



Statement before the House Committee on Agriculture
On the Pros and Cons of Restricting SNAP Purchases

The Supplemental Nutrition Assistance Program (SNAP): Time to Test a Sweetened Beverage Restriction

Angela Rachidi
Research Fellow in Poverty Studies

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Chairman Conaway, Ranking Member Peterson, and other Members of the Committee, thank you for the opportunity to testify this morning on restrictions on purchases in the Supplemental Nutrition Assistance Program or SNAP.

My name is Angela Rachidi, and I am a research fellow in poverty studies at the American Enterprise Institute (AEI). Prior to joining AEI, I spent almost a decade at the New York City Human Resources Administration (HRA) as the Deputy Commissioner for Policy and Evaluation. HRA is New York City's main social service agency and administers SNAP. During my time at HRA, the city provided SNAP benefits to almost 2 million New Yorkers each month.

In my role, I studied all aspects of the program. Most relevant for today is my experience—under the direction of then-Mayor Michael Bloomberg, Commissioners for Health Thomas Friedan and Thomas Farley, and HRA Commissioner Robert Doar—drafting a proposal for a demonstration project in New York City to restrict the use of SNAP benefits to purchase sweetened beverages. We proposed a restriction as a way to support the overarching goal of the program, which is to improve nutrition. Regrettably, it was denied by the US Department of Agriculture (USDA) in 2011.

In the years since I left HRA, the public health problems caused by sweetened beverages have not solved themselves. I am here today to urge the Committee to support demonstration projects that test whether a sweetened beverage restriction in SNAP can improve the health and well-being of SNAP recipients.

I will make four main points to support this recommendation:

1. Obesity and related health problems remain one of the most challenging public health issues of our time, affecting millions of poor and non-poor Americans, with sweetened beverages identified as one the main contributors.
2. The integrity of SNAP as a publicly-funded program rests on how well its implementation matches the stated goals of the program. Congress has stated that the purpose of SNAP is to support nutrition among low-income households, which is directly contradicted by allowing sweetened beverages to be purchased.
3. This public health problem is complex and requires a comprehensive approach that includes multiple strategies, including changes to SNAP.
4. A demonstration project to test a sweetened beverage restriction in SNAP is consistent with bipartisan efforts to support evidence-based policymaking. Through rigorous evaluation, a demonstration project could assess whether government efforts can achieve potential gains, such as better health, without adversely affecting other measures of well-being.

Before I get to these main points, I want to state clearly that SNAP is one of the more effective federal safety net programs in the US. A large body of research shows that it reduces poverty, improves food security among low-income households, and has positive effects on infant health

and long-term benefits for children who receive it.¹ In the average month in 2016, 44.2 million Americans received SNAP for a total cost of \$70.9 billion.² Among American households, 12.7 percent were food insecure in 2015 and 5.0 percent had very low food insecurity; percentages which likely would be much higher without SNAP.³ In 2015, SNAP lifted almost 4.6 million people out of poverty, according to the Supplemental Poverty Measure.⁴

Beyond these national statistics, I saw first-hand the positive impacts that SNAP had on individuals and families in New York City. It serves a wide variety of households, including the elderly, the disabled, and working families. However, as with any government program, it can always be improved. And as a nutrition assistance program, SNAP could do more to support healthy eating among recipient households, especially children.

Obesity, Health Problems, and the Connection to Sweetened Beverages

The National Institutes of Health has termed obesity “a devastating public-health crisis for the United States,”⁵ and for good reason. Among all Americans, 37.9 percent of adults (age 20 or older) were obese in 2013–2014 and over 70 percent were overweight or obese.⁶ Among children, 20.6 percent of 12–19-year-olds and 17.4 percent of 6–11-year-olds were obese in those same years.⁷ According to the Centers for Disease Control and Prevention (CDC), people who are obese are a greater risk for a variety of health issues, including type 2 diabetes, heart disease, stroke, some cancers, low quality of life, and certain mental illnesses.⁸

Excessive sugar consumption is considered one of the primary causes of obesity, with sugar-sweetened beverages specifically linked to excessive weight gain and obesity, and the related health problems that result.⁹ Because of these known associations and because sweetened

¹ See Judith Bartfield et al., eds, *SNAP Matters: How Food Stamps Affect Health and Well-Being* (Stanford, CA: Stanford University Press, 2015); Douglas Almond, Hilary W. Hoynes, and Diane Whitmore Schanzenbach, “Inside the War on Poverty: The Impact of Food Stamps on Birth Outcomes,” *Review of Economics and Statistics* 93, no. 2 (May 2011): 387–403; and Hilary Hoynes, Diane Whitmore Schanzenbach, and Douglas Almond, “Long-Run Impacts of Childhood Access to the Safety Net,” *American Economic Review* 106, no. 4 (April 2016): 903–34.

