

# Louisiana should make SNAP work better for working people

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By Danny Mintz

Every Louisiana worker, from the sanitation workers who keep our communities clean to the early childhood teachers who care for our youngest kids, deserves to eat decent, nutritious meals, live in a safe home, and enjoy time with those they love. For many Louisiana workers, the Supplemental Nutrition Assistance Program (SNAP, formerly, Food Stamps) is an important part of the household budget, helping to put good food on the table and freeing up family resources for other needs, such as rent and utility bills.

But some Louisiana workers at the lower end of the pay scale face an unnecessary penalty: SNAP benefits that are cut off too early when a family's income rises just above the program's threshold. This leaves some families worse off after they get a raise or more hours at work, but lose their SNAP benefits.

**Fortunately, an easy solution is available:** Louisiana can join the [majority of U.S. states and territories](#) by raising the gross income threshold for SNAP, so that families with high expenses for childcare, housing and other necessities can avoid losing meaningful SNAP benefits when they experience a modest increase in income.<sup>1</sup>

## MOST U.S. STATES AND TERRITORIES RAISE THEIR SNAP ELIGIBILITY THRESHOLD TO HELP FAMILIES WITH HIGH COSTS OF LIVING

States with enhanced gross income threshold

35

States with basic gross income threshold

18

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<sup>1</sup> "BBCE States Chart."

This policy change would benefit working people who don't earn quite enough to meet their needs, but who currently earn too much to qualify for SNAP, and whose high costs for expenses such as housing and childcare leave them with few resources to make ends meet. If this policy were in place in Louisiana in 2019, an estimated 7,000 to 14,000 additional households would likely had additional help with groceries through SNAP.<sup>2</sup> Enacting this change is straightforward: Gov. John Bel Edwards can direct Louisiana's Department of Children and Family Services to adopt this policy administratively and to recode their eligibility systems to put a new gross income threshold into effect.

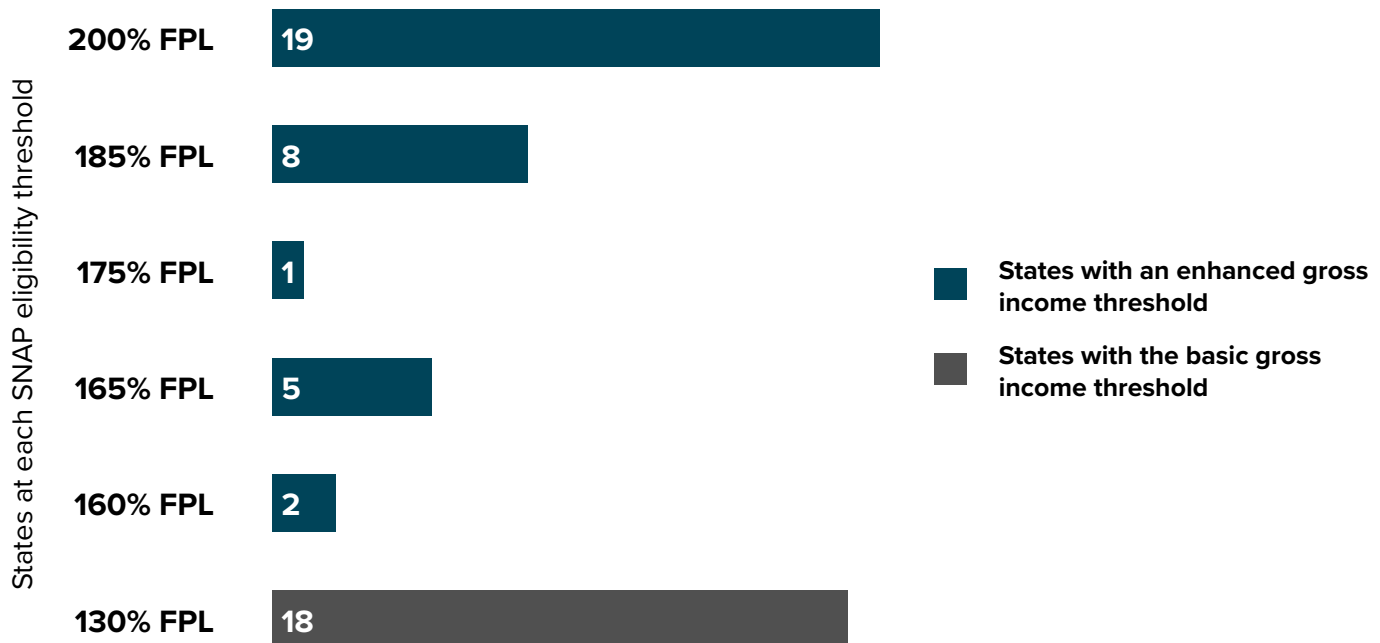
### SNAP can give more low-income Louisiana workers a boost

States calculate a household's SNAP eligibility using two measures of income:

- **Gross income**, which includes household income from all sources including from work and government benefits; and
- **Net income**, which is gross income minus countable deductions for expenses such as shelter costs, dependent care, and, in some cases, the costs of medical care.

