

RISE IN FOODSHARE ANOTHER INDICATOR OF PANDEMIC'S TOLL

After years of steady decreases, the number of FoodShare recipients in Wisconsin has risen by more than 120,000 people since March amid the coronavirus pandemic. These figures speak to the hardship faced by families across the state and the numbers could rise further as key federal unemployment benefits run out.

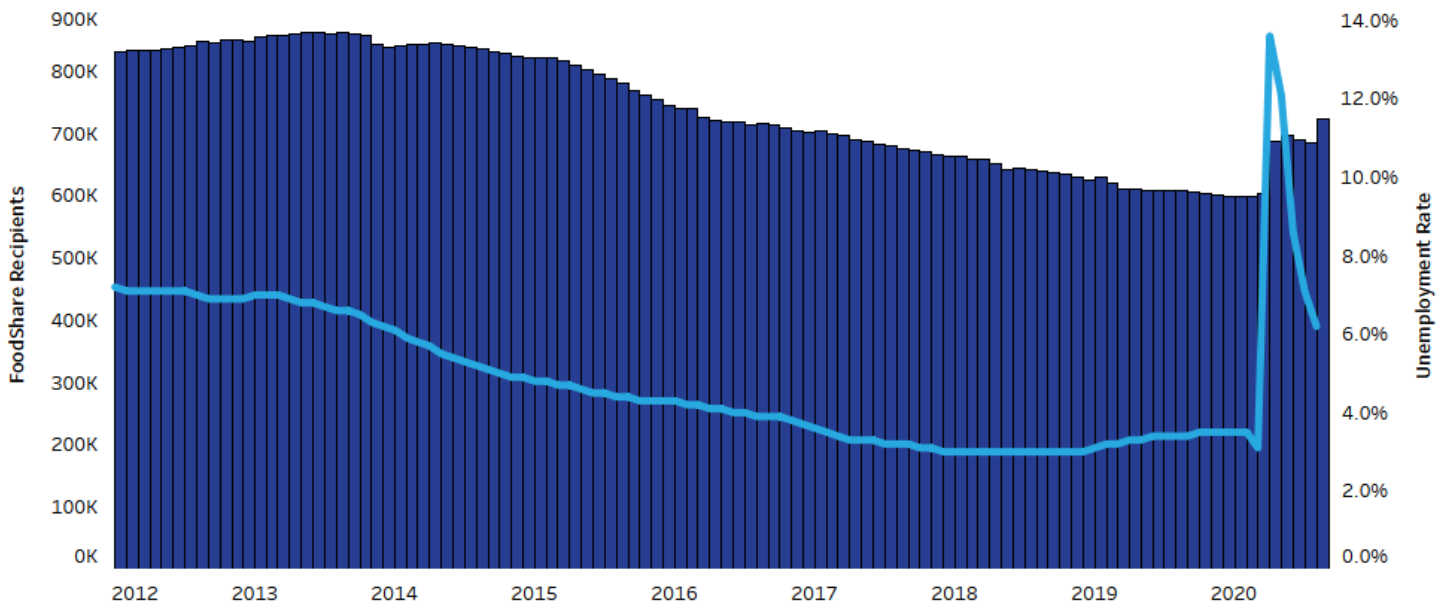
As of August 2020, Wisconsin's FoodShare program counted 724,200 recipients – an increase of 115,500 people, or 19%, over the same month in 2019. Driven upward by COVID-19, the number of households in the program now totals 378,200, an increase of 66,000 (21%) over last year.

FoodShare is the state program run by the Department of Health Services (DHS) to distribute federal Supplemental Nutrition Assistance Program (SNAP) benefits – once referred to as food stamps. As seen in Figure 1, the increases this year reverse a trend of declining FoodShare recipients going back to 2013. The drop reflected both falling unemployment rates and an improving economy prior to the pandemic as well as

changes to state law in 2013 and 2017 that limited who qualifies for the program. Between 2013 and 2019, annual program enrollment fell by approximately 252,400 individuals (29%) though it remained well above the levels seen prior to the Great Recession.

Figure 1 shows FoodShare added 83,600 recipients between March and April – the largest month-over-month increase since at least 2012. Recipient numbers fell somewhat by July – perhaps a reflection of the end of lockdowns and lower unemployment. Yet, August saw the outbreak's highest recipient numbers despite a continued decline in unemployment. Anecdotal reports also cite increased demand at food pantries.