² US Department of Agriculture, Food and Nutrition Service “Supplemental Nutrition Assistance Program Participation and Costs,” February 3, 2017, <https://www.fns.usda.gov/sites/default/files/pd/SNAPsummary.pdf>.

³ Alisha Coleman-Jensen et al., “Household Food Security in the United States in 2015,” US Department of Agriculture, Economic Research Services, September 2016, <https://www.ers.usda.gov/webdocs/publications/err215/err-215.pdf?v=42636>.

⁴ Trudi Renwick and Liana Fox, “The Supplemental Poverty Measure: 2015,” US Census Bureau, September 2016, <http://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-258.pdf>.

⁵ National Institutes of Health, “About We Can! Background,” February 13, 2013, <https://www.nhlbi.nih.gov/health/educational/wecan/about-wecan/background.htm>.

⁶ Centers for Disease Control and Prevention, National Center for Health Statistics, “Obesity and Overweight,” June 13, 2016, <https://www.cdc.gov/nchs/fastats/obesity-overweight.htm>

⁷ Ibid.

⁸ Centers for Disease Control and Prevention, “The Health Effects of Overweight and Obesity,” June 5, 2015, <https://www.cdc.gov/healthyweight/effects/>.

⁹ Brian K. Kit et al., “Trends in Sugar-Sweetened Beverage Consumption Among Youth and Adults in the United States: 1999–2010,” *American Journal of Clinical Nutrition* 98, no. 1 (May 2013): 180–88.

beverages have no nutritional value, the White House Task Force on Childhood Obesity issued a report in 2010 that included recommendations calling for the nation's food assistance programs to be part of the solution by encouraging access to nutritious foods and offering incentives and eliminating disincentives to healthy eating habits.¹⁰ In addition, according to the 2015–2020 Dietary Guidelines for Americans:

The two main sources of added sugars in U.S. diets are sugar-sweetened beverages and snacks and sweets. Many foods high in calories from added sugars provide few or no essential nutrients or dietary fiber and, therefore, may contribute to excess calorie intake without contributing to diet quality; intake of these foods should be limited to help achieve healthy eating patterns within calorie limits. There is room for Americans to include limited amounts of added sugars in their eating patterns, including to improve the palatability of some nutrient-dense foods, such as fruits and vegetables that are naturally tart (e.g., cranberries and rhubarb). Healthy eating patterns can accommodate other nutrient-dense foods with small amounts of added sugars, such as whole-grain breakfast cereals or fat-free yogurt, as long as calories from added sugars do not exceed 10 percent per day, total carbohydrate intake remains within the AMDR [Acceptable Macronutrient Distribution Range], and total calorie intake remains within limits.¹¹

The USDA's Dietary Guidelines go on to note that the "the major source of added sugars in typical U.S. diets is beverages, which include soft drinks, fruit drinks, sweetened coffee and tea, energy drinks, alcoholic beverages, and flavored waters."¹² In fact, almost half of added sugars consumed by the US population come from sweetened beverages.¹³

This is why it is so alarming that such a notable percentage of food/beverage purchases in American households are for sweetened beverages, according to a recent USDA study.¹⁴ Among SNAP households, 9.25 percent of food purchases were for sweetened beverages and 7.10 percent of non-SNAP households were for the same. SNAP households spent more on sweetened beverages than fruits and milk combined. According to the National Health and Nutrition Examination Survey (NHANES), low-income children are more likely to consume sweetened beverages and intake more calories from sweetened beverages than higher-income

¹⁰ White House Task Force on Childhood Obesity, "Solving the Problem of Childhood Obesity Within a Generation," May 2010, https://letsmove.obamawhitehouse.archives.gov/sites/letsmove.gov/files/TaskForce_on_Childhood_Obesity_May_2010_FullReport.pdf.

