

Federal Increases to SNAP Benefits May Aid the Recovery from the COVID-19 Crisis More in Rural Areas

The federal government has updated food assistance benefits to reflect increases in costs for nutritious meals, and new research suggests that the economic advantages of enhanced benefits could be particularly robust in rural areas. Throughout the ongoing COVID-19 crisis, [Supplemental Nutrition Assistance Program \(SNAP\)](#) benefits have [aided](#) thousands of Granite Staters who have experienced economic hardships or trouble affording food. Federal analysis estimates that SNAP benefits can spur [economic activity](#), and newly-released research indicates that, when the economy is weak, SNAP provides a larger local economic boost in rural areas. Additional recent federal data indicate that temporary pandemic-related increases to SNAP benefits and other program changes may have [mitigated](#) expected increases in food insecurity during 2020. This information and the continued challenges facing individuals and families suggest that permanent increases to SNAP benefits first implemented in October 2021 have begun to provide greater support to individuals and the overall economy throughout the continued recovery from the COVID-19 crisis.

INCREASES TO SNAP BENEFITS

During June 2021, the United States Department of Agriculture (USDA) reevaluated the [Thrifty Food Plan \(TFP\)](#), which estimates the expenses, nutrition, and other factors in order to calculate maximum SNAP benefits. This recent evaluation of the TFP, which reflects updates to the costs of nutritious meals throughout the nation, resulted in increases to SNAP benefits to respond more closely to the cost of food. The TFP's reevaluation led to permanent [increases](#) to maximum SNAP benefits beginning in October 2021. The last time the TFP was comprehensively reevaluated was [15 years ago](#). This is the first time SNAP benefits have been increased beyond regular inflation adjustments during the program's history.

Newly-increased SNAP benefits are [21 percent higher](#) on average than benefits would have been without the policy change. This increase is also greater than the temporary 15 percent increase to benefits put in place by federal pandemic related aid packages, which ended in October 2021. In New Hampshire and the other 47 contiguous states, most SNAP households will receive [an additional \\$12 to \\$16 dollars](#) per person per month; SNAP benefit

Monthly SNAP Benefits Increase In New Hampshire, for Federal Fiscal Year 2022

Household Size	Amount of SNAP Benefit Increase
1	\$16
2	\$29
3	\$42
4	\$53
5	\$63
6	\$76
7	\$84
8	\$96

Source: United States Department of Agriculture Food and Nutritional Service *Thrifty Food Plan*, published August 2021
Note: Benefit increases began in October 2021 in New Hampshire.

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amounts are different in Alaska and Hawaii. For the current federal fiscal year, lasting from October 1, 2021 through September 30, 2022, USDA estimates an [additional \\$28 million](#) will support individuals, families, and the economy in New Hampshire as a result of these benefits increases. However, despite these permanent SNAP benefits boosts, or the temporary pandemic-related boosts, research suggests the maximum SNAP benefits still [may not cover](#) the average cost of a modestly-priced meal in New Hampshire. The new increases in SNAP benefits for most households will reduce the gap between benefit amounts and the costs of meals for all households, including those with the greatest levels of need.

POSITIVE ECONOMIC IMPACTS OF SNAP IN RURAL AND URBAN AREAS

In addition to directly supporting individuals and families struggling to afford food, SNAP benefits also provide necessary economic stimulus during times when the economy is weak. A 2019 [USDA analysis](#) estimated that every dollar invested in new SNAP benefits, which are funded by the federal government, would generate approximately \$1.50 in economic activity when the economy is weak. This research reflects similar analysis by [Moody's Analytics](#), which found a greater multiplier effect for SNAP benefits during early 2009, estimating \$1.74 of economic activity generated during that time period for every federal dollar invested towards new benefits.

A [newly-released USDA analysis](#) provides additional insight into the positive multiplicative economic impacts of SNAP benefits when the economy is weak. This October 2021 report estimates that rural economies may experience even greater economic boosts from SNAP benefits compared to urban areas. The USDA analysis indicates that benefits allowed for household budgets to be stretched further, enabling spending on other household necessities. Due to SNAP benefits, both economic output and employment were estimated to increase at proportionately larger levels in rural areas than in urban areas from 2009 to 2014, during the recovery from the Great Recession. New Hampshire is a relatively rural state and may be more positively impacted by additional SNAP benefits overall compared to more urbanized areas.

This key research into the conditions of the last recovery suggests these new, permanent increases to SNAP benefits may aid in reducing the [overall disparities](#) between urban and rural economies. These increased SNAP benefits will provide additional support to individuals and families throughout the state, and may provide an important boost to advance the economic recovery in New Hampshire's rural areas.

- *Michael Polizzotti, Policy Analyst*