Federal law sets SNAP's baseline gross-income threshold at 130% of the federal poverty line. In 2021, that's \$2,379 a month for a family of three. But regulations also let states raise that gross income limit through a policy option called "[Broad Based Categorical Eligibility](#)."<sup>3</sup> And most states—35 of the 53 states and territories that administer SNAP—use that option. In fact, the plurality of states (19) set their gross income threshold at 200% of the federal poverty line—\$3,660 a month for a family of three, providing key support to many cost-burdened working families.

### MOST STATES WITH HIGHER SNAP ELIGIBILITY CUTOFFS SET THEM NEAR 200% OF THE FEDERAL POVERTY LINE



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<sup>2</sup> Based on analysis of 2019 SNAP Household Characteristics data by the Center on Budget and Policy Priorities and an average Louisiana monthly SNAP caseload of 370,000 for federal fiscal year 2019. CBPP's analysis shows average caseload increases of 2–4% in states with higher gross income limits.

<sup>3</sup> Rosenbaum, "SNAP's 'Broad-Based Categorical Eligibility' Supports Working Families and Those Saving for the Future."

Even in states with a comparatively higher gross income threshold, SNAP still targets those families who need the most help. In all states, including Louisiana, SNAP provides the highest benefits to families with the lowest net incomes and tapers off as net income rises. An analysis of SNAP case data by Northwestern University professor Diane Schanzenbach finds that [the vast majority](#) of households who benefit from enhanced state gross eligibility thresholds include either children or elderly or disabled people (89%).<sup>4</sup>

Let’s look at two families on either side of the gross income threshold to see how current SNAP policy can leave some people with fewer resources to care for their kids when they earn a bit over the program’s eligibility threshold:

Sandra and Gabrielle are both single working mothers with two young children. Both parents are [on the waitlist](#) for state childcare assistance, so they enroll their children in the [lowest-cost childcare option available](#), an informal family-run daycare charging \$20 per child, per day.<sup>5</sup> Both pay the [fair market rent for a two-bedroom apartment](#) in the Greater New Orleans area.<sup>6</sup> Like many renters, both mothers are cost-burdened, spending nearly half of each month’s paycheck on shelter. And childcare is critical for each of them because they both work multiple jobs, averaging 49 and 50 hours a week at about \$11 an hour. Due to slight differences in their wages and hours, however, Sandra’s average take-home pay is \$43 less than the current SNAP gross income threshold for a 3-person household, and Gabrielle’s take-home pay is \$4 over the current 3-person household limit of \$2,379 per month.

|   | Sandra’s Family                             | Gabrielle’s Family                           |
|---|---|--|
| Hourly wage   | <b>\$11</b>                                 |  |
| Hours worked per week                                     | <b>49</b>                                   | <b>50</b>                                    |
| Gross monthly income <sup>7</sup>                         | <b>\$2,336</b><br>Eligible for SNAP by \$43 | <b>\$2,383</b><br>Ineligible for SNAP by \$4 |
| Childcare costs   | <b>\$840</b>                                |  |
| Rent  | <b>\$1,061</b>                              |  |
| SNAP benefits <sup>8</sup>                                | <b>\$582</b>                                | <b>\$0</b>                                   |
| TOTAL resources, including SNAP, after rent and childcare | <b>\$1,017</b>                              | <b>\$482</b>                                 |

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After rent and childcare, both families have less than \$500 left for the rest of their needs for the month, including utilities and clothing. But while Sandra’s family gets an additional \$582 to help buy groceries, Gabrielle’s family is cut off from that source of aid, leaving them barely scraping by.

Louisiana’s low gross income threshold for SNAP means that Gabrielle’s family ends up worse off than Sandra’s family because Gabrielle works one hour a week more than Sandra, essentially imposing a penalty on Gabrielle’s family because of her additional work.

<sup>4</sup> Schanzenbach, “Who Would Be Affected by Proposed Changes to SNAP?”

<sup>5</sup> Sonnier-Netto et al., “Balancing Act”; “2020 Louisiana Childcare Market Rate Survey.”

<sup>6</sup> “2021 Fair Market Rent in New Orleans-Metairie.”

<sup>7</sup> Gross monthly income is calculated using an average of 4.33 weeks per month (52 weeks per year / 12 months per year).