¹¹ US Department of Agriculture, *Dietary Guidelines for Americans 2015–2020*, December 2015, 31, https://health.gov/dietaryguidelines/2015/resources/2015-2020_Dietary_Guidelines.pdf.

¹² Ibid.

¹³ Ibid.

¹⁴ US Department of Agriculture, Food and Nutrition Service, "Foods Typically Purchased by Supplemental Nutrition Assistance Program (SNAP) Households," November 2016, <https://www.fns.usda.gov/sites/default/files/ops/SNAPFoodsTypicallyPurchased.pdf>.

children.¹⁵ Children participating in SNAP in particular were more likely than nonparticipants to consume sweetened beverages,¹⁶ and 63 percent of adults receiving SNAP consumed a sweetened beverage on the day of the NHANES.¹⁷ Also according to the NHANES, more than half of adult SNAP recipients drank regular soda and 24 percent drank another sweetened beverage on the day of the survey.¹⁸ Sweetened beverage consumption is high among all American households, with low-income households and SNAP recipients no exception.

Program Integrity

High sweetened beverage consumption is not unique to SNAP households. But supporting such purchases, especially at levels suggested in the data, directly contradicts the stated goals of the program. The Food Stamp Act of 1977, which outlines the purpose of the program, states that the goal is “to provide for improved levels of nutrition among low-income households through a cooperative Federal-State program of food assistance.”¹⁹

Public health experts have clearly determined that sweetened beverages have no nutritional value and are a major contributor to obesity and related health problems. Few can argue the reverse. Yet, almost 10 percent of food and beverage spending among SNAP households is on these products.

To be fair, it is unclear whether SNAP households would make these purchases with their own money if they were restricted from SNAP or even in the absence of SNAP. However, for a program with a stated goal of improving nutrition, accepting such a large percentage of spending on beverages with no nutritional value seems counterintuitive and likely undermines public support for the program.

Beyond these concerns, allowing the purchase of sweetened beverages directly competes with the USDA’s nutrition education programming at the federal and state level. Approximately \$350 million is spent per year on SNAP Nutrition Education activities, with more spent by the states.²⁰ The Farm Bill of 2008 authorized an additional \$20 million to test demonstration projects designed to increase healthy eating. Federal dollars dedicated to improving nutrition

¹⁵ Euna Han and Lisa M. Powell, “Consumption Patterns of Sugar-Sweetened Beverages in the United States,” *Journal of the Academy of Nutrition and Dietetics* 113, no. 1 (January 2013): 43–53.

¹⁶ Cindy Leung et al., “Associations of Food Stamp Participation with Diet Quality and Obesity in Children,” *Pediatrics* 131, no. 3 (March 2013): 463–72

¹⁷ Sara N. Bleich, Seanna Vine, and Julia A. Wolfson, “American Adults Eligible for SNAP Consume More Sugary Beverages Than Ineligible Adults,” *Preventative Medicine* 57, no. 6 (December 2013), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3842507/>.

¹⁸ US Department of Agriculture, Food and Nutrition Service, “Diet Quality Among SNAP Recipients by SNAP Participation Status: Data from the National Health and Nutrition Examination Survey, 2007–2010,” May 2015, <https://www.fns.usda.gov/sites/default/files/ops/NHANES-SNAP07-10.pdf>.

¹⁹ Food Stamp Program Act of 1977, https://www.fns.usda.gov/sites/default/files/PL_106-580.pdf.

²⁰ US Department of Agriculture, Economic Research Service, “Nutrition Education,” October 12, 2016, <https://www.ers.usda.gov/topics/food-nutrition-assistance/supplemental-nutrition-assistance-program-snap/nutrition-education/>.

are in direct competition with benefit dollars being spent to purchase sweetened beverages.

Separately from SNAP, not confronting the problems created by obesity has substantial impacts on federal medical expenditures. Medical costs associated with obesity (which largely fall on Medicare and Medicaid) are estimated to be at least \$147 billion per year.²¹ Not only is SNAP contributing to sweetened beverage consumption, but it may be adding to other federal expenditures related to medical costs associated with obesity.