Figure 1: FoodShare Rolls Fall, Rise Alongside Unemployment Rate
Number of FoodShare recipients vs. Unemployment Rate in Wisconsin



The rise in August could be explained by the expiration of the \$600 per week in additional federal unemployment benefits from the Coronavirus Aid, Relief, and Economic Security (CARES) Act approved in March. Those funds would have kept many jobless workers above the federal poverty level, and thus unable to qualify for FoodShare. People returning to work with fewer hours and less pay also may be among the recipients. Since then, the state has been approved for an additional \$300 in weekly federal unemployment benefits but it is not clear for how long or whether those particular benefits will count toward FoodShare income limits.

Even though the unemployment rate has been falling since its April peak, it is still 3.1 percentage points higher than pre-pandemic levels; without additional unemployment benefits, growth in FoodShare recipients may continue in the coming months. On the other hand, there may also be a lag in removing from FoodShare some previously unemployed workers who may have returned to work but not yet reported an increase in their income or been required to recertify for benefits.

BENEFIT PAYMENTS ALSO RISE

Monthly FoodShare benefits are distributed through EBT cards (similar to debit cards) used by individuals, families, and unrelated people who buy and share household meals. Nearly two-thirds of recipients are children or elderly, blind or disabled.

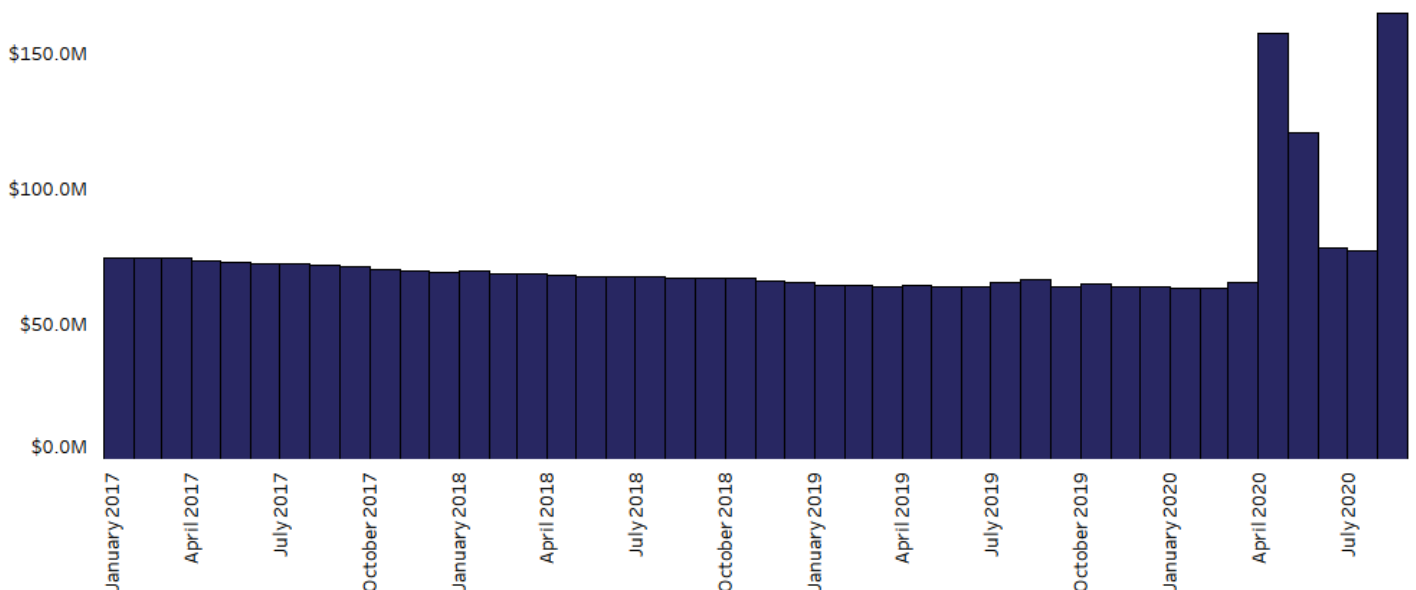
To qualify, beneficiaries must meet requirements that include having incomes at or below the federal poverty level (once certain deductions are applied). Also, elderly and disabled recipients must not exceed thresholds for savings and certain other assets. The federal poverty level is \$26,200 or less in annual income for a family of four, and \$12,760 for an individual.

Typically, able-bodied adults ages 18 to 49 with no children only qualify for three months of benefits out of every three years unless they are working or in a work training program (such as the FoodShare Employment and Training Program) for 20 or more hours per week. A federal exemption to waive the work or work training requirement for all able-bodied adults was approved in April and runs through September. A second exemption period has been approved and will be in effect from October 2020 through September 2021.

After falling for years, FoodShare benefit payments rose sharply this spring. In fact, the increase in benefits spending exceeded that of recipients, in large measure because during “state of emergency” periods federal regulations allow recipients to receive the maximum monthly benefit rather than their usual amount.