<sup>8</sup> In calculating SNAP benefits throughout this paper, we made the following assumptions: all household income is earned income, the household is responsible for all of their shelter expenses, including heating and cooling and other utilities, the household receives the standard deduction, earned income deduction, and dependent care deduction. For more information on how SNAP benefits are calculated, see “A Quick Guide to SNAP Eligibility and Benefits,” Center on Budget and Policy Priorities.

## LOUISIANA CAN AVOID PENALIZING LOW-INCOME WORKING PEOPLE

The solution to this problem is clear: By raising the gross income threshold to 200% of the federal poverty level (currently, \$3,660 for a family of three), Louisiana can prevent families like Gabrielle’s from being penalized for working more. If Louisiana took up this option, Gabrielle’s situation would look much different: her family would have substantially greater resources for food, clothing, and other needs, and would be in a better position to weather an economic setback, like an unexpected car repair.

|   | Gabrielle’s family under current Louisiana SNAP Policy | Gabrielle’s family under a higher SNAP gross income threshold |
|---|--|---|
| Hourly wage   | \$11   |   |
| Hours worked per week                                       | 50   |   |
| Gross monthly income  | \$2,383  |   |
| Childcare costs   | \$840  |   |
| Rent  | \$1,061  |   |
| SNAP benefits   | 0  | \$570   |
| Monthly resources, including SNAP, after rent and childcare | \$482  | \$1,052   |

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For low-income families with relatively higher wages and high living expenses, a higher gross income threshold would still provide valuable help affording basic necessities.

For example, Brittany has a relatively well-paying job as a medical appliance technician, earning \$20.41 an hour and working 40 hours a week (total of \$3,539 a month, a bit under 200% of the poverty level for a three-person household).<sup>9</sup> But because Brittany is a single mother with two kids enrolled in childcare, her costs of living are higher than the income she brings in.

Brittany doesn’t qualify for SNAP benefits under current Louisiana policy, but with expenses equal to Sandra’s and Gabrielle’s in our earlier example, she would receive a meaningful SNAP benefit during her children’s critical early years if Louisiana raised its gross income threshold to 200% of the federal poverty line.

<sup>9</sup> \$20.41 was the median hourly wage for a medical appliance technician in Louisiana in May, 2020, “Louisiana - May 2020 OEWS State Occupational Employment and Wage Estimates.”

|   | Brittany's family       |  |
|---|-------------------------|--|
| Hourly wage   | \$20.41                 |  |
| Hours worked per week                                       | 40                      |  |
| Gross monthly income  | \$3,538                 |  |
| Childcare costs   | \$840                   |  |
| Rent  | \$1,061                 |  |
| SNAP benefits   | With current SNAP rules | If Louisiana lifted the SNAP gross income threshold to 200% of FPL |
|   | \$0                     | \$265  |
| Monthly resources, including SNAP, after rent and childcare | \$1,637                 | \$1,901  |

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Without SNAP or other assistance, Brittany's family earnings fall short of what the [United Way ALICE project](#) estimated in 2018 as a survival budget for a Southeast Louisiana family with one adult and two kids in preschool.<sup>10</sup> With SNAP benefits, Brittany's family still falls short of the resources they need, but by less: about \$3,200, instead of the nearly \$6,900 short her family would be without SNAP.

|              | Brittany's Annual Income | United Way ALICE Survival Budget for Brittany's Family | Gap between Brittany's income and a survival budget |
|--------------|--------------------------|--|---|
| Without SNAP | \$42,456                 | \$49,338   | \$6,882   |
| With SNAP    | \$45,636                 |  | \$3,702   |

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Even with a higher income than Sandra and Gabrielle, Brittany's family resources still fall short of what Brittany and her kids likely need to meet their needs. But SNAP helps close that gap, giving Brittany more flexibility to provide better food and more stability for her children during the critical years of their early development.

**The bottom line: A simple change can give working families a boost.**

In 2020, aggressive and effective federal aid kept 53 million people out of poverty across the country, even as workers lost jobs and work hours to the pandemic. As Louisiana's economy moves toward a tenuous recovery, our state should maximize the support available to its workers.

Gov. John Bel Edwards and the Louisiana Department of Children and Family Services should bring Louisiana's policy in line with that of most other states, using Broad Based Categorical Eligibility to ensure that hard-working Louisianans don't lose valuable support when they get a small raise or more hours at work.

Louisiana should also join the 19 other states who set the SNAP gross income threshold at 200% of the poverty level, ensuring that moderate-income families cost-burdened by childcare and shelter can get the resources they need to thrive.

<sup>10</sup> "The ALICE Report."

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