Problem Is Complex and Requires a Comprehensive Approach

As I already mentioned, the public health challenges posed by sweetened beverages are not unique to low-income households. But restrictions could be part of a broader approach to address the problem. Already, the USDA pilot tested a Healthy Incentive program, which gave financial incentives to SNAP households to purchase fruits and vegetables. The results of the evaluation found that the financial incentives increased consumption of certain fruits and vegetables by a small, but statistically significant amount.²² It also found that retailers had little trouble implementing the pilot. But the incentives had no effect on added sugars, which included no change to sweetened beverage consumption.

In another study, researchers randomly assigned low-income households not receiving SNAP into four different groups to test incentives, restrictions, and both. They found that the incentive plus restriction group (the restriction was on sweetened beverages and other sweets) had positive effects on fruit consumption and reduced sweetened beverage and other sweets intake.²³ The incentive-alone and restriction-alone group showed no difference compared with the control group. Although this was not conducted with SNAP households (given that the USDA has not allowed testing restrictions), it suggests that restrictions could be used to reduce sweetened beverage consumption.

Similarly, although not the main purpose, a study of the Summer Electronic Benefit Transfer for Children Program published in 2016 found that only a Women, Infant, and Children (WIC)–based model, which restricted what could be purchased with benefits, including sweetened beverages, led to a reduction in sweetened beverage consumption among families who participated.²⁴ The SNAP-based model, which had no restrictions, did not reduce sweetened beverage consumption.

²¹ See Eric A. Finkelstein et al., “Annual Medical Spending Attributable to Obesity: Payer and Service-Specific Estimates,” *Health Affairs* 28, no. 5 (2009): w822–31, <http://content.healthaffairs.org/content/28/5/w822.full.pdf>.

²² See US Department of Agriculture, Food and Nutrition Service, *Healthy Incentives Pilot Final Evaluation Report*, September 2014, <https://www.fns.usda.gov/snap/healthy-incentives-pilot-final-evaluation-report>.

²³ Lisa Harnack et al., “Effects of Subsidies and Prohibitions on Nutrition in a Food Benefit Program: A Randomized Clinical Trial,” *JAMA Internal Medicine* 176, no. 11 (November 2016): 1610–19.

²⁴ US Department of Agriculture, Food and Nutrition Service, “Summer Electronic Benefit Transfer for Children (SEBTC) Demonstration: Summary Report,” May 2016, <https://www.fns.usda.gov/sites/default/files/ops/sebtcfinalreport.pdf>.

Another recent study surveyed SNAP and non-SNAP participants on their perceptions of the program and areas for improvement around nutrition. Just over half of SNAP participants supported removing sweetened beverages from products allowed under SNAP, and almost 80 percent of non-SNAP participants supported the same.²⁵ In 2011, we surveyed New York City SNAP participants on their consumption patterns and attitudes around restrictions. We found that almost 70 percent of surveyed SNAP participants supported restricting sweetened beverages from SNAP (49 percent) or didn't care one way or the other (16 percent).

This research suggests that a restriction may be beneficial, but likely as part of other efforts to achieve the same. It also suggests that combining a restriction with incentives, broader nutrition education programs, and public messaging may reduce sweetened beverage consumption among those exposed.

SNAP Demonstration Project to Test Restrictions

For these reasons, and as part of a broader approach toward evidence-based policymaking, a demonstration project to test a sweetened beverage restriction in SNAP is needed. It could involve a few states or localities to assess whether the potential gains, such as better health, can be achieved without adverse effects on other measures of well-being. In a bipartisan effort in 2010, under the direction of Governor David Patterson and Mayor Michael Bloomberg, and in partnership with the New York City Department of Health, we submitted a proposal to the USDA to administer a demonstration project in New York City that would restrict sweetened beverages from SNAP.

Our main objective was to test whether a restriction would lead to changes in consumption of sweetened beverages and other food groups among SNAP recipients, as well as whether a restriction could be implemented. We designed a rigorous evaluation to compare like counties within New York City (one would experience the restriction while the other would not), as well as to assess whether retailers could appropriately implement the restriction and whether participants could follow the changes. We proposed using survey data and retailer data to assess changes in consumption patterns over time, as well as qualitative work to assess the retailer and participant experience. Regrettably, our proposal, which was to be funded completely by the city and the state, was denied by the USDA in 2011.

