary of changes in frequency and dollar amount of U.S. consumers' food-away-from-home (FAFH) purchases during the COVID-19 pandemic (Marchesi and McLaughlin, 2022).
- *Filling the Pandemic Meal Gap: Disruptions to Child Nutrition Programs and Expansion of Free Meal Sites in the Early Months of the Pandemic* (summarized below): An examination of the expansion of free meal sites targeting children in the early months of the COVID-19 pandemic (Toossi, 2021).

## Filling the Pandemic Meal Gap: Disruptions to Child Nutrition Programs and Expansion of Free Meal Sites in the Early Months of the Pandemic

Beginning in March 2020, COVID-19 pandemic-related school and childcare provider closures disrupted the provision of meals to children through USDA's largest child nutrition programs—NSLP, SBP, and CACFP—threatening to sever or inhibit children's access to billions of meals they may have otherwise received. In response, USDA issued a series of waivers for child nutrition programs to facilitate the continued provision of meals to children while prioritizing the health and safety of communities. A recent COVID-19 working paper examined the expansion of free meal sites under these waivers and the extent to which they helped to compensate for the unexpected disruption to meal provision through the NSLP, SBP, and CACFP from March through May 2020.

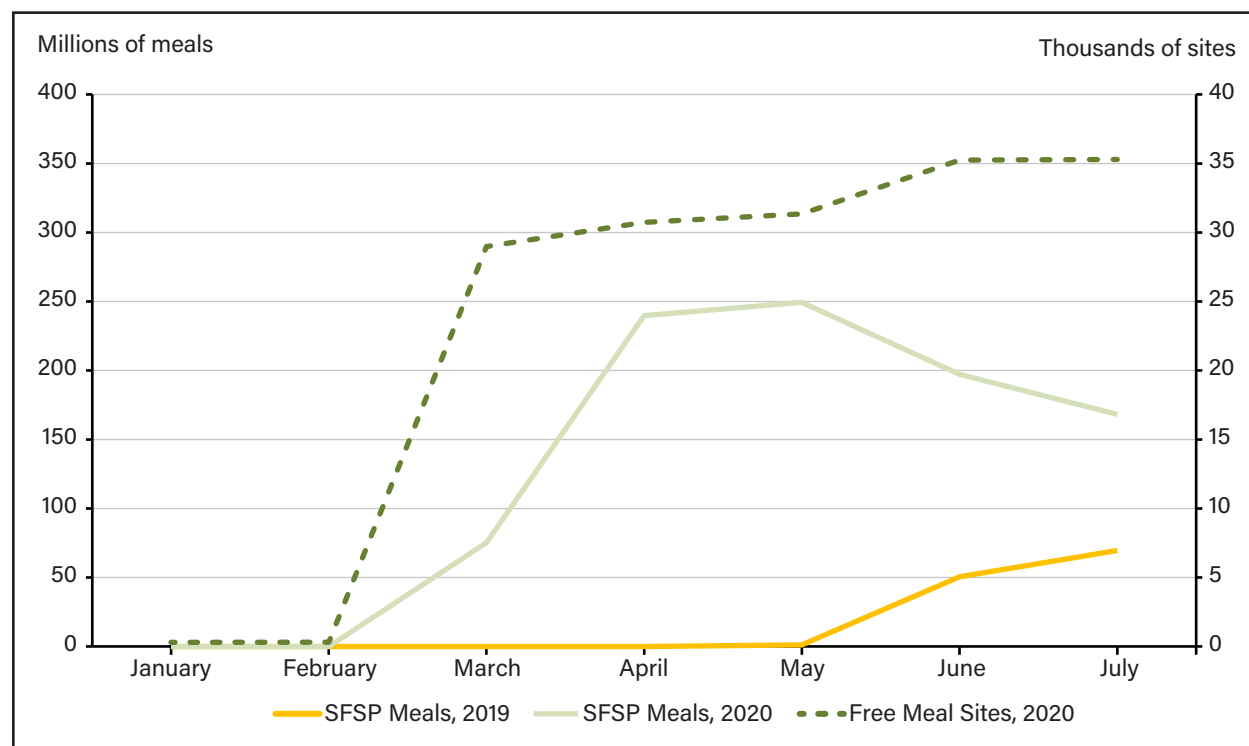
Typically, schools and childcare providers participating in NSLP, SBP, and CACFP are required to follow Federal guidelines requiring meals to meet certain nutrition standards and be served in group settings and at specific times during the day, among other requirements. USDA waivers temporarily suspended all or part of these requirements, allowing for “grab and go” meals that could be picked up by children's parents or guard-

ians, among other changes. Another set of waivers expanded the scope and coverage of free meal sites operating through SFSP and NSLP's and SBP's Seamless Summer Option (SSO).

The study found the child nutrition program infrastructure mobilized rapidly to meet children's food needs at the onset of the pandemic. The number of operating free meal sites expanded from at least 28,987 in March 2020 to over 31,347 by May 2020 (figure 10). Comparatively, only 6,254 were reported as operating in May 2019. Free meal sites operating through SFSP alone served 564 million meals from March through May 2020, significantly greater than the roughly 1.2 million meals served through SFSP over the same period in the previous year.

Overall, NSLP, SBP, CACFP, and SFSP served 1.7 billion meals between March and May 2020 – roughly 59 percent of what was served over the same months in 2019. These meals benefitted millions of children that may have otherwise not received them. Findings from additional analysis using data from the Household Pulse Survey indicated that among the roughly 13 percent of households with children that reported receiving free food in April and May 2020, about 70 percent reported receiving free meals from schools or other locations targeting children.

Figure 10  
**Trends in meals served through SFSP and number of free meal sites**



SFSP= Summer Food Service Program.

Note: The number of free meal sites includes only those open to all children in the community.

Source: USDA, Economic Research Service, *COVID-19 Working Paper: Filling the Pandemic Meal Gap: Disruptions to Child Nutrition Programs and Expansion of Free Meal Sites in the Early Months of the Pandemic*.

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