As shown in Figure 2, benefit payments fell from \$74.7 million in January 2017 to a low of \$65.3 million in March 2020. Payments spiked in both April and August – at \$157.3 million and \$164.7 million – because those months include back payments for March and

Figure 2: Benefit Payments, January 2017 to August 2020



July, when states of emergency were declared. September is anticipated to have payment amounts similar to May's \$120.9 million because the state of emergency declaration will still be in effect.

The current maximum benefit is \$646 per month for a family of four and \$194 for a single person. The average allotment per household in August was \$208.

In 2019, 10.9% of the nation and 14.4% in Wisconsin used SNAP benefits. Such differences can be due to various factors that include program rules.

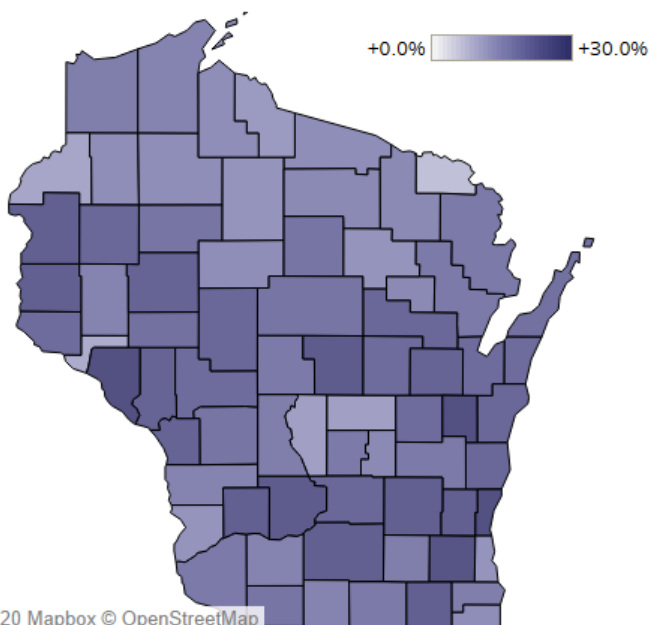
Since March, up to \$142 million in additional federal benefits has also gone to families whose children were enrolled in free or reduced-priced meals when schools were closed last spring. For now, these Pandemic EBT benefits are set to run out on September 30.

GROWTH IN FOODSHARE RECIPIENTS SEEN ACROSS THE STATE

Figure 3 shows the county-by-county increase in FoodShare recipients and households between August 2019 and August 2020. Forty of the state's 72 counties and two tribes saw an increase of 20% or more in FoodShare recipients.

As of August, 257,000 individuals in Milwaukee County were enrolled in FoodShare (27% of the population), which is an increase of 33,000 individuals (15%) over

Figure 3: Wisconsin sees increase in FoodShare recipients
Change in FoodShare recipients, August 2019 to August 2020



the prior year. Menominee County, which is home to the tribal nation of that name, was the only county with a larger share at 42%. Five other tribes also have between 24% and 40% of their population in the program: the Red Cliff, Lac du Flambeau, Bad River, Sokaogon, and Lac Courte Oreilles tribes.

[Survey](#) data from the U.S. Census Bureau suggest more Wisconsin families are experiencing food scarcity during COVID-19 but at a rate that is still below the nation. Census data from April 23 to July 21 of this year show the share of Wisconsin's population experiencing food scarcity lagged the nation by 2.1 to 4.8 percentage points from week to week. For some weeks, at least, that was outside the margin of error.

Overall, both experienced growth in the number of households reporting they sometimes or often did not have enough to eat during the previous seven days. In Wisconsin, that number amounted to approximately 405,000 people by Week 12 of the survey, a roughly 70,000-person increase from the estimated 334,700 people experiencing food scarcity in Week 1.

THE NEED FOR NUTRITION ASSISTANCE MAY STILL GROW

Since the pandemic erupted in March, the Wisconsin Policy Forum has published several reports that shed light on its many impacts on state residents. The swift rise in FoodShare recipients and benefits paid in 2020 adds a new perspective to this body of work.

Looking forward, a mix of factors will determine whether the number of people drawing on FoodShare benefits will rise or fall. Among them are federal supports for unemployment insurance and programs like SNAP, jobless rates, the impact of state restrictions on program enrollments, and whether those restrictions will be temporarily loosened during this crisis.

The sharp rise in FoodShare use highlights the challenges faced by Wisconsin families during this pandemic. Though a decline in unemployment may eventually bring those numbers back down, in the short term the state could see even higher numbers of recipients as CARES Act and other federal benefits run out. Policymakers will need to consider all of those trends in their ongoing responses to the pandemic and efforts to balance fiscal restraint with the needs of vulnerable citizens.