Since our proposal in 2010, we now know more about the Healthy Incentive Pilot and the Summer EBT pilot. Both studies suggest that more can be done to improve nutrition and reduce sweetened beverage consumption among SNAP households. The logical next step is to conduct a study of SNAP restrictions. Given what was learned from those studies, a demonstration project is not only possible, but has been made more feasible. With cooperation from the USDA and funding from Congress, a demonstration project involving a few states could greatly

²⁵ Cindy W. Leung et al., "Improving the Nutritional Impact of SNAP: Perspectives from the Participants," *American Journal of Preventive Medicine* 52, no. 2 (February 2017): 252.

expand our knowledge of what works in combatting sweetened beverage consumption and the obesity crisis.

To give you a sense of how this might work, the Healthy Incentive Pilot operated in 2010–2012 reprogrammed EBT data systems at the retailer source to identify and calculate incentives as part of the program. A similar approach could be taken, but with restrictions. Participants assigned to the restriction group would receive special EBT cards and retailer EBT systems would be programmed to not allow sweetened beverage purchases among those SNAP households. With the technology systems in place today, implementing this type of demonstration project would not be overly burdensome on retailers. In fact, as part of the Healthy Incentive Pilot, few retailers identified problems, and few said the pilot affected store operations. This type of design is not only possible, but it would provide a strong treatment and control study that would tell us whether any changes in sweetened beverage consumption were due the restrictions or not.

When we developed the New York City proposal, retailers were consulted about the ease or difficulty of implementing such a restriction. Retailers with EBT systems indicated that it could be done fairly easily since restrictions are already in place for other purchases, such as alcohol or nonfood items. One concern was retailers who do not use EBT systems, instead using manual systems. But these retailers make up a small share of overall SNAP sales and, as part of a demonstration project, could be counseled to ensure that they understand who is restricted from purchasing sweetened beverages and who is not. As part of the data collection effort, the evaluators would know whether households assigned to the restriction group were allowed to purchase sweetened beverages or not.

With a new Congress and administration, I am hopeful that a demonstration project in a few states be allowed in order to test whether a restriction could be effective. Given the problems of obesity and the toll it takes on our poor communities, this is an issue that receives bipartisan support. For example, the bipartisan National Commission on Hunger recommended in its 2015 report that Congress pass legislation to restrict sweetened beverages from SNAP. As a first step, Congress could authorize funding for demonstration projects.

Conclusion

Some may ask why restrict sweetened beverages and no other foods with added sugar. Even though precedent exists in other government programs to determine what is nutritious and what is not, there are two reasons for starting with sweetened beverages. First, the research is clear that sweetened beverages are a much larger contributor to added sugars in the diets of Americans today (almost 50 percent of added sugars comes from these products) than other products. Second, the amount of spending on sweetened beverages far surpasses what is spent on other candies and sweets. And added sugars are often combined with other nutritious foods, such as whole grain cereals, yogurts, or nuts. The case against sweetened beverages in a nutrition assistance program seems clear.

Some also argue that restrictions would be overly burdensome on retailers. While I respect the views of industry professionals, retailers already place restrictions on what can be purchased with SNAP benefits through their EBT systems, and the definition of sweetened beverage could be defined in a way that is very straightforward.

In terms of how a restriction might affect low-income households, I am sympathetic to not wanting the government to stigmatize or unfairly targeted poor households. But SNAP is a government-funded program with a clearly stated goal: to improve the nutrition of low-income households. Not only is allowing sweetened beverages inconsistent with that goal, it actually may work against it by contributing to poor health. I also question how detrimental a restriction could be, given that certain restrictions already apply, other food assistance programs implement restrictions, and the majority of SNAP households either support the restriction or do not care when asked on surveys. It is also possible that SNAP benefits are fungible, and many SNAP households use their own money for food purchases, suggesting that a restriction may not have much effect on consumption. However, it is unclear how SNAP households would respond to a restriction until it is tested and rigorously evaluated.

In conclusion, a restriction on sweetened beverages should be tested as part of a demonstration project for the purpose of improving public health. At a time when leaders of both parties are promoting evidence-based policymaking, testing such an idea and rigorously evaluating the results should receive broad support. I urge Congress to support pilot projects and urge the USDA to approve any requests from states.

Thank you, and I can respond to any questions that you may have.