The Food Stamp Program and Older Americans

The reauthorization of the 2008 Farm Bill expanded access to the Food Stamp Program for low-income Americans. The minimum monthly benefit and standard deduction for food stamp beneficiaries were increased and indexed to inflation. This was a landmark event, as these provisions have not changed for more than 30 years. These provisions also renamed the Food Stamp Program the Supplemental Nutrition Assistance Program (SNAP).

Introduction

The Food Stamp Program (FSP) is the primary form of federal nutrition assistance for low-income people of all ages. Participation in the FSP has increased by 4 percent since fiscal year 2005. In fiscal year 2006, expenditures for the FSP totaled $32.9 billion.

Eighteen percent of all FSP households contain at least one person age 60 or older. Households with older persons are, on average, smaller than the typical food stamp household. As a result, only 9 percent of all individuals who receive food stamps are age 60 or older. Approximately 2 million older individuals (of whom 1.6 million live alone) received food stamps in 2006.

Characteristics of Older Participants

In 20061 (the most recent year for which data are available),

- Eighty percent of elderly food stamp households contained a single person.
- Older women were the majority of participants in the FSP, comprising more than 65 percent of participants age 60 or older.
- Fifty percent of older food stamp participants were non-Hispanic white, compared to 24 percent African-American, 15 percent Hispanic, and 7 percent Asian.
- Sixty-eight percent of elderly food stamp households received Social Security, 55 percent received Supplemental Security Income (SSI), and 31 percent received both SSI and Social Security.
- Average monthly gross income (before allowable deductions) for elderly households was $715; the average monthly net income (after allowable deductions) for elderly households was $364.

Participation Rates

FSP participation by older persons is low: 18 percent of eligible households containing an elderly member received food stamps in 2006, compared with 52 percent of eligible households with children.2 Studies have found that the primary reason eligible older persons fail to participate is that they do not think they are eligible for the program. Many mistakenly believe their income or assets are too high.
Eligibility

Eligibility is based on financial need: Participants must meet federally determined levels for both income and countable assets. However, criteria differ somewhat for households with older adults (age 60 or older) and people with disabilities. Such households may have up to $3,000 in cash assets (other households are allowed only $2,000), and their monthly income must be below the federal poverty guideline, after taking all allowable deductions. Unlike other households, these households need not meet a cap on gross income. The reauthorization of the 2008 Farm Bill adjusted the asset limits to inflation starting in fiscal year 2009. In fiscal year 2007, net monthly income cannot exceed $817 for a single older individual and $1,100 for an older couple.

“Assets” do not include the house one lives in, personal belongings, a burial plot, or the cash value of any life insurance policy. Energy assistance payments are not considered as income.

Special Provisions for Older Households

Congress has attempted to facilitate participation by elderly and disabled persons by enacting special provisions in the FSP law. In addition to those mentioned above, special provisions include the following:

Application—Social Security and SSI recipients may receive food stamp applications at the Social Security office. SSI participants also are to be assisted in completing an application.

Certification—Households in which all members are 60 or older may have the in-office interview requirement waived.

Medical Deduction—Elderly households may deduct medical expenses, including Medicare premiums, in excess of $35 per month.

Use of Food Stamps—Older persons may use food stamps to purchase meals in certain approved restaurants that sell food at special reduced prices.

Benefits

Food stamp benefit levels are based on Department of Agriculture estimates of a low-cost meal plan called the Thrifty Food Plan (TFP). The benefit level is then reduced by 30 cents for every dollar of household income (after allowable deductions). Benefits are reduced because households are presumed to be able to allocate about one-third of their own income for purchasing food. The value of the TFP is adjusted annually for increases in food prices. In 2006, the average monthly benefit was $74 for a single older person and $91 per elderly household. Seventeen percent of older households received the minimum food stamp benefit of $10 per month. In 2006, the maximum food stamp benefit (for people of any age) was $152 per month for one person and $278 per month for a couple.

Reauthorization of the 2008 Farm Bill

The reauthorization of the 2008 Farm Bill expanded access to the Food Stamp Program. These provisions changed the name of the Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP). The minimum monthly benefit for eligible food stamp beneficiaries was increased from $10 to $14 and the standard deduction for food stamp beneficiaries was raised from $134 to $144 for fiscal year 2009.

The minimum monthly benefit and standard deduction for food stamp beneficiaries were also indexed to inflation. This was a landmark event, as these provisions have not changed for more than 30 years. Approximately
650,000 households containing 780,000 people (most of whom are older adults or people with disabilities) will benefit over a 10-year period from the increases in the minimum benefit.3 Another major change to the program was to annually adjust the food stamp asset limits for inflation. The Congressional Budget Office estimates that the asset limits for older adults and people with disabilities will increase from $3,000 to $3,250 in 2012.


2 Ibid.